



***Monitoring and Evaluation of the  
European Strategy of Adriatic-Ionian Region (EUSAIR)  
Pillar 4 “Sustainable Tourism”***



***Final Monitoring and Evaluation Report***

**ZAGREB, CROATIA, NOVEMBER, 2022**

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## INTRODUCTION

The project “EUSAIR Monitoring and Evaluation for Pillar 4 - Sustainable Tourism” was assigned to the consortium comprising of the Institute for Development and International Relation – IRMO and Ecorys Ltd. The contract with the Croatian Ministry for Tourism was signed on July 17th, 2020.

The project includes three (3) main tasks:

- Task T 3.1: Building the Knowledge Base Relevant to Pillar 4 “Sustainable Tourism”,
- Task T 3.2: Establishing the EUSAIR Monitoring and Evaluation Framework,
- Task T 3.3: Capacity Building for Public Authorities.

During the first month of the project, intensive data gathering activities have been performed with the aim to build the strong monitoring and evaluation framework. Based on the template suggested and discussed by the Task Coordinator LKN ANALYSIS Ltd and the University of the Aegean, the key data have been summarised in the 1<sup>st</sup> project monitoring report together with the knowledge database which have been upgraded during the hole project period.

In the 1st annual monitoring report (October 2020) the trends in sustainable tourism in the Adriatic - Ionian Region were described in detail, as well as the SWOT analysis related to the development of sustainable tourism. This report presented the findings related to the preparation and implementation of projects related to sustainable tourism and culture in the area of the EUSAIR strategy. The report also analysed the governance and coordination of activities in the scope of the EUSAIR region and the list of recommendations for future activities on monitoring and evaluation of the implementation of the EUSAIR strategy through thematic goal 4 - sustainable tourism.

The 2nd annual monitoring report prepared in April 2021 pointed out the key changes recorded in the region during one year (compared to 2019). Additionally, the report gave a detailed overview of all key indicators related to sustainable tourism in the EUSAIR region and set initial values that can be monitored in the years to come.

The 3rd annual monitoring report prepared in April 2022 pointed out the recent data according the monitoring indicators and also the changes in the values of key indicators trough project period report. Additionally, the 3rd report gave the framework for future policy documents and guidelines related to sustainable tourism in EU and AIR, as well as the overview of the operational programmes in the region for the programming period 2021-2027.

The final annual monitoring and evaluation report gives the overview of sustainable tourism guidelines, sustainable tourism in European Union strategic documents and points out recent data according to developed indicators. Additionally, this report presents the first insight for the evaluation of the EUSAIR Pillar 4, it gives the recent analysis of Pillar 4, i.e., what has been planned during the application and what has been done in the past period.

Zagreb, 18 November 2022

# 1 SUSTAINABLE TOURISM IN THE ADRIATIC – IONIAN REGION

Macro regions are closely connected areas with common needs and challenges. To identify cooperation potentials, political leaders established macro-regional strategies. The strategies thus envisage and enable better cooperation in macro regions. They work across borders, sectors and governance levels. Macro-regional strategies serve as open and agile platforms for strategic networking. They help to coordinate joint policies and actions far beyond physical or psychological barriers. A broad range of people works together on thematic platforms and processes to define concrete work plans that ultimately shape cooperation on the ground. As such, they make cooperation meaningful and their macro regions stronger, more resilient and attractive to live in, everywhere and for all.

On February 14, 2022, the Adriatic-Ionian region was expanded also to San Marino (European Commission, 2022) so now the European Strategy for Adriatic-Ionian region concerns ten countries – four EU Member States (Croatia, Greece, Italy, Slovenia), five candidate and potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia Serbia) and now, San Marino.

Figure 1 Map of EUSAIR countries



Source: European Commission, [https://www.adriatic-ionian.eu/wp-content/uploads/2022/02/1\\_EN\\_ACT\\_part1\\_v4.pdf](https://www.adriatic-ionian.eu/wp-content/uploads/2022/02/1_EN_ACT_part1_v4.pdf)

Pillar 4 of the EUSAIR Strategy, Sustainable tourism, focuses on developing the sustainable and responsible tourism potential of the Adriatic-Ionian Region, through innovative and quality tourism products and services. Another aim is promoting responsible tourism behaviour on the part of all stakeholders across the Region. The specific objectives for this pillar are:

1. Diversification of the macro-region’s tourism products and services along with tackling seasonality of inland, coastal and maritime tourism demand.
2. Improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region.

Pillar 4 aims to contribute to smart growth through stimulation of competitiveness in the tourism sector of the Adriatic Ionian Region, as well as optimisation of the potential of EU policies and available financial instruments. It also aims to contribute to sustainable and inclusive growth through the promotion of resource-efficient, responsible and high-quality tourism with new, better and more long-term jobs and to consolidation of the Adriatic-Ionian Region's profile as a sustainable and high-quality destination (European Commission, 2014).

The EUSAIR macro-regional strategy is strongly committed in its strategy papers to the development of sustainable tourism and the development of innovations for sustainable tourism. Although less emphasized, sustainable tourism occupy a significant place in the other three macro-regional strategies. In the EUSBSR and EUSALP, tourism is seen as a contribution mainly to the achievement of goals related to economy, and in the EUSDR as a contribution to integration. Innovations in tourism are encouraged by investing in new products and services of small and medium enterprises in general, and thus small and medium enterprises in tourism. The same is shown in the following table.

**Table 1 Tourism in Macro-regional Strategies**

| Macro-regional strategies               | EUSAIR                   | EUSBSR                  | EUSDR   | EUSALP  |
|---|--------------------------|-------------------------|---|---|
| Strategic objectives and priority areas | 1. Blue Growth           | 1. Save the sea         | 1.Connecting the Danube region:<br><b>Promoting culture and tourism</b> | 1.Equal employment opportunities<br><br><b>Increase the economic potential of strategic sectors</b> |
|   | 2. Connecting the Region | 2. Connect the region   | 2. Protecting the Environment   | Sustainable internal and external accessibility   |
|   | 3. Environmental Quality | 3. Increase prosperity: | 3. Building prosperity  | 3. A more inclusive environment framework for all and   |

|                              |   |   |                              |  |
|------------------------------|---|---|------------------------------|--|
|                              |   | <ul style="list-style-type: none"> <li>- <b>Innovations</b></li> <li>- <b>Tourism – reinforcing cohesiveness of the macro-region through tourism.</b></li> </ul>                      |                              | renewable and reliable energy solutions for the future |
|                              | <b>4. Sustainable tourism:</b> <ul style="list-style-type: none"> <li>- <b>diversified tourist offers</b></li> <li>- <b>sustainable and responsible tourism management</b></li> </ul> |   | 4. Strengthening the region: |  |
| <b>Horizontal Objectives</b> | <ul style="list-style-type: none"> <li>- <b>research, innovation and SMEs, and</b></li> <li>- capacity building, including communication</li> </ul>                                   | <ul style="list-style-type: none"> <li>- Capacity building</li> <li>- climate change</li> <li>- cooperation with neighbouring non-EU countries</li> <li>- spatial planning</li> </ul> |                              |  |

Description: **Economy** /Environment and energy/Transport and connectivity /Resilience/Tourism and innovation

Source: Institute for Development and International Relations, 2022

### 1.1 Sustainable tourism framework

According to Global Sustainable Tourism Council (GSTC), sustainable tourism refers to sustainable practices in and by the tourism industry. It is an aspiration to acknowledge all impacts of tourism, both positive and negative. It aims to minimize the negative impacts and maximize the positive ones. Negative impacts to a destination include economic leakage, damage to the natural environment and overcrowding to name a few. Positive impacts to a destination include job creation, cultural heritage preservation and interpretation, wildlife preservation landscape restoration, and more.

Sustainable tourism is defined by the UN Environment Program and UN World Tourism Organization as “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.” Additionally, they say that sustainable tourism “refers to the environmental, economic, and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability (UNEP & UNWTO, 2005).

Historically, the movement toward sustainable tourism through responsible tourism emerged following the environmental awareness that rose out of the 1960s and 70s amidst a growing phenomenon of “mass tourism”. In 1973, the European Travel Commission initiated a multilateral effort to advance environmentally sound tourism and development (Leslie, 2012). Today, a

sustainable tourism represents an important concept that is a subject of many scientific papers and strategic documents.

## **1.2 Recent strategic documents related to sustainable tourism**

Sustainability is the main focus of the EU Tourism Policy that aims to maintain Europe's standing as a leading destination while maximising the industry's contribution to growth and employment and promoting cooperation between EU countries, particularly through the exchange of good practice. The EU's competence in the tourism is one of support and coordination to supplement the actions of member countries.

The latest EU strategic document related to sustainable tourism are the Resolution on establishing an EU Strategy for sustainable tourism and the European Commission report Transition Pathway for Tourism.

On 25 March 2021, the European Parliament adopted a resolution on establishing an EU strategy for sustainable tourism<sup>1</sup>. The Strategy points out that tourism and travel sectors account for almost 10% of the EU's GDP and the COVID-19 outbreak has put 6 out of 27 million jobs at risk. To address such a critical situation, the resolution does not only suggest to temporarily reduce VAT on these services, but also urges them to implement common European traveling conditions through the Digital Green Certificate. On the long term, the sanitary crisis is expected to launch a transition to a more 'sustainable, responsible and smart tourism', as well as a rethinking process aiming to plan the future of the industry. As part of this rethinking process, sport and sporting events have been highlighted as opportunities for the tourism sector.

Stressing that the COVID-19 pandemic has led to a shift in the nature of travellers' demands towards safe, clean and more sustainable tourism, Parliament called for the swift development of a roadmap for sustainable tourism that includes innovative measures to reduce the climate and environmental footprint of the sector by developing more sustainable forms of tourism, diversifying the offer, boosting new initiatives for cooperation and developing new digital services. The Strategy concludes that sustainable tourism action plans at national and regional level should be devised and full use should be made of the Next Generation EU funds to finance the tourism transition action plans.

In 2022, the European Commission published a report Transition Pathway for Tourism (2022) which represents a framework for development of sustainable tourism. The Transition Pathway for Tourism is the first one delivered as part of a broader action announced in the Industrial Strategy Update, published on 5 May 2021, where the Commission called for industrial ecosystems to accelerate the green and digital transformation and increase the resilience of the European economy. It initiated the principle of the co-creation of transition pathways with stakeholders, as an essential collaborative tool for the green and digital transformation of industrial ecosystems.

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<sup>1</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0109\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0109_EN.html)

The transition pathway is a plan jointly created with actors of the tourism ecosystem detailing key actions, targets and conditions to achieve the green and digital transitions and long-term resilience of the sector. The transition pathway calls on the tourism community to implement measures in twenty-seven areas, including:

- To invest in circularity to reduce energy, waste, water and pollution, and at the same time to better meet the increasing demand for sustainable tourism;
- To enhance data sharing practices to allow for new innovative tourism services and improve the sustainable management of destinations;
- To invest in skills to ensure the availability of qualified workforce and attractive careers in the ecosystem.

Another important strategic document, even though not strictly tourism-related, is the European Green Deal (European Commission, 2019), which aims at transforming the EU into a modern, resource-efficient and competitive economy, ensuring: no net emissions of greenhouse gases by 2050; economic growth decoupled from resource use; and no person and no place left behind. The European Green Deal provides an action plan to boost the efficient use of resources by moving to a clean, circular economy; restore biodiversity and cut pollution. The plan outlines investments needed and financing tools available. It explains how to ensure a just and inclusive transition. The EU aims to be climate neutral in 2050. We proposed a European Climate Law to turn this political commitment into a legal obligation. Reaching this target will require action by all sectors of our economy, including investing in environmentally-friendly technologies; supporting industry to innovate; rolling out cleaner, cheaper and healthier forms of private and public transport; decarbonising the energy sector; ensuring buildings are more energy efficient; and working with international partners to improve global environmental standards. Even though the European Green Deal is not directly related to sustainable tourism and preservation of natural and cultural heritage, the actions taken to achieve climate neutrality will indirectly affect the sustainable tourism and natural and cultural heritage.

### **1.3 Climate change and sustainable tourism**

Globally, the climate is one of the important factors in the development of tourism with a strong influence on tourist trends. The climate affects the length of the tourist season, the quality of the tourist offers and thus the tourist demand itself. Coastal areas are especially sensitive. A particular problem is sea level rise, which causes erosion. Changes in the sea level can affect the development of tourism due to growing concerns when choosing tourist destinations. Also, the changes affect the local population in threatened areas, which migrates and thus affects the economic development of coastal areas. In addition, the loss of coastal areas affects the loss of biodiversity, so special management plans are being prepared that envisage the construction of infrastructure in the area and its future development. Modern technologies such as Geographic

Information System (GIS) and satellite image analysis are useful tools in understanding these changes.

According to Ceron and Dubois (**2004**) favorable climatic conditions that tourists are looking for are:

- safety from climatic accidents and natural disasters,
- comfort, i.e. the longer and more regular the sunny period, the less presence of rain, and the absence of fear for human health,
- minimization of the main health risks associated with the climate, such as skin diseases, heart diseases, diseases of the respiratory system and other infectious diseases.

Climate change will probably not affect the amount of money spent in tourism, but the place where it will be spent will change. Due to the climate and climate changes, some of the most beautiful tourist destinations could lose their attractiveness in the near future, while some others with a more pleasant climate could successfully position themselves on the world tourist market.

Climate change also affects the tourist offer and the operations of the tourism sector. For example, seasonal operating energy costs, especially heating and cooling costs, water supply costs and insurance against natural disasters - storms, winds and precipitation or droughts - are increasing, and damage to tourist infrastructure is also increasing.

The indicator that monitors the impact of climate change on tourism is the Tourism Climate Index (TCI), which calculates the quality of the tourist experience and is linked to climatic elements.

The main changes in climate parameters that will affect tourist movements relate to an increase in temperature, an increase in solar radiation and a decrease in precipitation. Changes in climate parameters will lead to different implications for individual tourist destinations. Due to climate change, the northern areas of Europe could become more attractive for vacations during the summer months, while the Mediterranean could remain attractive (only) during the rest of the year. In addition to these main parameters, climate change will affect a number of other segments that are significant for local communities. For example, an increase in air temperature will cause an increase in the temperature of the sea as well as a rise in its level in the Mediterranean countries. According to the available climate models, the temperature in that area will rise up to 4 °C, and the sea level will rise up to 1 m by the year 2100 (WTO & UNEP, 2008). The consequences of climate change, especially the rise in temperature and sea level in the Mediterranean, are threats from flooding for settlements and areas with low altitude and salinization of rivers and coastal aquifers. This also increases the problems of water and food availability, biodiversity, health of tourists and the local population, etc. Weather conditions affect outdoor activities of tourists (for example, recreation) and indirectly on the consumption of tourists.

The negative impact of tourism on the increase in climate change is manifested through the consumption and use of space. Tourist facilities, tourist infrastructure and numerous tourists affect the quality of the environment and degrade the natural landscape, pollute water, accumulate waste

and consume large amounts of energy. Also, tourism contributes to the increase in greenhouse gas emissions with regard to transport, the method of travel and the distance of destinations. It is estimated that globally around 5% of total CO<sub>2</sub> emissions are related to tourism. However, the sustainable tourism can be a way to mitigate the climate change and its effects on tourism.

#### **1.4 Main changes in the sustainable tourism in the Adriatic – Ionian Region in the period 2013 – 2021**

In the period 2013-2021 the total of 1.46 billion of tourists visited Adriatic-Ionian Region. Before the COVID-19 pandemic, the most popular destination among tourists in the Adriatic-Ionian Region was Italy, where in 2019 arrived 65 million of tourists (63.2 million in 2018), followed by Greece with 25 million of arrivals in 2019 and 20.9 million in 2018. The least popular touristic destination is North Macedonia, where in 2019 arrived 755 thousand of tourists. Generally, the non-EU member states in the Adriatic-Ionian Region are less popular destinations among tourists, but in the period from 2012-2018 the growth rate of arrivals in non-EU countries was much greater than those in EU member states. However, the COVID-19 pandemic greatly affected the tourism in the AIR and in 2020 all of the countries had a sharp decrease in the number of arrivals. However, in 2021, the situation improved and data show that all of the AIR countries (data are available for) have had an increase in the number of arrivals. On the other hand, in comparison with 2013, only Albania had the larger number of tourist arrivals, all other countries are below 2013 level, which is presented in Figure 2.

**Figure 2 Number of arrivals of non-residents staying in hotels and similar accommodation establishments, 2013-2021 (2013=100)**



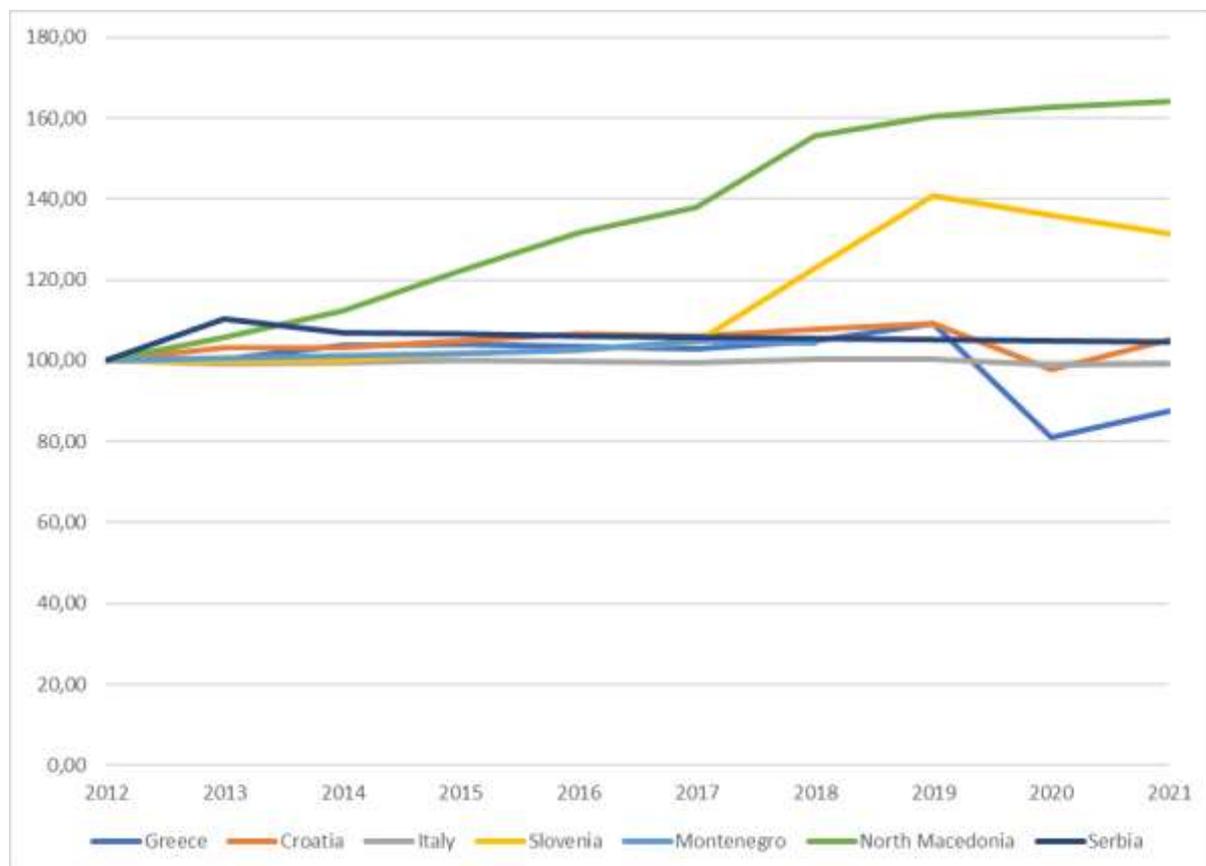
Source: UNWTO

When compared to the 3<sup>rd</sup> EUSAIR Monitoring Annual Report with the data for 2020, the situation in the EUSAIR countries regarding the arrivals of tourists has changed. After the decrease in the number of tourist arrivals due to COVID-19 pandemic, tourism in the region has started to recover and all AIR countries (except Montenegro and Serbia for which data are not available) have had an increase in the number of tourist arrivals. However, the trend remained the same, Italy and Croatia are still the most popular and Bosnia and Herzegovina least popular destinations.

As the most popular destination among EUSAIR countries, Italy also has the most developed infrastructure, i.e., the largest number of bed places in hotels and similar accommodation establishments, 2.2 million, followed by Greece with 675 thousand bed places and Croatia with 165 thousand bed places in 2021. The smallest number of bed places in hotels and similar accommodation establishments in Adriatic-Ionian Region is found in North Macedonia (24.4 thousands in 2021). However, in the period 2012-2021, the North Macedonia had the largest increase in the number of bed places in hotels and similar accommodation establishments. In the period 2012-2019, the number of bed places in hotels and similar accommodation establishments was growing among all AIR countries. However, in 2020, countries that data are available for had a decline in the number of bed places in hotels and similar accommodation establishments, except North Macedonia. In 2021, as tourism has started to recover, the number of bed places in hotels

and similar accommodation establishments in the Region has started to recover too. In 2021, only Greece and Italy were below 2012 level. The growth rate of bed places in hotels and similar accommodation establishments is presented in Figure 3.

**Figure 3. Number of bed places in hotels and similar accommodation establishments, 2012-2021 (2012=100)**



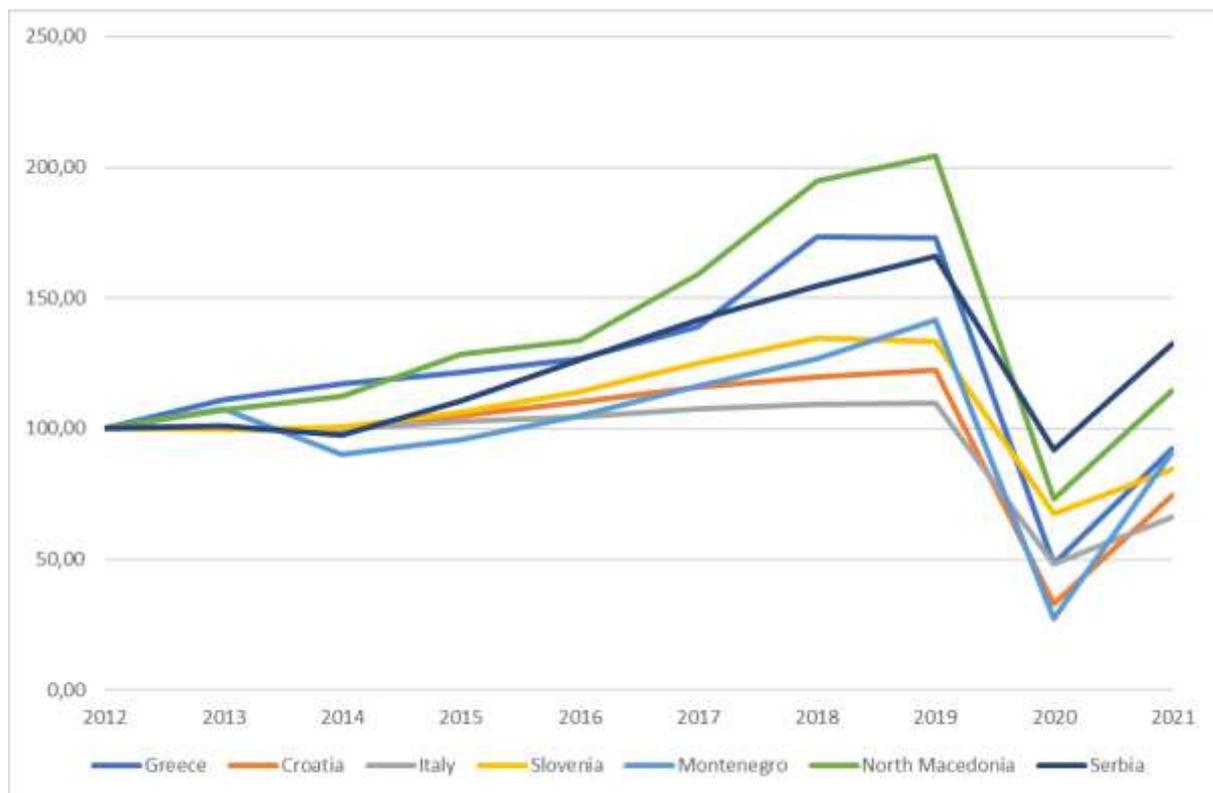
Source: Eurostat

In 2019, Italy was first among EUSAIR countries when comparing the number of nights spent in hotels and similar accommodation establishments with 280.9 million nights, followed by Greece with 109.2 million nights and Croatia with 25.9 million nights in 2019. The smallest number of nights spent in hotels and similar accommodation establishments was found in North Macedonia. However, the biggest growth in the nights spent in hotels and similar accommodation establishments was in North Macedonia, 100% more nights spent in 2019 than in 2012, while the smallest growth rate number of nights spent at hotels and similar accommodation establishments is in Italy (9.9%).

Like the number of arrivals, the number of nights spent in hotels and similar accommodation establishment also declined in 2020. All of the countries data are available for had a way smaller number of nights spent in hotels and similar accommodation establishments in 2020 than in 2012. The worst situation was in Montenegro, where in 2020 was at the level only 27.2% of nights compared to 2012, while the best situation was in Albania, where nights spent in hotels and similar

accommodation establishments were on the level of 91.8% of 2012. However, in 2021, the number of nights spent at hotels and similar accommodation establishments has also began to rise and all of the countries data are available for have had an increase in the number of nights, but only Serbia and North Macedonia are above 2012 level, while the slowest recovery is in Italy where in 2021, the number of nights spent at hotels and similar accommodation establishments is only 66% of the nights in 2012. The growth rate of nights spent at hotels and similar establishments in the period 2012-2021 is presented in Figure 4.

**Figure 4 Number of nights spent at hotels and similar accommodation establishments, 2012-2020 (2012=100)**



Source: Eurostat

As it was expected, the COVID-19 pandemic that occurred at the beginning of 2020, had large impact on tourism in the Adriatic-Ionian Region. The basic indicators, arrivals, nights and bed places show great decline in 2020 compared to the period from 2012-2019. However, the following Annual Report will provide evidences whether tourism is still affected by pandemic, or was there a recover.

## 1.5 SWOT Analysis – What has been changed

At the beginning of the monitoring of the EUSAIR Pillar 4, based on in-depth analysis of the data, the SWOT analysis has been done. After the three monitoring reports, several improvements in the AIR regarding the sustainable tourism have been done and it is presented in Table 1.

**Table 1. SWOT analysis of sustainable tourism in EUSAIR region**

| SUSTAINABLE TOURISM  |  |
|--|--|
| STRENGTHS  | WEAKNESSES   |
| <ul style="list-style-type: none"> <li>• Sustainable (green) competitive economic potential</li> <li>• Tourism as one of the fastest growing economic activities in the region and main GDP contributor</li> <li>• Rich cultural, historical, archaeological and natural heritage</li> <li>• Functional areas with joint characteristics</li> <li>• Knowledge on innovative tourism products and services such as cultural/creative industries</li> <li>• Critical mass of niches of excellence</li> <li>• Strong potential of nautical sector</li> <li>• Sustainable tourism brings vitality to local economy</li> <li>• Top quality attractions</li> <li>• Safe tourism destination</li> <li>• Slow tourism potential</li> </ul> | <ul style="list-style-type: none"> <li>• Rich natural, cultural, historic and archaeological heritage but not exploited in a sustainable and responsible way or not exploited at all</li> <li>• Inadequate knowledge and skills on sustainable tourism</li> <li>• <b>Inadequate level of quality in tourism offer</b></li> <li>• Poor implementation of sustainable tourism development policies and responsible tourism concepts</li> <li>• Low level of stakeholders' involvement (local population, visitors)</li> <li>• Insufficient ecological awareness of tourism participants</li> <li>• Seasonality</li> <li>• Lack of common branding strategies of macro regional tourism potentials</li> <li>• Complex and not harmonized regulatory framework</li> <li>• <b>Low level of diversification of the tourism offer</b></li> <li>• <b>Low level of accessibility of attractions to the visitors with special access needs</b></li> <li>• Inconsistency in the quality of infrastructure</li> <li>• Low labour productivity</li> <li>• Insufficient entrepreneurial and managerial skills</li> <li>• <b>Low innovation capacity</b></li> </ul> |
| OPPORTUNITIES  | THREATS  |
| <ul style="list-style-type: none"> <li>• Increase in cross-border cooperation</li> <li>• Regional weather and climate</li> <li>• Infrastructure improvement</li> <li>• EU funding for sustainable tourism cross-border cooperation</li> <li>• Evolution towards "experience" economy</li> <li>• Development of circular economy concept in sustainable tourism</li> <li>• Development of information and communication technology (ICT)</li> <li>• Cooperation in efficiency and effective cooperation of tourism and R&amp;D sector, innovation networks</li> <li>• Improving employment and education in tourism</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Strong dependency on the EU as a source market</b></li> <li>• Changing demography</li> <li>• Low level of integrated development initiatives and good governance policies</li> <li>• Tourism as a vulnerable activity</li> <li>• Climate change</li> <li>• COVID 19</li> <li>• Area that is at high risk of Earthquake</li> </ul>  |

Tourism is already a fast-growing and main GDP contributing activity in the Adriatic-Ionian Region. Moreover, the Adriatic-Ionian Region has sustainable (green) competitive economic potential, as well as the good weather and climate conditions. Rich cultural, historical, archeological and natural heritage provide a strong basis for sustainable tourism development. The Region is also characterized as a functional area with joint characteristics. Other strengths of sustainable tourism in Adriatic-Ionian Region are knowledge on innovative tourism products and services such as creative/cultural industries, critical mass of niches of excellence such as UNESCO sites, strong potential of nautical sector, top quality attractions (such as antique and Roman archeological sites, unique natural heritage sites) and security of tourist destinations. In addition, sustainable tourism brings vitality to local economy. On the other hand, the development of sustainable tourism in the EUSAIR macro-region is facing many obstacles, such as inadequate knowledge and skills on sustainable tourism forms, lack of innovative activities, inadequate level of quality in tourism offer, poor implementation of sustainable development policies and responsible tourism concepts, as well as low level of accessibility of attractions to the visitors with special access needs. These weaknesses are even stronger in view of current global threats, such as climate change, COVID 19 and the sensitivity of the area that is at high risk of earthquakes.

Still, there are opportunities to strengthen sustainable tourism initiatives and actions through increase in cross-border cooperation, evolution towards “experience” economy, development of circular economy concept in sustainable tourism, development of information and communication technology (ICT) and cooperation in efficiency and effective cooperation of tourism and R&D sector, innovation networks.

However, projects relevant for sustainable tourism in the AIR, implemented in the financial perspective 2014-2020 brought several improvements. The monitoring of the sustainable tourism in the Region showed that the implemented projects improved the quality of tourism offer in the Region. Also, these projects have led to the increase in the diversification of the tourism offer and increase in the level of accessibility of attractions to the visitors with special access needs. Finally, the big share of implemented projects introduced some kind of innovation in tourism, therefore, the level of innovation capacity also increased. Even though these elements are still considered as weaknesses, a step forward has been done in the previous period. Additionally, the analysis of the tourists' domestic countries showed that the AIR is being more and more recognised by tourists outside a Region and tourists outside an EU. Therefore, improvement related to threat related to the EU being the main market source for tourism in the AIR has also been done.

## 2 EUSAIR MONITORING AND EVALUATION INDICATOR SYSTEM

The monitoring of the EUSAIR TSG 4 is a part of the EUSAIR overall monitoring system. The monitoring activities started in 2020 with the baseline assessment and covered the time frame from 2017 till 2021.

The EUSAIR Indicators System includes indicators monitoring the overall socio-economic context of the EUSAIR area and indicators monitoring the context of the specific thematic areas covered by each Pillar.

**Socio-economic indicators** in the EUSAIR area are population, employment rate, unemployment rate, youth unemployment rate, people at risk of poverty and Human Development Index in social context and GDP per capita in economic context. These indicators were developed by the LKN ANALYSIS LTD and they are relevant to all Pillars of the EUSDR.

Monitoring the context of the specific thematic areas covered by each Pillar includes indicators related to each Pillar, in this case, Pillar 4 – Sustainable tourism, according to MRS.ESPON, the monitoring tool prepared by ESPON for the monitoring of the EU Macroeconomic Strategies. For Pillar 4 “Sustainable tourism” **context indicators** are ESPON indicators Tourism direct contribution to GDP, Jobs in tourism industries and Number of UNESCO World Heritage sites.

The overall monitoring of the EUSAIR Pillar 4 implementation is based on four groups of indicators – output indicators, result indicators, impact indicators and governance indicators.

**Output indicators** measure what is directly produced/supplied through the implementation of the co-financed projects, in physical or monetary units. Outputs could be measured at the level of supported entities, provided goods or services delivered. The Indicator System includes 3 output indicators in Pillar 4:

- Interregional investments in EUSAIR Pillar 4 related projects
- Supported transnational cooperation networks
- Innovation.

**Result indicators** capture the expected effects on participants or entities brought about by a project. The EUSAIR Indicator System for Pillar 4 contains 8 Result indicators for both topics:

- Number of arrivals
- Number of bed places in hotels and similar accommodation establishments
- Number of nights spent at hotels and similar accommodation establishments
- Relative contribution of tourism to the destination’s economy
- Total spending of overnight tourists
- Spending of same day visitors

- Occupancy rate in commercial accommodation per month and average for the year
- Direct tourism employment as a percentage of total employment in the destination.

This report suggests two additional result indicators:

- Intensity of greenhouse gas (CO<sub>2</sub>) emissions into the air from tourism and
- Travel & Tourism Competitiveness Index – Environmental Sustainability

**Impact indicators** are linked to the higher level of strategy objects, capturing the effect of the co-financed interventions in the whole EUSAIR area. 2 impact indicators are developed, reflecting the impacts on sustainable tourism in the Adriatic-Ionian Region:

- Strategies and action plans developed in the field of natural and cultural heritage and tourism and
- Joint tourism products developed and promoted.

The Indicator System also supports two **Governance Indicators** suggested for Pillar 1, but also found relevant for Pillar 4 “Sustainable tourism”, approaching the procedures followed by the TSG for the implementation on the Pillar strategy. These indicators are:

- Attendance of TSG4 meetings and
- Number of projects ideas generated by the TSGs.

Finally, three **cross-pillar indicators** are suggested:

- Innovation,
- Employment rate and
- Supported transnational cooperation networks.

## **2.1. Monitoring of the development of the Adriatic-Ionian Region**

Monitoring and evaluation activities leads to understanding whether planned activities develop in line with the objectives and priorities of the EUSAIR and TSG4, if some priorities might become obsolete as the situation has improved substantially, or whether efforts on some priorities might benefit from a substantial strengthening as the overall developments point in the wrong direction.

### **2.1.1. Socio - economic indicators**

Indicators monitoring the Adriatic-Ionian Region socioeconomic context include indicators that measure economic conditions and social context in the EUSAIR area. These indicators are population on 1 January, GDP per capita, Global competitiveness index, employment rate, unemployment rate, youth unemployment rate, people at risk of poverty or social exclusion and Human Development Index.

Indicator Population on 1 January shows that all the EUSAIR countries, that data are available for, except Slovenia, record a decline in population in the time period from 2017 till 2021. On the other hand, all of the countries are also recording the growth in the GDP per capita, which can be more a consequence of the decline in population, then the increase in economic activity due to COVID-19 pandemic. However, the real consequences of the crisis due to the COVID-19 pandemic and the war in Ukraine will be seen in future.

Regarding the labour market, three indicators were showing improvement in the AIR until 2020 and / or 2021. It is important to take into account that countries in the AIR are mostly touristic countries in which large share of employment is related to tourism and catering. Since these activities were highly affected by COVID-19 pandemic, it was expected that the employment rate would have fallen, while unemployment rate and especially youth unemployment rate would have risen.

Indicator People at risk of poverty and social exclusion is mostly stable in the AIR countries in the analysed period. The largest share of people at risk of poverty and social exclusion is in Albania, 46.2% in 2020, and smallest in Slovenia – 14.3% in 2020 and 13.2% in 2021. Global Competitiveness Index and Human Development Index in all EUSAIR countries are rising in analysed period, and both of them are largest in Slovenia and smallest in North Macedonia.

Data for San Marino as a new member country is not available for most of the indicators, so the real comparison regarding the socioeconomic context is not possible.

**Table 2 Socio – economic indicators**

| Indicator               | Unit             | Country                | 2017       | 2018       | 2019       | 2020       | 2021       |
|-------------------------|------------------|------------------------|------------|------------|------------|------------|------------|
| Population on 1 January | Number           | Greece                 | 10,768,193 | 10,741,165 | 10,724,599 | 10,718,565 | 10,678,632 |
|                         |                  | Italy                  | 60,589,445 | 60,483,973 | 59,816,673 | 59,641,488 | 59,236,213 |
|                         |                  | Slovenia               | 2,065,895  | 2,066,880  | 2,080,908  | 2,095,861  | 2,108,977  |
|                         |                  | Croatia                | 4,154,213  | 4,105,493  | 4,076,246  | 4,058,165  | 4,036,355  |
|                         |                  | Montenegro             | 622,387    | 622,359    | 622,182    | 621,873    | 620,739    |
|                         |                  | Albania                | 2,876,591  | 2,870,324  | 2,862,427  | 2,845,955  | 2,829,741  |
|                         |                  | Serbia                 | 7,040,272  | 7,001,444  | 6,963,764  | 6,926,705  | 6,871,547  |
|                         |                  | Bosnia and Herzegovina | -          | -          | -          | -          | -          |
|                         |                  | North Macedonia        | 2,073,702  | 2,075,301  | 2,077,132  | 2,076,255  | 2,068,808  |
|                         |                  | San Marino             | -          | 34,453     | -          | -          | -          |
| GDP per capita          | EUR / inhabitant | Greece                 | 16,450     | 16,730     | 17,100     | 15,460     | 17,010     |
|                         |                  | Italy                  | 28,940     | 29,580     | 30,080     | 27,940     | 30,150     |
|                         |                  | Slovenia               | 20,820     | 22,140     | 23,230     | 22,360     | 24,770     |
|                         |                  | Croatia                | 12,100     | 12,890     | 13,680     | 12,460     | 15,020     |
|                         |                  | Montenegro             | 6,910      | 7,490      | 7,960      | 6,740      | 8,000      |
|                         |                  | Albania                | 4,020      | 4,480      | 4,820      | 4,680      | 5,490      |
|                         |                  | Serbia                 | 5,590      | 6,140      | 6,620      | 6,790      | 7,800      |

|                              |       |                        |       |       |       |      |      |
|------------------------------|-------|------------------------|-------|-------|-------|------|------|
|                              |       | Bosnia and Herzegovina | -     | -     | -     | -    | -    |
|                              |       | North Macedonia        | 4,840 | 5,170 | -     | -    | -    |
|                              |       | San Marino             | -     | -     | -     | -    | -    |
| Global competitiveness index | Score | Greece                 | 61.8  | 62.1  | 62.58 | -    | -    |
|                              |       | Italy                  | 70.46 | 70.77 | 71.53 | -    | -    |
|                              |       | Slovenia               | 68.48 | 69.62 | 70.2  | -    | -    |
|                              |       | Croatia                | 60.13 | 60.11 | 61.94 | -    | -    |
|                              |       | Montenegro             | 58.21 | 59.62 | 60.82 | -    | -    |
|                              |       | Albania                | 57.29 | 58.1  | 57.61 | -    | -    |
|                              |       | Serbia                 | 59.2  | 60.88 | 60.85 | -    | -    |
|                              |       | Bosnia and Herzegovina | 53.82 | 54.16 | 54.73 | -    | -    |
|                              |       | North Macedonia        | 54.23 | 56.62 | 57.33 | -    | -    |
|                              |       | San Marino             | -     | -     | -     | -    | -    |
| Employment rate              | %     | Greece                 | 40.9  | 41.9  | 43    | 42.7 | 43   |
|                              |       | Italy                  | 44.2  | 44.6  | 44.9  | 44.1 | 43.7 |
|                              |       | Slovenia               | 54.6  | 55.8  | 55.5  | 54.9 | 55.4 |
|                              |       | Croatia                | 45.8  | 46.9  | 47.7  | 47.2 | 47.5 |
|                              |       | Montenegro             | 45.9  | 47.5  | 48.7  | 43.8 | 44.6 |
|                              |       | Albania                | 50.2  | 52    | 53.4  | 50.1 | 51.6 |
|                              |       | Serbia                 | 46.7  | 47.6  | 49    | 49.1 | 47.8 |
|                              |       | Bosnia and Herzegovina | 33.6  | 34.2  | 35.2  | 36.1 | 35.6 |
|                              |       | North Macedonia        | 42.8  | 43.7  | 45.9  | 43.4 | 44.3 |
|                              |       | San Marino             | -     | -     | -     | -    | -    |
| Unemployment rate            | %     | Greece                 | 21.5  | 19.3  | 17.3  | 16.3 | 14.8 |
|                              |       | Italy                  | 11.2  | 10.6  | 9.9   | 9.2  | 9.8  |
|                              |       | Slovenia               | 6.6   | 5.1   | 4.4   | 5    | 4.4  |
|                              |       | Croatia                | 11.2  | 8.4   | 6.6   | 7.5  | 8.7  |
|                              |       | Montenegro             | 16.1  | 15.2  | 15.1  | 17.9 | 18.5 |
|                              |       | Albania                | 13.6  | 12.3  | 11.5  | 13.3 | 11.8 |
|                              |       | Serbia                 | 13.5  | 12.7  | 10.4  | 9    | 11.8 |
|                              |       | Bosnia and Herzegovina | 20.5  | 18.4  | 15.7  | 15.3 | 15.2 |
|                              |       | North Macedonia        | 22.4  | 20.7  | 17.3  | 17.2 | 16.2 |
|                              |       | San Marino             | -     | -     | -     | -    | -    |
| Youth unemployment rate      | %     | Greece                 | 43.5  | 39.8  | 35.2  | 34.9 | 36.9 |
|                              |       | Italy                  | 34.8  | 32.3  | 29.2  | 29.5 | 30.9 |
|                              |       | Slovenia               | 11.2  | 8.8   | 8.2   | 14.3 | 13.9 |
|                              |       | Croatia                | 27.4  | 23.8  | 16.7  | 21.2 | 23.6 |
|                              |       | Montenegro             | 31.9  | 29.7  | 25.4  | 36.4 | 31.6 |
|                              |       | Albania                | 31.3  | 28.2  | 27    | 30.3 | 27.8 |
|                              |       | Serbia                 | 31.3  | 29.2  | 26.9  | 26   | 30.4 |

|   |       |                        |       |       |       |       |       |
|---|-------|------------------------|-------|-------|-------|-------|-------|
|   |       | Bosnia and Herzegovina | 45.6  | 38.8  | 33.4  | 36.2  | 32.9  |
|   |       | North Macedonia        | 46.7  | 45.4  | 35.5  | 36.9  | 34.1  |
|   |       | San Marino             | -     | -     | -     | -     | -     |
| People at risk of poverty or social exclusion | %     | Greece                 | 32.2  | 30.3  | 29.0  | 27.4  | 28.3  |
|   |       | Italy                  | 25.9  | 25.7  | 24.6  | 24.9  | 20.9  |
|   |       | Slovenia               | 16.6  | 15.4  | 13.7  | 14.3  | 13.2  |
|   |       | Croatia                | 23.7  | 22.1  | 20.8  | 20.5  | 20.9  |
|   |       | Montenegro             | 42.2  | 41.2  | 36.6  | 37.8  | -     |
|   |       | Albania                | 58.5  | 53.9  | 50.8  | 46.2  | -     |
|   |       | Serbia                 | 39.5  | 34.0  | 31.1  | 29.8  | -     |
|   |       | Bosnia and Herzegovina | -     | -     | -     | -     | -     |
|   |       | North Macedonia        | 37.0  | 35.3  | 34.2  | 32.6  | -     |
|   |       | San Marino             | -     | -     | -     | -     | -     |
| Human Development Index                       | Score | Greece                 | 0.879 | 0.881 | 0.888 | 0.886 | 0.887 |
|   |       | Italy                  | 0.886 | 0.890 | 0.892 | 0.889 | 0.895 |
|   |       | Slovenia               | 0.907 | 0.912 | 0.917 | 0.913 | 0.914 |
|   |       | Croatia                | 0.845 | 0.848 | 0.851 | 0.855 | 0.858 |
|   |       | Montenegro             | 0.822 | 0.826 | 0.829 | 0.826 | 0.832 |
|   |       | Albania                | 0.790 | 0.792 | 0.795 | 0.794 | 0.796 |
|   |       | Serbia                 | 0.798 | 0.803 | 0.806 | 0.804 | 0.802 |
|   |       | Bosnia and Herzegovina | 0.774 | 0.777 | 0.780 | 0.781 | 0.78  |
|   |       | North Macedonia        | 0.767 | 0.770 | 0.774 | 0.774 | 0.77  |
|   |       | San Marino             | -     | 0.86  | 0.862 | 0.845 | 0.853 |

Sources: Eurostat, Trading Economics Database, International Labour Organisation (ILO), United Nations Development Programme (UNDP)

### 2.1.2. EUSAIR TSG 4 Context indicators (MRS.ESPON)

The pillar 4 contributes substantially to achieving the European Cohesion Policy objectives. Specifically, it contributes to a more social Europe by supporting good labour market conditions through sustainable tourism. Pillar 4 focuses on the development of sustainable and responsible tourism and the promotion of a responsible tourism behaviour. The Pillar aims to achieve the following objectives:

- Diversification of the macro-region's tourism products and services along with tackling seasonality of inland, coastal and maritime tourism demand.
- Improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region.

These objectives are covered by two topics:

- Topic 1 – Diversified tourism offer
- Topic 2 – Sustainable tourism management.

The topic 1 – Diversified tourism offer refers to joint cooperation at macro-regional level that will result in sustainable diversification of the Region's tourism offer (compared to other competitors), profiting from business opportunities, reducing the sector's dependence on the seasonal model, limiting the environmental footprint and taking into consideration the impacts of a changing climate. It will provide high value-added products and services. This diversification of products and services can be a vehicle for attracting more and/or different types of tourists, as well as prolonging tourist seasons, strengthening 'all year-round tourism' and creating more and better jobs for the Region's economy.

MRS.ESPON indicators related to diversified tourism offer are:

- Tourism direct contribution to GDP
- Jobs in tourism industries
- Number of UNESCO World heritage sites.

Topic 2 aims at improving quality and enhance innovation in tourism management: This includes the establishment of generally accepted standards and rules, and improved cooperation between public bodies and private tourism associations. The net gains of a joint approach will include increased tourist flows and access to new tourism markets, more business opportunities, diffusion of new technologies and know-how, increased employment and enterprise development, better resource efficiency and preservation of natural capital and cultural heritage.

MRS.ESPON indicators related to Sustainable tourism management are:

- Tourism direct contribution to GDP
- Jobs in tourism industries.

The indicator 'tourism contribution to Gross Domestic Product (TGDP)' shows the share of touristic activities of the total GDP (Gross Domestic Product) in percent. TGDP is the sum of the value added generated by all industries in response to internal tourism consumption and the amount of net taxes on products and imports included within the value of this expenditure.

Employment in tourism is based on data from several areas of official statistics, in particular structural business statistics, the labour force survey (LFS), the structure of earnings survey (SES) and the labour cost survey (LCS). Economic activities related to tourism, but not necessarily relying only on tourism, employ over 13 million people in the European Union. The labour market capacity of the tourism sector is crucial and has to be well developed. In parallel, the high dependence and vulnerability of this sector has to be accompanied by a general economic diversification and with the support of touristic offers beyond simple high-season services.

A World Heritage Site is a landmark or area, selected by the UNESCO (United Nations Educational, Scientific and Cultural Organization) for having cultural, historical, scientific or other form of

significance, which upon its award is legally protected by international treaties. The sites are judged to be important for the collective and preservative interests of humanity. Cultural heritage sites of the EUSAIR region illustrate the interlinked history and tradition in the region, and tourist development strategies shall be linked on the macro-regional scale. Attracting touristic value chains and increasing the diversity of touristic offers are two important points in this context.

The results of the MRS.ESPON indicators are presented in the table below.

**Table 3. MRS.ESPON indicators**

| Indicator                             | Unit   | Country                | 2018  | 2019  | 2020 | 2021 |
|---------------------------------------|--------|------------------------|-------|-------|------|------|
| Tourism direct contribution to GDP    | %      | Greece                 | 20.21 | 20.13 | 8.7  | 14.9 |
|                                       |        | Italy                  | 13.07 | 13.11 | 7.0  | 9.1  |
|                                       |        | Slovenia               | 12.25 | 12.25 | 6.7  | 7.7  |
|                                       |        | Croatia                | 25.15 | 25.75 | 10.2 | 16.1 |
|                                       |        | Montenegro             | 25.10 | 25.10 | 8.8  | 25.5 |
|                                       |        | Albania                | 26.34 | 26.27 | 10.6 | 17.4 |
|                                       |        | Serbia                 | 6.70  | 6.80  | 2.8  | 3.6  |
|                                       |        | Bosnia and Herzegovina | 9.85  | 10.05 | 3.5  | 6.6  |
|                                       |        | North Macedonia        | 6.82  | 6.95  | 3.3  | 5.6  |
|                                       |        | San Marino             | -     | -     | -    | -    |
| Jobs in tourism industries            | %      | Greece                 | 25.39 | 25.30 | 19.8 | 19.9 |
|                                       |        | Italy                  | 14.81 | 14.73 | 13.8 | 11.6 |
|                                       |        | Slovenia               | 12.71 | 12.74 | 10.6 | 10.9 |
|                                       |        | Croatia                | 23.41 | 23.78 | 19.0 | 19.7 |
|                                       |        | Montenegro             | 20.02 | 19.74 | 27.3 | 26.4 |
|                                       |        | Albania                | 24.30 | 24.30 | 17.5 | 20.0 |
|                                       |        | Serbia                 | 4.74  | 4.75  | 5.0  | 5.4  |
|                                       |        | Bosnia and Herzegovina | 11.45 | 11.72 | 8.4  | 8.7  |
|                                       |        | North Macedonia        | 6.23  | 6.36  | 5.7  | 6.4  |
|                                       |        | San Marino             | -     | -     | -    | -    |
| Number of UNESCO World heritage sites | Number | Greece                 | 18    | 18    | 18   | 18   |
|                                       |        | Italy                  | 54    | 55    | 55   | 58   |
|                                       |        | Slovenia               | 4     | 4     | 4    | 5    |
|                                       |        | Croatia                | 10    | 10    | 10   | 10   |
|                                       |        | Montenegro             | 4     | 4     | 4    | 4    |
|                                       |        | Albania                | 4     | 4     | 4    | 4    |
|                                       |        | Serbia                 | 5     | 5     | 5    | 5    |
|                                       |        | Bosnia and Herzegovina | 3     | 3     | 3    | 4    |
|                                       |        | North Macedonia        | 1     | 1     | 1    | 2    |
|                                       |        | San Marino             | 1     | 1     | 1    | 1    |

Source: World Bank, World Travel and Tourism Council, UNESCO

The indicator Tourism direct contribution to the GDP shows that the most tourism-oriented countries in the EUSAIR region – Greece, Croatia, Albania and Montenegro, have the largest tourism contribution to the GDP, around 25%. On the other hand, tourism contribution to the GDP in Serbia, Bosnia and Herzegovina and North Macedonia is below 10%. In 2019, the data are mostly the same. There was a small decline in tourism contribution to the GDP in Greece and Albania (less than 0.1%), in Slovenia and Montenegro the tourism contribution was the same as in 2018, while other EUSAIR countries had a small growth in tourism contribution to the GDP. Data for 2020 show that the tourism and travel contribution to the GDP declined greatly in 2020, due to the COVID-19 pandemic. The largest contribution of the tourism to the GDP was in Albania – 10.6%, followed by Croatia – 10.2%, and smallest in Serbia – 2.8%. In 2021 all of the AIR countries had an increase in the share of tourism in the GDP – it was the largest in Montenegro with 25%, followed by Albania (17.4%) and Croatia (16.1%). The smallest contribution of tourism to GDP in 2021 was in Serbia (3.6%) and North Macedonia (5.6%).

In 2019 indicator jobs in tourism industries showed that the biggest share of tourism employment in total employment was in Greece, Croatia and Albania, while the smallest share was in Serbia and North Macedonia. Small decline in the share of tourism employment in total employment, compared to 2018, was noted in Greece, Italy and Montenegro, while other countries had small increase in the share of tourism employment in the total employment. In 2020, the tourism employment in total employment declined in all EUSAIR countries, except Montenegro, where 27.3% of employed were working in tourism sector, and Serbia with 5.0% employed in tourism. The jobs in tourism industries also increased in 2021 in all EUSAIR countries except Italy. The largest share of employed in tourism was in Montenegro (26.4%), Albania (20.0%) and Greece (19.9%), while the smallest share was in Serbia (5.4%).

In 2018 in the AIR there were 104 UNESCO World heritage sites. In 2019, one additional site in Italy was added on UNESCO World heritage site list, while in 2021 six new sites have been added at the list so at the moment there are 111 UNESCO World heritage sites in the Adriatic-Ionian Region.

## **2.2. MONITORING AND EVALUATION OF THE EUSAIR IMPLEMENTATION - OUTPUT, RESULT, IMPACT, GOVERNANCE AND CROSS-PILLAR INDICATORS**

The indicators are divided into four groups – output indicators, result indicators, impact indicators and governance indicators and presented below. Additionally, three cross-pillar indicators have been suggested for monitoring the EUSAIR implementation.

### **2.2.1. Pillar 4 – Sustainable tourism output indicators**

Output indicators measure what is directly produced/supplied through the implementation of the co-financed projects, in physical or monetary units. Outputs could be measured at the level of supported entities, provided goods or services delivered. Indicators suggested in the previous report are Interregional investments in EUSAIR Pillar 4 related projects, Supported transnational cooperation networks, and Innovation.

Indicator Interregional investments in EUSAIR Pillar 4 related projects measures the Public Expenditure allocated to all projects considered relevant to any topic of Pillar 4, including EU and national contribution. All relevant projects are included in the estimation, including all Programmes and every finance source. Since the previous Annual Monitoring Report, all OPs have been analysed again and no new projects related to sustainable tourism have been noticed. This is due to the fact that last programming period has been finished as well as the calls for proposals. Therefore, the indicator has not change since the last year. The total amounts of financed projects have been presented in the table below.

**Table 4 Interregional investments in EUSAIR Pillar 4 related projects by relevant programmes**

| Programme                           | Number of projects analysed | Total budget in million EUR |
|-------------------------------------|-----------------------------|-----------------------------|
| National and Regional OPs           | 148                         | EUR 461,98 million          |
| ADRION Programme                    | 22                          | EUR 18,66 million           |
| Cross-border Cooperation Programmes | 112                         | EUR 132,16 million          |
| Interreg Mediterranean              | 21                          | EUR 56,75 million           |
| LIFE Programme                      | 3                           | EUR 4,86 million            |
| HORIZON Programme                   | 7                           | EUR 15,44 million           |

The indicator Supported transnational cooperation networks counts supported transnational cooperation networks, which represent systematic establishment and management of internal and external links (communication, interaction, and co-ordination) between people, teams or organizations with a long-term perspective in order to improve performance. The aim of the networks is to exchange information, knowledge and resources. No new networks have been identified in the EUSAIR countries since the previous Annual Monitoring report – there are still 18 identified networks.

**Table 5 Supported transnational cooperation networks at the EUSAIR level**

| EUSAIR | 2019 | 2020 |
|--------|------|------|
| EUSAIR | 18   | 18   |

Indicator “Innovation” measures the innovative services and products in the touristic sector, for specific forms of tourism, like cultural tourism, thematic tourism, elder citizens’ services, etc. The indicator measures the number of projects implemented that include some kind of innovation, for example, innovations and innovative processes in market positioning and promotion of sustainable tourism EUSAIR destinations, innovations and innovative processes in the management of EUSAIR destinations, planning and encouraging innovative processes for the development of business models and sustainable tourism products in the EUSAIR area.

Since no new projects have been implemented since the previous report, the indicator value has not changed. Out of 313 projects analysed, 88 introduce some kind of innovation in tourism, 6 financed under National and Regional OPs, 16 under ADRION Programme, 58 under CBC Programmes, 6 under Interreg Mediterranean and 2 under HORIZON Programme.

**Table 6 Project introducing innovations by relevant programmes**

| Programme | Projects introducing innovations |
|-----------|----------------------------------|
|-----------|----------------------------------|

|                                     |    |
|-------------------------------------|----|
| National and Regional OPs           | 6  |
| ADRION Programme                    | 16 |
| Cross-border Cooperation Programmes | 58 |
| Interreg Mediterranean              | 6  |
| LIFE Programme                      | 0  |
| HORIZON Programme                   | 2  |

## 2.2.2. Pillar 4 – Sustainable tourism result indicators

Result indicators capture the expected effects on participants or entities brought about by a project. The EUSAIR Indicator System for Pillar 4 contains 8 result indicators – number of arrivals, number of bed places in hotels and similar accommodation establishments, number of nights spent at hotels and similar accommodation establishments, relative contribution of tourism to the destination's economy, total spending of overnight tourists, spending of same day visitors, occupancy rate in commercial accommodation per month and average for the year, and direct tourism employment as a percentage of total employment in the destination. Chosen indicators are relevant to the EUSAIR Pillar 4 “Sustainable tourism” because they do not measure only the number of tourists, but also the effect of tourism to the destination's economy as a whole, as well as the effect to the population of the destination and the entrepreneurs in the destination. Additionally, this report suggests two more result indicators – Intensity of greenhouse gas (CO<sub>2</sub>) emissions into the air from tourism, and Travel & Tourism Competitiveness Index – Environmental Sustainability.

Sustainable tourism result indicators proposed in previous Annual Monitoring Report are presented in Table 6.

**Table 7. Result indicators**

| Indicator   | Unit      | Country                | 2018    | 2019    | 2020    | 2021    |
|---|-----------|------------------------|---------|---------|---------|---------|
| Number of arrivals  | Thousands | Greece                 | 33,072  | 34,005  | 7,406   | 15,246  |
|   |           | Italy                  | 93,228  | 95,399  | 38,419  | 40,186  |
|   |           | Slovenia               | 4,425   | 4,702   | 1,216   | 1,832   |
|   |           | Croatia                | 57,668  | 60,021  | 21,608  | 34,123  |
|   |           | Montenegro             | 2,077   | 2,510   | 351     | -       |
|   |           | Albania                | 5,927   | 6,406   | 2,658   | 5,689   |
|   |           | Serbia                 | 1,711   | 1,847   | 446     | -       |
|   |           | Bosnia and Herzegovina | 1,053   | 1,198   | 197     | 502     |
|   |           | North Macedonia        | 707     | 758     | 118     | 294     |
|   |           | San Marino             | 1,874   | 1,904   | 1,015   | 1,354   |
| Number of bed places in hotels and similar accommodation establishments | Thousands | Greece                 | 809.6   | 841.1   | 626.0   | 675.0   |
|   |           | Italy                  | 2,260.9 | 2,260.5 | 2,229.3 | 2,232.7 |
|   |           | Slovenia               | -       | 62.7    | -       | 58.4    |
|   |           | Croatia                | 169.1   | 171.0   | 153.3   | 165.1   |
|   |           | Montenegro             | 36.2    | -       | -       | -       |
|   |           | Albania                | -       | -       | -       | -       |

|   |              |   |            |            |           |           |
|---|--------------|---|------------|------------|-----------|-----------|
|   |              | Serbia  | 53.3       | -          | -         | 52.8      |
|   |              | Bosnia and Herzegovina  | -          | -          | -         | -         |
|   |              | North Macedonia   | 23.1       | 23.9       | 24.2      | 24.4      |
|   |              | San Marino  | -          | -          | -         | -         |
| Number of nights spent at hotels and similar accommodation establishments | Millions     | Greece  | 109.5      | 109.2      | 30.4      | 55.9      |
|   |              | Italy   | 279.5      | 280.9      | 121.1     | 166.1     |
|   |              | Slovenia  | 8.3        | 8.3        | 4.2       | 5.2       |
|   |              | Croatia   | 25.3       | 25.9       | 7.0       | 15.7      |
|   |              | Montenegro  | 3.7        | 4.2        | 0.8       | -         |
|   |              | Albania   | 2.7        | 3.0        | 1.5       | 3.0       |
|   |              | Serbia  | 6.1        | 6.6        | 3.6       | 5.2       |
|   |              | Bosnia and Herzegovina  | -          | -          | -         | -         |
|   |              | North Macedonia   | 1.9        | 2.0        | 0.7       | 1.1       |
|   |              | San Marino  | -          | -          | -         | -         |
|   |              | Relative contribution of tourism to the destination's economy | %          | Greece     | 20.21     | 20.13     |
| Italy   | 13.07        |   |            | 13.11      | 7.0       | 9.1       |
| Slovenia  | 12.25        |   |            | 12.25      | 6.7       | 7.7       |
| Croatia   | 25.15        |   |            | 25.75      | 10.2      | 16.1      |
| Montenegro  | 25.10        |   |            | 25.10      | 8.8       | 25.5      |
| Albania   | 26.34        |   |            | 26.27      | 10.6      | 17.4      |
| Serbia  | 6.70         |   |            | 6.80       | 2.8       | 3.6       |
| Bosnia and Herzegovina  | 9.85         |   |            | 10.05      | 3.5       | 6.6       |
| North Macedonia   | 6.82         |   |            | 6.95       | 3.3       | 5.6       |
| San Marino  | -            |   |            | -          | -         | -         |
| Total spending of overnight tourists                                      | Million EUR  | Greece  | 22,025.88  | 23,463.06  | 6,316.86  | 13,939.32 |
|   |              | Italy   | 52,634.04  | 52,948.2   | 20,723.34 | 26,426.16 |
|   |              | Slovenia  | 3,445.05   | 3,420.16   | 1,489.91  | 2,072.64  |
|   |              | Croatia   | 11,570.88  | 12,210.42  | 5,739.54  | 11,093.42 |
|   |              | Montenegro  | 1,248.48   | 1,301.52   | 183.6     | 920.04    |
|   |              | Albania   | 2,352.12   | 2,507.16   | 1,267.86  | 2,529.6   |
|   |              | Serbia  | 1,979.82   | 2,040      | 1,458.6   | 2,215.44  |
|   |              | Bosnia and Herzegovina  | 1,169.94   | 1,249.5    | 451.86    | 1,023.06  |
|   |              | North Macedonia   | 394.74     | 409.02     | 258.06    | 394.74    |
|   |              | San Marino  | -          | -          | -         | -         |
| Spending of same day visitors   | Thousand EUR | Greece  | -          | -          | -         | -         |
|   |              | Italy   | 66,444.04  | 77,636.22  | -         | -         |
|   |              | Slovenia  | 148,303.10 | 171,592.79 | 39,916.3  | -         |
|   |              | Croatia   | 85,123.60  | 109,610.7  | 12,502.7  | -         |
|   |              | Montenegro  | -          | -          | -         | -         |
|   |              | Albania   | 14,841.97  | 31,249.40  | 18,802.9  | -         |
|   |              | Serbia  | 20,048.93  | -          | -         | -         |
|   |              | Bosnia and Herzegovina  | -          | -          | -         | -         |
|   |              | North Macedonia   | -          | -          | -         | -         |

|  |   |                        |       |       |      |      |
|--|---|------------------------|-------|-------|------|------|
|  |   | San Marino             | -     | -     | -    | -    |
| Occupancy rate in commercial accommodation                                       | % | Greece                 | 41.5  | 39.8  | 22.8 | 30.3 |
|  |   | Italy                  | 48.6  | 46.6  | 25.4 | 33.2 |
|  |   | Slovenia               | 32.3  | 43.9  | 26.0 | 30.0 |
|  |   | Croatia                | 51.8  | 51.3  | 20.1 | 34.1 |
|  |   | Montenegro             | 37.1  | 40.2  | 16.0 | 33.1 |
|  |   | Albania                | 16.9  | 21.4  | 8.1  | 15.2 |
|  |   | Serbia                 | 35.4  | 37.7  | 20.8 | 28.4 |
|  |   | Bosnia and Herzegovina | -     | -     | -    | -    |
|  |   | North Macedonia        | 25.8  | 26.8  | 14.3 | 17.8 |
|  |   | San Marino             | -     | -     | -    | -    |
| Direct tourism employment as a percentage of total employment in the destination | % | Greece                 | 25.39 | 25.30 | 19.8 | 19.9 |
|  |   | Italy                  | 14.81 | 14.73 | 13.8 | 11.6 |
|  |   | Slovenia               | 12.71 | 12.74 | 10.6 | 10.9 |
|  |   | Croatia                | 23.41 | 23.78 | 19.0 | 19.7 |
|  |   | Montenegro             | 20.02 | 19.74 | 27.3 | 26.4 |
|  |   | Albania                | 24.30 | 24.30 | 17.5 | 20.0 |
|  |   | Serbia                 | 4.74  | 4.75  | 5.0  | 5.4  |
|  |   | Bosnia and Herzegovina | 11.45 | 11.72 | 8.4  | 8.7  |
|  |   | North Macedonia        | 6.23  | 6.36  | 5.7  | 6.4  |
|  |   | San Marino             | -     | -     | -    | -    |

The data source for the indicator Number of arrivals is the World Bank due to the fact that no data for 2020 are available in Eurostat. That is also the reason why data differ from the previous annual monitoring report – data of World Bank also count the same-day visitors as well as the cruise passengers. As it was expected, in 2020 the number of tourist arrivals in all EUSAIR countries declined due to the COVID-19 pandemic. The largest decline was in Montenegro (86% less in 2020 compared to 2019), North Macedonia and Bosnia and Herzegovina (around 84% less in 2020). On the other hand, the smallest decline in the number of arrivals in 2020 was in Albania (58.5% less), Italy (59.7% less) and Croatia (64% less arrivals). In 2021, the number of arrivals began to recover and all AIR countries data are available for have had an increase in the number of arrivals. However, all of the countries are still way below the level of arrivals before the COVID-19 pandemic.

The number of bed places in hotels and similar accommodation establishments was also smaller in all EUSAIR countries data are available for, except North Macedonia. The largest decline in number of bed places was in Greece with 25,6% of bed places in hotels and similar accommodation establishments less in 2020 compared to 2019. On the other hand, North Macedonia, as one of the countries with biggest decline in tourist arrivals, in 2020 had 1.4% more bed places in hotels and similar accommodation facilities compared to 2019. In 2021, all of countries data are available for have had an increase in the number of bed places in hotels and similar accommodation establishments when compared to 2020.

Number of nights spent in hotels and similar accommodation establishments also declined in 2020 in all EUSAIR countries. The largest decline was in Montenegro where in 2020 there was more than 80% nights spent in hotels and similar accommodation establishments than in 2019. It is followed by Croatia with a decline of 73% and Greece with a decline of 72.2%. However, data for 2021 show that tourism started to recover – countries that data are available for in 2021 had around 50-70% of total nights spent in hotels and similar accommodation facilities in 2019, while Albania in 2021 had more nights spent than in 2019.

Relative contribution of tourism to the destination's economy in 2020, compared to 2019, declined in all EUSAIR countries. The largest decline in contribution of tourism to the destination's economy was in Bosnia and Herzegovina (65.2% less) and Montenegro (64.9% less), while the smallest decline was in Slovenia (45.3% less) and Italy (46.6% less). In 2021 all of the AIR countries had an increase in the contribution of tourism to the destination's economy – it was the largest in Montenegro with 25%, followed by Albania (17.4%) and Croatia (16.1%). The smallest contribution of tourism to GDP in 2021 was in Serbia (3.6%) and North Macedonia (5.6%).

The data source for the indicator total spending of overnight tourists in this report is the UNWTO since data for 2020 and 2021 are not available at Eurostat. The data show that the largest spending in the analysed period is in Italy, followed by Greece and Croatia, while the overnight tourists spend least in North Macedonia and Montenegro. Like all tourism-related indicators, due to COVID-19 pandemic, the total spending of overnight tourists decreased in 2020 and started to recover in 2021. In Albania and Serbia, the total spending of overnight tourists in 2021 was larger than in 2019, while in North Macedonia, Croatia and Bosnia and Herzegovina it is on the 80-90% level of 2019. On the other hand, total spending of overnight tourists in Italy in 2021 was only at 50% level of 2019.

Spending of same day visitors in 2020 is available only for Croatia, Slovenia and Albania. In those countries, expenditure of same day visitors declined when compared to 2019 – in Croatia for 88.6%, in Slovenia for 76.7% and in Albania for 39.8%.

Like all the other indicators, the average occupancy rate in commercial accommodation establishments declined in 2020 in all EUSAIR countries. The largest decline, with average occupancy rate in 2020 smaller for 60,9% than in 2019 was in Croatia, where in 2019 average occupancy rate was 51.3% and in 2020 20.1%. Also, occupancy rate in Montenegro in 2020 was 60.1% smaller than in 2019. On the other hand, the smallest decline was in Slovenia, where in 2019 average occupancy rate was 32.3% and in 2020 26.0%. In 2021, the occupancy rate in commercial accommodation establishments has also begun to recover and all of the countries have had an increase in occupancy rate. The largest occupancy rate in 2021 was in Croatia (34.1%) and Italy (33.2%), and smallest was in Albania (15.2%) and North Macedonia (17.8%).

Direct tourism employment as a percentage of total employment in the destination declined in all EUSAIR countries, except Montenegro, where 27.3% of employed were working in tourism sector, and Serbia with 5.0% employed in tourism. The largest decline in direct tourism employment was in Albania, where in 2020 ratio of tourism employment in total employment was smaller for 38.3% than in 2019. In 2021 the share of direct tourism employment in total employment increased in all

EUSAIR countries except Italy. The largest share of employed in tourism was in Montenegro (26.4%), Albania (20.0%) and Greece (19.9%), while the smallest share was in Serbia (5.4%).

Two more result indicators have been suggested in the 3<sup>rd</sup> Monitoring report and these are Intensity of greenhouse gas (CO<sub>2</sub>) emissions into the air from tourism, and Travel & Tourism Competitiveness Index – Environmental Sustainability. However, in 2022, the Travel & Tourism Competitiveness Index has been replaced by Travel & Tourism Development Index (TTDI), which is a direct evolution of the Travel & Tourism Competitiveness Index (TTCI). The TTDI benchmarks and measures “the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector, which in turn contributes to the development of a country”.

The indicator Intensity of greenhouse gas (CO<sub>2</sub>) emission into the air from tourism measure the impact of tourism, including plane flights and boat rides, as well as the various activities, to carbon footprint. Even though this indicator is still not used in databases, especially not on a country level, it is estimated that tourism is responsible for roughly 8% of the world’s carbon emission.

The Travel and Tourism Development Index provides a strategic benchmarking tool for business, governments, international organizations and others to develop the T&T sector. The index is comprised of five sub-indices, 17 pillars and 112 individual indicators, distributed among the different pillars. Even though TTDI is an update of the TTCI, due to the altered methodology, framework and other differences, the 2021 TTDI should not be compared to the 2019 TTCI. To help address this, the 2019 results were recalculated using the new framework, methodology and indicators of the TTDI. Therefore, data presented in this report show only 2019 and 2021. The value of index is 1-7 and the values for the EUSAIR countries and their rankings are presented in the table below.

**Table 8 Travel & Tourism Development Index – Environmental Sustainability**

| EUSAIR country              | 2019  |      | 2021  |      |
|-----------------------------|---|------|---|------|
|                             | Travel & Tourism Development Index – Environmental Sustainability | Rank | Travel & Tourism Development Index – Environmental Sustainability | Rank |
| Greece (EL)                 | 4.3   | 36   | 4.4   | 33   |
| Italy (IT)                  | 4.3   | 38   | 4.3   | 40   |
| Slovenia (SI)               | 5.7   | 16   | 4.8   | 12   |
| Croatia (HR)                | 4.5   | 25   | 4.5   | 25   |
| Montenegro (ME)             | 4.0   | 60   | 4.0   | 64   |
| Albania (AL)                | 4.3   | 40   | 4.4   | 27   |
| Serbia (RS)                 | 3.7   | 84   | 3.8   | 78   |
| Bosnia and Herzegovina (BA) | 3.4   | 111  | 3.5   | 105  |
| North Macedonia (MK)        | 3.6   | 94   | 3.7   | 91   |
| San Marino                  | -   | -    | -   | -    |

Source: World Economic Forum

In 2021, the best EUSAIR country in Travel and Tourism Competitiveness Index, Pillar 15 Environmental Sustainability was Slovenia with the value of 4.8 and rank 12, followed by Croatia with value 4.5 and rank 25. The country with smallest value, 3.5 is Bosnia and Herzegovina, which was ranked 105.

### 2.2.3. Pillar 4 – Sustainable tourism impact indicators

Impact indicators are linked to the higher level of strategy objects, capturing the effect of the co-financed interventions in the whole EUSAIR area. Two impact indicators are developed, reflecting the impacts on sustainable tourism in the Adriatic-Ionian Region – Strategies and action plans developed in the field of natural and cultural heritage and tourism; and Joint tourism products developed and promoted.

The indicator Strategies and action plans developed in the field of natural and cultural heritage and tourism measures the number of those strategies and action plans. This indicator is important because it shows the importance of the natural and cultural heritage and tourism at the regional and national levels in the EUSAIR region and EUSAIR countries. The indicator also shows the dedication of the government and authorities to the environmental protection, heritage protection and sustainability.

No change in the value of the indicator has been noticed since the last Report, but it is important to mention that new strategic documents for a new programming period are being developed at the moment.

Due to the fact that heritage protection, sustainability and tourism are becoming more and more important, and several projects in AIR had the activities dedicated to the development of relevant action plans, it is very possible that the number of strategic documents and action plans related to natural and cultural heritage and tourism will rise. It will be visible during the ex post evaluation of the 2014-2020 programming period.

The indicator Joint tourism products developed and promoted measures the number of the products developed and/or implemented and promoted, such as thematic routes, joint promotion events and materials, etc., in order to strengthen and diversify the tourism offer through cross-border approaches and to enable better management and sustainable use of cultural and natural heritage. The indicator values are related to the EUSAIR Project base, and since no new projects have been implemented in the previous monitoring period, the values of the indicator have not changed – out of 165 international projects that have been analysed, 76 of them develop and/or promote joint tourism products.

**Table 99 Joint tourism products developed and promoted by programmes**

| Programme                           | Projects that develop and/or promote joint tourism products |
|-------------------------------------|---|
| ADRION Programme                    | 10  |
| Cross-border Cooperation Programmes | 60  |
| Interreg Mediterranean              | 3   |
| LIFE Programme                      | 0   |

## 2.2.4. Pillar 4 – Sustainable tourism governance indicators

Two governance indicators have been analyzed in Annual Monitoring Reports – Attendance of TSG4 meetings and number of projects ideas generated by the TSGs. These indicators refer to the TSGs' activities, thus the relevant information can be provided by the TSGs on an annual basis. Additionally, the estimation of those indicators for all EUSAIR Pillars could easily lead to the integration of the values at the EUSAIR level.

The indicator Attendance of TSG4 meetings counts the countries participating in each TSG meeting. Since the previous Annual Monitoring Report, two meetings were held, on 5 May, 2022, with all countries participating and on 18 October, 2022 also with all countries participating.

**Table 100 Attendance of TSG4 meetings**

| Meeting                  | Date                 | Place                 | Participants                      |
|--------------------------|----------------------|-----------------------|-----------------------------------|
| 1st Meeting              | 12/13 March, 2015    | Tirana, Albania       | 7 out of 8 countries participated |
| 2nd Meeting              | 29/30 June, 2015     | Zagreb, Croatia       | 7 out of 8 countries participated |
| 3rd Meeting              | November, 2015       | Zagreb, Croatia       | All 8 countries participated      |
| 4th Meeting              | April, 2016          | Ljubljana, Slovenia   | 7 out of 8 countries participated |
| 5th Meeting              | 17/18 November, 2016 | Tirana, Albania       | 5 out of 8 countries participated |
| 6th Meeting              | 26 April, 2017       | Zagreb, Croatia       | 7 out of 8 countries participated |
| 7th Meeting              | 21 November, 2017    | Palermo, Italy        | 6 out of 8 countries participated |
| 8th Meeting              | 19/20 April, 2018    | Zagreb, Croatia       | 6 out of 8 countries participated |
| 9th Meeting              | 13/14 November, 2018 | Mali Lošinj, Croatia  | 7 out of 8 countries participated |
| 10th Meeting             | 4/5 April, 2019      | Podgorica, Montenegro | 7 out of 8 countries participated |
| 11th Meeting             | 20/21 November, 2019 | Bari, Italy           | 6 out of 8 countries participated |
| 12th Meeting             | 9 June, 2020         | Online                | All 9 countries participated      |
| 13th Meeting             | 6 October, 2020      | Online                | All 9 countries participated      |
| 14 <sup>th</sup> Meeting | 16 February, 2021    | Online                | All 9 countries participated      |
| 15 <sup>th</sup> Meeting | 20 April 2021        | Online                | All 9 countries participated      |
| 16 <sup>th</sup> Meeting | 5 October 2021       | Online                | All 9 countries participated      |
| 17 <sup>th</sup> Meeting | 5 May 2022           | Online                | All 10 countries participated     |
| 18 <sup>th</sup> Meeting | 18 October 2022      | Thessaloniki, Greece  | All 10 countries participated     |

The indicator Number of projects ideas generated by the TSGs counts all project ideas generated by the TSG4, including project ideas or projects evaluated by the TSG4 either submitted by the TSG4 members or submitted by other stakeholders. According to the Annual Progress Report for year 2021 (EUSAIR Facility Point, 2022), 4 project ideas have been presented at the 14<sup>th</sup> Meeting held online on 16 February, 2021 and 1 project idea was presented at the 15<sup>th</sup> Meeting, also held online, on 20 April 2021. On the meeting held on 5 May 2022, the documentation for the development of four strategic project ideas: AIR\_ProDest, CruiseAIR, Living the Sea 4.0 and AIR Cultural Routes has been completed.

**Table 11 Project ideas generated by the TSG 4 “Sustainable tourism”**

| Meeting | Date | Place | Baseline value |
|---------|------|-------|----------------|
|---------|------|-------|----------------|

|                          |                      |                       |   |
|--------------------------|----------------------|-----------------------|---|
| 1st Meeting              | 12/13 March, 2015    | Tirana, Albania       | 0 |
| 2nd Meeting              | 29/30 June, 2015     | Zagreb, Croatia       | 0 |
| 3rd Meeting              | November, 2015       | Zagreb, Croatia       | 0 |
| 4th Meeting              | April, 2016          | Ljubljana, Slovenia   | 0 |
| 5th Meeting              | 17/18 November, 2016 | Tirana, Albania       | 0 |
| 6th Meeting              | 26 April, 2017       | Zagreb, Croatia       | 0 |
| 7th Meeting              | 21 November, 2017    | Palermo, Italy        | 0 |
| 8th Meeting              | 19/20 April, 2018    | Zagreb, Croatia       | 0 |
| 9th Meeting              | 13/14 November, 2018 | Mali Lošinj, Croatia  | 0 |
| 10th Meeting             | 4/5 April, 2019      | Podgorica, Montenegro | 1 |
| 11th Meeting             | 20/21 November, 2019 | Bari, Italy           | 0 |
| 12th Meeting             | 9 June, 2020         | Online                | 0 |
| 13th Meeting             | 6 October, 2020      | Online                | 0 |
| 14 <sup>th</sup> Meeting | 16 February, 2021    | Online                | 4 |
| 15 <sup>th</sup> Meeting | 20 April 2021        | Online                | 1 |
| 16 <sup>th</sup> Meeting | 5 October 2021       | Online                | 0 |
| 17 <sup>th</sup> Meeting | 5 May 2022           | Online                | 4 |
| 18 <sup>th</sup> Meeting | 18 October 2022      | Thessaloniki, Greece  | 0 |

### 2.2.5. Cross-pillar suggested indicators

Cross-pillar indicators are those which measure the total effect of the EUSAIR implementation as a consequence of cooperation between Pillars. Suggested cross-pillar indicators are innovation, total employment and transnational networks.

Even though in the 2<sup>nd</sup> Annual Monitoring Report it was suggested that the indicator Innovation measures the number of projects implemented under priority axis/objectives/measures that include innovation in all programmes and financial sources, this report suggests that the value for the indicator innovation is the European innovation scoreboard (EIS). EIS provides a comparative analysis of innovation performance in EU countries, other European countries, and regional neighbours. It assesses the relative strengths and weaknesses of national innovation systems and helps countries identify areas they need to address. Indicators for measuring innovation performance are classified into 12 categories: Human Resources, Attractive Research Systems, Digitization, Finance and Support, Investment in Companies, Use of Information Technology, Innovators, Connectivity, Intellectual Property, Employment Performance, Sales Performance and Environmental Sustainability, and there is a total of 32. According to the results of the analysis of innovation effects, countries are classified into four performance groups: innovation leaders, strong innovators, moderate innovators and emerging innovators.

The analysis of the innovation effects of EUSAIR countries for 2021 shows that only Italy and Slovenia have an index higher than 100. They are followed by Greece, Croatia, Serbia, Montenegro, Northern Macedonia and Bosnia and Herzegovina. Data for Albania and San Marino are not available.

**Table 12 Innovation effects**

| Country                | 2018   | 2019  | 2020  | 2021   | Performance group  |
|------------------------|--------|-------|-------|--------|--------------------|
| Greece                 | 67.57  | 78.55 | 80.63 | 88.49  | Moderate innovator |
| Italy                  | 87.44  | 94.03 | 97.75 | 108.08 | Moderate innovator |
| Slovenia               | 100.01 | 98.08 | 93.81 | 100.49 | Moderate innovator |
| Croatia                | 62.02  | 64.65 | 68.31 | 78.22  | Emerging innovator |
| Montenegro             | 53.14  | 54.91 | 50.86 | 53.74  | Emerging innovator |
| Albania                | -      | -     | -     | -      | -                  |
| Serbia                 | 57.83  | 63.93 | 67.01 | 74.52  | Emerging innovator |
| Bosnia and Herzegovina | 44.97  | 43.16 | 38.72 | 38.97  | Emerging innovator |
| North Macedonia        | 44.56  | 40.74 | 44.58 | 47.10  | Emerging innovator |
| San Marino             | -      | -     | -     | -      | -                  |

The indicator Employment rate is important because it reflects the economic situation in the EUSAIR area, as well as the level of economic development of region, which is one of the goals of macro-regions in general.

Compared to 2018, in 2019 all EUSAIR countries had growth in the employment rate. On the other hand, most of the countries, except Serbia and Bosnia and Herzegovina in 2020 had a decline in the employment rate. In 2021, the employment rate started to rise again, except in Italy, Serbia and Bosnia and Herzegovina. The largest employment rate is in Slovenia, followed by Albania and Serbia, while the smallest is in Bosnia and Herzegovina and Greece.

**Table 13 Employment rate by EUSAIR countries**

| EUSAIR country              | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|------|------|------|------|
| Greece (EL)                 | 41.9 | 43   | 42.7 | 43   |
| Italy (IT)                  | 44.6 | 44.9 | 44.1 | 43.7 |
| Slovenia (SI)               | 55.8 | 55.5 | 54.9 | 55.4 |
| Croatia (HR)                | 46.9 | 47.7 | 47.2 | 47.5 |
| Montenegro (ME)             | 47.5 | 48.7 | 43.8 | 44.6 |
| Albania (AL)                | 52   | 53.4 | 50.1 | 51.6 |
| Serbia (RS)                 | 47.6 | 49   | 49.1 | 47.8 |
| Bosnia and Herzegovina (BA) | 34.2 | 35.2 | 36.1 | 35.6 |
| North Macedonia (MK)        | 43.7 | 45.9 | 43.4 | 44.3 |
| San Marino                  | -    | -    | -    | -    |

Finally, the indicator Supported transnational cooperation networks is similar as already proposed output indicator, which counts supported transnational cooperation networks. The aim of the networks is to exchange information, knowledge and resources. The difference between the indicator as a Sustainable tourism output indicator and as a cross-pillar indicator is that as a cross-pillar indicator, it measures the number of networks at the all 4 pillars of the EUSAIR – blue growth, connecting the region, environmental quality and sustainable tourism. As mentioned above, no new transnational cooperation networks have been identified in the framework of Pillar 4. Additionally, due to the fact that data regarding transnational networks in the framework of other pillars are also

not available, at the moment there are only 18 already recognised transnational cooperation networks in the Adriatic-Ionian Region.

**Table 14 Supported transnational cooperation networks at the EUSAIR level**

| EUSAIR | Supported transnational networks |
|--------|----------------------------------|
| EUSAIR | 18                               |

### 3. FIRST INSIGHT FOR THE EVALUATION OF ACHIEVEMENTS OF THE EUSAIR

The EUSAIR Action Plan (European Commission, 2014) has been brought in June 2014 with aim to go from 'words to actions' by identifying the concrete priorities for the macro-region. In May 2022, the revision process of the EUSAIR Action Plan has begun. This chapter brings the evaluation of the achievements of the EUSAIR 2014 Action Plan.

As mentioned before, the EUSAIR Pillar 4 Sustainable tourism specific objectives are diversification of the macro-region's tourism products and services along with tackling seasonality of inland, coastal and maritime tourism demand and improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region. To achieve these objectives, Pillar 4 focuses on two topics: Topic 1 – Diversified tourism offer (products and services); and Topic 2 – Sustainable and responsible tourism management (innovation and quality).

To achieve the first objective, eight Actions have been developed. These Actions are:

- “Brand-building of the Adriatic Ionian tourist products/services” – establishment of an Adriatic-Ionian brand which would posit the Region as one destination in the eyes of visitors, residents and stakeholders;
- "Initiative to improve quality for sustainable tourism offer" – improving the quality of the existing offer and delivering new services and products of enhanced quality should be at the basis of sustainable tourism offer. In this context, a tourism offer addressing specific target of tourists, such as: seniors, youth or people with disabilities, would be of interest;
- “Diversification of the cruise and nautical sectors and enhancement of the yachting sector” – even though the cruise and nautical sectors are already operating at a macro-regional level with a strong potential for further growth, local coastal and hinterland economies have not tapped into their full potential;
- “Sustainable tourism R&D platform on new products and services” – joining forces in the Region among university departments, research centres, innovation and technology transfer networks, together with the business community for development and marketing of new products and services, development of clusters and smart specialisation strategies
- “Sustainable and thematic tourist routes” – development and branding of macro-regional tourism routes, through mapping and further promoting existing routes, (i.e. cruise, motor bike, walking/hiking, cycling, sailing);
- “Fostering Adriatic-Ionian cultural heritage” – in order to diversify the Region's profile in the eyes of its visitors and to extend the tourism inflows beyond the summer season, the rich cultural background and assets should be further exploited;
- “Improving accessibility for Adriatic-Ionian tourism products and services” – adjustment of tourism products and services in the Region to the needs of both residents and visitors with special access needs (i.e. senior groups, young people and schools, disabled people, families with low income);

- “Upgrade of Adriatic-Ionian tourism products” – the Region has a unique variety of products - especially in agriculture and food processing sector – generated through processes that are unique in the world. Investment opportunities may arise from exploration of new ways of entering the global markets.

Regarding the Topic 1 – Diversified tourist offer, two targets have been set in the Action Plan: (i) 5 new macro-regional routes created, and (ii) Conformity with EU standards and best practice by hotels and museums in the Adriatic-Ionian, to be fully accessible by special needs groups.

The first target has been achieved through the implementation of EU funded projects in the AIR. Even though several projects have had an objective of development of touristic routes, the largest contribution to the achievement of this objective was the project ROUTES4YOU. In the framework of the project, eight Macro-regional routes have been created, related to origin of the humanity in Europe, heritage, civilisation, life, knowledge, design and nature.

Accessibility of hotels and museums has also been an objective of several projects implemented in the Region. One of them was project TOURISM4ALL financed under Interreg ADRION, which have had an objective of development and a wide cross border network of accessible tourist destinations with natural and cultural heritage in order to reduce reliance on seasonal tourism and promote social inclusion by sharing approaches and methods and by joint-promoting tourism services for disadvantaged people and for those with special accessibility needs (e.g. the disabled, the elderly).

Actions in the framework of Pillar 4, Topic 2 – Sustainable and responsible tourism management are:

- Network of Sustainable Tourism businesses and cluster – stimulating innovation through interaction between different tourism actors and creation of strong synergies with complementary sectors along the value chain;
- Facilitating access to finance for new innovative tourism start-ups – facilitating access to information on funding possibilities for innovative sustainable tourism start-ups, and for SMEs and university spin-offs capitalising on new research results and bringing new products and services into the sector;
- Promoting the Region in world markets – improving the promotion of destinations in international key markets is needed for increased tourist flows;
- Expanding the tourist season to all year-round – alleviating seasonality in the Adriatic Ionian, and expanding the tourist season;
- Training in vocational and entrepreneurial skills in tourism – need for training for SMEs (including e-training), the creation of an Adriatic-Ionian Observatory on Sustainable Tourism skills, and training for tourism entrepreneurship;
- Adriatic Ionian cooperation for facilitating tourist circulation – given the current fragmented cooperation at macro-regional level, framework conditions for better overall cooperation in tourism are needed.

- Adriatic-Ionian action for more sustainable and responsible tourism – the establishment of an Adriatic-Ionian Charter to encourage sustainable and responsible tourism practices in the Region.

Additionally, two targets have been set up regarding the Topic 2: (i) 50% increase in tourist arrivals from countries outside the Region; and (ii) 50% increase in tourism arrivals during the off-season period.

The analysis of the number of tourist arrivals from countries outside the region showed that in the period 2014-2019, all of the EUSAIR countries data are available for, the increase of number of tourists from outside of the region was above 50%, except for Italy where the increase was 30%. The results for the whole Region show that the increase in the number of arrivals from outside a region is 44%, therefore, the target has not been achieved.

Tourism arrivals during off-season period have been analysed for period from January to April and October to December. During the analysed period from 2014-2019, the number of arrivals of tourists during the off-season period increased by more than 50% in all of the AIR countries except for Italy where it increased for 26%, so it can be concluded that the target for 2020 is achieved.

## 4. CONCLUSION

The last two and a half years have been characterized by COVID-19 pandemic that affected not only health and personal security, but also economy. One of the most hit sectors by pandemic is tourism, which can be seen from the data presented in this report. In the previous Annual Monitoring Reports, it was concluded that AIR is one of the most popular tourism destinations in the world and that it is important to ensure that the process of co-implementing the tourism transition pathway considers progress made by other ecosystems and developments in other EU policies.

Like rest of the world, the EUSAIR countries have also been greatly affected by the pandemic. The number of arrivals and night spent declined greatly, as well as the contribution of the tourism to the economy. The socio-economic indicators showed that the population at the AIR was increasing in the period 2017-2021, while economic indicators – GDP p/c, unemployment rate, youth unemployment rate and jobs in tourism industries were decreasing in 2020, but some of them started to recover in 2021. Sustainable tourism output indicators did not change in the previous period, since the new OPs are being developed so there were no new projects.

Sustainable tourism result indicators showed decrease in 2020 compared to the period 2017-2019, but also a recover in 2021. All of the result indicators declined in 2020 – number of arrivals, number of bed places in hotels and similar accommodation establishments, number of nights spent in hotels and similar accommodation establishments, relative contribution of tourism to the destination's economy, spending of same day visitors, average occupancy rate in commercial accommodation establishments and direct tourism employment as a percentage of total employment in the destination and began to recover in 2021. However, they are still not on the pre-pandemic level. In the third Annual Report, two more result indicators are suggested in this report – Intensity of greenhouse gas (CO<sub>2</sub>) emissions into the air from tourism, and Travel & Tourism Competitiveness Index – Environmental Sustainability. The indicator Intensity of greenhouse gas (CO<sub>2</sub>) is still not used in databases, especially not on a country level, it is estimated that tourism is responsible for roughly 8% of the world's carbon emission. The Travel and Tourism Competitiveness Index has been replaced in 2021 with Travel & Tourism Development Index, which provides a strategic benchmarking tool for business, governments, international organizations and others to develop the T&T sector. Travel & Tourism Development Index – Environmental Sustainability showed that the best ranked AIR countries are Slovenia and Croatia, while worst are North Macedonia and Bosnia and Herzegovina.

Sustainable tourism impact indicators, as well as the governance and cross-pillar indicators have not showed any change compared to the previous annual monitoring report.

The overview of indicators showed that the COVID-19 pandemic greatly influenced tourism in Adriatic-Ionian region. However, since there are many strengths sustainable tourism recognized in the Region, 2021 brought a recovery in tourism in the Region. Also, the pandemic helped to change the way tourism is experienced. It is recognized that, among other sectors, tourism has to be more sustainable.

The EUSAIR Action Plan from 2014 proposed several actions to be implemented and 4 targets. The analysis showed that the projects implemented in the Region led to the achievement of targets under Topic 1: Diversified tourist offer. On the other hand, the targets for the Topic 2: Sustainable and responsible tourism management have not been achieved, even though the results were very close to target.

To conclude, it should be emphasized that among European Macro-regional Strategies, only EUSAIR has sustainable tourism as one of the key Pillars. Even though Adriatic-Ionian Region is most touristic region among them, it is important that the other regions also recognize the importance of sustainable tourism as a framework for sustainable growth in the future.

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