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D2.5.1. CONCEPT OF THE GOOD IMPACT PROGRAMME

Version 1

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This document presents the concept of output O2.3, the Good Impact Program (hereinafter referred to as GIP), developed within the framework of the ICTr project. It provides a concise explanation of the GIP and outlines its proposed structure, with particular emphasis on (but not limited to) the institutional framework and implementation mechanisms. The GIP concept corresponds to deliverable D2.5.1. in the fifth project period and serves as the source for the development of the full GIP as output O2.3 in the sixth project period.

This conceptual document was intended to engage project partners in the co-creation of the GIP already at the design stage. Its purpose was to inform stakeholders about the planned content and direction of the GIP, enabling them to propose elements they consider important and beneficial, and to provide informed feedback on the draft concept. This participatory approach contributes to enhancing the quality of the final output O2.3 GIP, and by extension, the overall quality and impact of the ICTr project.

Content:

A. Purpose and Relevance of the GIP 2
B. Principle of the GIP 3
C. Implementation of the GIP 3
D. Institutional Framework of the GIP 4
E. ICTr GIP Implementation Process 5
F. GIP Implementation Action Plan 7
G. Any other business 8

A. Purpose and Relevance of the GIP

Cyclotourism is among the sectors of tourism with the lowest impact on the environmental and social landscape. Unlike mass tourism, which concentrates an excessive number of visitors in limited areas and thereby exerts substantial pressure on local ecosystems and communities, cyclotourism is characterized by its spatial dispersion and minimal infrastructural demands. The infrastructure required for cyclotourism typically involves low-impact linear constructions or the utilization of existing road networks, as opposed to the extensive and often disruptive developments associated with ski resorts, coastal tourism, golf courses and similar tourist idustry infrastructure.

In this sense, cyclotourists tend to be distributed more evenly across the destination's territory. They frequently travel through rural and peripheral areas, not only visiting designated tourist attractions but also exploring natural landscapes and using secondary routes. As a result, the carbon footprint generated by cyclotourism is minimal to negligible. Furthermore, cyclotourism contributes to a more equitable distribution of socio-economic benefits across the region, reaching communities that might otherwise remain outside the scope of traditional tourism flows.

Nonetheless, it is essential to acknowledge that cyclotourism is not without its negative consequences for the environment and society. The fact that its impacts are generally less severe than those of other tourism modes does not imply their absence. These negative impacts can be broadly categorized into three main groups:

- Environmental impacts
- Social impacts
- Economic impacts

The general purpose of programs such as the Good Impact Program (GIP) is to mitigate the negative impacts of cyclotourism on the environment and society in the areas where this form of tourism occurs (e.g., a cycling destination with a network of cycle routes, a long-distance cycle trail, or a trail center). In the case of the ICTr GIP, the primary objective is to reduce such impacts along the EuroVelo 13 Iron Curtain Trail, specifically within the three pilot sections selected for implementation within the ICTr project. In the future, the program may be extended to additional segments of this or other long-distance cycling routes.

The ICTr GIP is not a standalone component but is closely integrated with two innovative elements of the ICTr project: the application of the Carmacal carbon footprint calculator and the proprietary Impact Measurement System (IMS) developed within ICTr. Together, these three components form a unique and pioneering framework in the field of cyclotourism, with potential for broader application across other cycle routes and destinations in the future.

It is important to note, however, that while both the Carmacal tool and the IMS will be developed and tested within the duration of the ICTr project, the GIP will remain in only the design phase during this time. Its implementation is anticipated to begin only after the launch of the cyclotourism products that are also part of the ICTr project's outputs. Nevertheless, this does not diminish the significance of the GIP as a precedent-setting model for reducing the negative impacts of cyclotourism. Rather, it should be seen as a mid-term development activity within the broader agenda of sustainable tourism. It is expected that the results of the ICTr project will serve as a foundation for follow-up projects and activities in this field.

B. Principle of the GIP

The principle of the Good Impact Program (GIP) is relatively straightforward: the clients pay a surcharge that financially reflects their negative impact on the environment. This contribution is then used to fund projects aimed at reducing the environmental and social impacts of cyclotourism within the given destination or along a specific route.

As previously mentioned, the GIP operates within a broader framework that includes several essential components necessary to achieve its objectives. In other words, the successful implementation of the GIP principle depends on the presence and functionality of the following elements:

- A governance board of the cycling destination or route – an alliance of stakeholders who benefit from the destination or route and/or are responsible for its development and management;
- An operational cyclotourism product available in the destination or along the route;
- A data collection system – either at the level of the destination, the product, or a tour operator (e.g., a booking center);
- A system for quantifying the negative impacts of cyclotourism within the destination or along the route.

Within the ICTr project, these components are addressed through other project activities, specifically:

- Act. 1.5 – *Defining the ICTr Alliance – Sustainable ICTr Organizational Framework*;
- Act. 2.2 – *Evaluation and Adaptation of the Footprint Calculator to the ICTr Product*;
- Act. 2.3 – *Developing the Impact Measurement System and Integrating the Environmental Footprint Calculator*;
- Act. 1.3 – *Pilot Testing of the ICTr Cycling Product and Sustainable Business Model in 3 Pilot Areas*.

C. Implementation of the GIP

At present, the implementation of the Good Impact Program (GIP) is feasible only within the framework of organized cyclotourism products—both guided and self-guided. Organized cyclotourists make data collection possible (e.g., through guides or reporting systems), which is essential for assessing impacts and managing the implementation of the GIP. In contrast, unorganized (independent) cyclotourists do not allow reliable data collection, nor is there a viable mechanism for collecting the associated surcharge.

The success of GIP implementation depends on several factors:

- The existence of the four key structural components outlined above;
- Local legislative and socio-economic conditions;
- The type of area involved (destination-based vs. long-distance route-based).

Generally, implementation is expected to be more straightforward within defined tourist destinations (not the case of the ICTr project) compared to long-distance cycling routes. Tourist destinations typically have established governance structures (such as public administration and destination management organizations), stronger stakeholder networks, and a smaller geographic scope. These conditions facilitate the collection of data for tools such as Carmacal and the IMS (see below), and make coordination of the GIP more manageable.

By contrast, long-distance cycling routes face significantly more complex challenges. These include the absence of formal alliances along the route, differing legislative frameworks between countries, weaker interconnectivity among stakeholders (especially SMEs), and broader logistical difficulties overall.

This document has been developed within the framework of the ICTr project and therefore outlines a proposal for a pilot implementation of the GIP within the project's designated products along sections of the route. Specifically, the pilot concerns cyclotourism products in three pilot sections across eight countries along the EuroVelo 13 Iron Curtain Trail, where the sale of cyclotourism packages is anticipated in accordance with deliverable D.1.3.1 *Integrated Product Development for ICTr*:

- North: Poland – Germany
- Central: Czechia – Austria – Slovakia
- South: Hungary - Slovenia – Croatia

D. Institutional Framework of the GIP

As indicated above, the successful implementation of the ICTr GIP requires the establishment of a well-defined institutional framework. The key components and aspects of this framework are as follows (And will be detailed in the final output O3.2):

1. **ICTr Alliance** – The founding entity of the GIP, the Alliance plays a central coordinating role. It is responsible for selecting the booking centers and GIP implementers. In the GIP description, we will outline its responsibilities and tasks, noting that the Alliance must include an executive body to ensure operational functionality.
2. **Booking Centers** – These are the tour operators responsible for delivering the cyclotourism products. As they are the entities through which clients make payments, they are also responsible for collecting the GIP surcharge and transferring it to the GIP implementers. Booking centers—commercial travel agencies selected through tenders for each pilot area—will be entrusted with the operation of the respective tourism products.
3. **Impact Measurement System** – This includes the functional tools *Carmacal* and the *Impact Measurement System (IMS)*. These tools have already been developed and are currently undergoing testing by project partners.
4. **System for Monetizing Emissions and IMS Results** – This refers to the methodology for determining the financial value of emissions and the broader negative societal, economic, and environmental impacts. This step will be challenging, as there are no universally accepted standards for the financial valuation of CO_2 emissions (values vary widely depending on the

source and purpose of the valuation), and there is currently no precedent for valuing IMS outcomes. For the pilot phase, preliminary values will be determined on an experimental basis.

5. **GIP Implementer** – This entity will be responsible for selecting the projects to be supported through the GIP and for managing grant processes, including reporting. The GIP description will outline the general criteria that implementers must meet and the tasks they are expected to fulfill. It will also be necessary to define the duration of the mandate granted to them by the Alliance.

6. **Mechanism of geographic distribution** – a model for allocating GIP funds to the respective countries participating in the cyclotourism project that generated the GIP revenue. This is a complex issue, particularly because these are transnational products, and the routes frequently cross borders—alternating between countries and jurisdictions along the way. We will set the final mechanism in the outcome O3.2.

7. **Eligible Projects** – The existence of projects and initiatives aimed at mitigating the negative impacts of cyclotourism in the territories along the cycling routes. These projects form the foundation for the actual deployment of GIP resources in the field.

   Defining the eligibility criteria for projects to be supported through the GIP—so as to avoid the risk of greenwashing—is a complex matter that requires a far more detailed scientific assessment than the scope of the ICTr project currently allows. To some extent, this challenge can be addressed through consultations with experts in environmental, social, and economic sustainability during the selection phase of specific projects, or by involving such experts as members of the evaluation or selection committee.At a general level, it is possible to outline eligibility criteria approximately as follows:

   - The project should, through its focus and practical implementation, reduce the negative impacts of cycle tourism, ideally addressing the specific negative impacts of the given cycle tourism product.
   - The project should have a long-term focus and should not consist of one-time activities. However, support will be granted on an annual basis (probably), so project activities should be structured by year. This also ensures compliance with the rules for charitable advertising or income tax allocation, if relevant, where implementation periods are often time limited.
     Anyway, with a well-founded justification, the project can also focus on a one-time activity or measure, particularly in initial years of the GIP. However, in the case of such one-time support, it is necessary to demonstrate the long-term impact of the project, as well as the maintenance, operation, and other aspects of its results.
   - Financial support from GIP is not non-restricted money; it must be structured within a pre-defined budget.
   - GIP support should not be the sole source of funding for the project.
   - The project should primarily be implemented by a local organization, or at the very least, actively and equally involve a local organization.
   - If multiple projects are selected for support in one region, they should be demonstrably different in focus and/or location.
   - The project should be presentable to the clients, if they show interest—whether online or through a visit to a suitable location.
   - The funds that the project receives within GIP should provable remain in the local area of the project (excluding legal contributions and taxes).

E. ICTr GIP Implementation Process

Defining the GIP implementation process at the conceptual stage is a complex task. While outlining the process itself is not inherently difficult, the core of the GIP—namely the available financial volume that determines the program's size and scope—depends on inputs from the Carmacal and IMS systems, both of which are still in the testing phase during this project period. What is even more essential is that the financial foundation of the GIP derives from the operation of cyclotourism products, which will only become fully functional after the conclusion of the project. So, at this stage, we do not yet know how many clients will participate, nor the precise levels of negative impacts that will be assessed—thus, we cannot estimate the amount of financial resources the GIP will generate, nor how these resources will evolve over time.

A primary question, therefore, is when the GIP should actually be launched. Two options are under consideration. The first is to launch it as early as possible—ideally in the first year after the cycling products enter the market. This would have the advantage of allowing the system to be established and fine-tuned in advance, ready to receive incoming funds. However, it is not guaranteed that the cyclotourism products will generate sufficient financial volumes—through Carmacal and IMS calculations—to support a meaningful GIP from the outset.

The second option is to delay the GIP launch for several seasons, allowing time for a reliable financial base to form—one that would be attractive to both GIP implementers and eligible organizations, as well as to the users of the cycling products themselves. This matter remains open for further discussion within the project framework.

Regardless of the eventual launch date, the following implementation steps can be outlined as a foundational structure for further development:

1. **Definition and Communication of the Surcharge** – This includes calculating the surcharge based on CARMACAL and IMS data and incorporating it into the price of the product offered by the booking center. It is important to emphasize that the GIP model is based on the assumption that the surcharge will be mandatory for clients of the booking centers at a defined minimum level; only any additional voluntary contribution would be optional.
2. **Selection of the GIP Implementer** – The selection falls under the authority of the ICTr Alliance, and clear contractual arrangements will be required. Prior to appointment, eligibility criteria for the implementer must be defined; these will be outlined in the GIP description in general terms.
3. **Transfer of Funds from the Booking Center to the Implementer** – This includes determining methods of fund transfer, tax implications, timing, and other operational details. This is a particularly complex matter, as the booking center is a commercial entity selling cyclotourism products and thus generating profit. The GIP surcharge is part of this profit; in order to prevent it from being taxed as revenue, it must be treated as a tax-deductible expense. This implies that the implementer must issue an invoice for the amount of the GIP surcharge.
4. **Selection of Projects for Support** – The process of selecting and evaluating eligible projects will be managed by the GIP implementer, based on established criteria for eligible organizations and project types. Although the implementer is responsible for this task, it is recommended that experts in environmental and social sustainability be involved in the selection process to assess the actual effectiveness of the proposed projects in mitigating the negative impacts of cyclotourism. The GIP description will outline the required structure and content of support applications, as well as other procedural requirements.

5. **Projects Implementation and Financing** – The implementation process must consider payment models (e.g., number of disbursements, advance payments, etc.). Due to current limitations in available data, these considerations will remain indicative for now. Similar to the issue noted in point 3, funding disbursements for supported projects must be structured as tax-deductible expenditures for the GIP implementer. This will also determine deadlines for project implementation and final accounting. Basic principles of project monitoring and control must be defined, although these should remain proportionate to the expected financial volumes. It is also necessary to determine the scope and form of client engagement (e.g., project visits, visibility).
6. **Projects Reporting** – This represents the logical follow-up to the implementation phase. The GIP description will define at least a minimum structure and content for the final project report.
7. **Program-Level Reporting** – At the end of each GIP cycle, the implementer must prepare a comprehensive program report for the ICTr Alliance and the respective booking center(s).
8. **Communication of the GIP** – Communication is a continuous activity targeting both clients and local communities along the route. The GIP description will need to establish at least the basic objectives and channels of communication.

F. GIP Implementation Action Plan

As with the definition of the GIP implementation process, it is equally challenging to develop an action plan—that is, a translation of the process into a concrete timeline. At this stage, and throughout the duration of the ICTr project, we lack (and will not obtain) reliable information regarding the rate at which financial resources for the GIP will accumulate—resources generated by clients of the cyclotourism products based on data from Carmacal and the IMS.

For this reason, the action plan will focus primarily on the chronological relationships of implementation steps, rather than specifying the precise timing of the GIP launch relative to the start of product operations. The timeline will remain indicative. In developing this framework, we will draw on the expertise and experience of project partners, including both cyclotourism specialists and grant-making professionals.

G. Any other business

It is anticipated that, during the preparation of the full GIP, additional factors and conditions will emerge that are not yet known at the conceptual stage and will need to be incorporated. These may include, for example, issues related to GIP monitoring, more detailed legal and tax considerations, or barriers arising from the specific nature of cyclotourism. Should such aspects arise, they will be integrated into the GIP—either in the form of comprehensive sections or, where appropriate, in more concise chapters.