

Financing Regional Tourism Infrastructure

Concept Note 4

OBJECTIVE

The development of a sustainable and competitive tourism model requires modern physical and digital infrastructure capable of supporting the pressure of visitor flows without degrading the quality of life of the resident population. For regional governments, the main challenge is not only technical planning but also ensuring sufficient financial capacity to carry out the functions assigned to them.

The objective of this session is to discuss financing models that enable regions to lead investment in strategic infrastructure (transport, visitor centers, digital connectivity, waste and water management). It will examine how to move from dependence on state transfers to a model based on own and shared resources, assessing the viability of mechanisms such as tourism taxes and public-private partnerships (PPPs).

CONCEPTUALIZATION

The assumption of tourism-related competencies by regions must be accompanied by a solid financial architecture. Historically, regions have faced a gap between their political responsibilities and their revenue-raising capacity, which limits their room for maneuver to invest in long-term infrastructure. An efficient regional financing system must diversify its sources by combining general budgets, international cooperation funds, and specific fiscal instruments that ensure the wealth generated by tourism returns to the territory that bears its externalities.

In this context, the **tourism tax** emerges as a central instrument of debate. Traditionally applied at the municipal level to cover local services, there is a growing

need to establish **taxes of a regional nature**. This approach allows for a more equitable redistribution of revenues, preventing economic benefits from being concentrated solely in capital cities and enabling the region to finance structural infrastructure, restore heritage in rural areas, and mitigate environmental impacts in less densely populated but highly fragile areas. The regional tax thus becomes an instrument of territorial solidarity and climate justice.

However, public budgets alone are often insufficient to cover modernization needs. This is where **public-private partnerships (PPPs)** become particularly relevant, understood as a tool to mobilize private capital toward projects of public interest. Models such as concession fees or green bonds allow regions to accelerate the construction of critical infrastructure without excessively compromising their debt ceilings. Nevertheless, for these partnerships to be successful, the region must maintain its technical and regulatory authority, ensuring that private interests align with resilience indicators and territorial planning frameworks.

Finally, the financial sustainability of regions should not be understood as an end in itself, but as the indispensable foundation of political autonomy. A region that lacks its own budget to maintain its tourism infrastructure is reduced to a mere administrative manager of external directives. The creation of regional tourism investment funds, financed through smart taxation and reinvested in improving competitiveness and residents' 'quality of life, is what enables the transition from a resource-extraction economy to a sovereign and enduring territorial development model.

QUESTIONS AND CONCERNS

- How can regions ensure that the allocation of new tourism responsibilities is accompanied by the necessary budgetary transfers?
- Is a regionally managed tourism tax that promotes territorial solidarity preferable to a municipal tax that strengthens local autonomy?
- What fiscal incentives can regions implement to attract private investment in tourism infrastructure in areas at risk of depopulation?

- How can regions directly access international funds to finance the ecological transition of their infrastructure?
- How can it be ensured that revenues generated by tourism are effectively reinvested in the maintenance of the territory and not diluted within the general budget?