



***Monitoring and Evaluation of the
European Strategy of Adriatic-Ionian Region (EUSAIR)***

Pillar 4 “Sustainable Tourism”

3rd Annual Monitoring Report



ZAGREB, CROATIA, 26th April 2022

Contents

INTRODUCTION.....	1
1 SUSTAINABLE TOURISM IN THE ADRIATIC – IONIAN REGION.....	2
1.1 Main changes in the sustainable tourism in the Adriatic – Ionian Region in the period 2012 – 20204	
1.2 Future for EU tourism strategies.....	7
2 EUSAIR MONITORING AND EVALUATION INDICATOR SYSTEM	9
2.1. Monitoring the development of the Adriatic-Ionian Region.....	10
2.1.1. Socio - economic indicators	11
2.1.2. EUSAIR TSG 4 Context indicators (MRS.ESPON)	13
2.2. MONITORING THE EUSAIR IMPLEMENTATION - OUTPUT, RESULT, IMPACT, GOVERNANCE AND CROSS-PILLAR INDICATORS.....	17
2.2.1. Pillar 4 – Sustainable tourism output indicators	17
2.2.2. Pillar 4 – Sustainable tourism result indicators	18
2.2.3. Pillar 4 – Sustainable tourism impact indicators	23
2.2.4. Pillar 4 – Sustainable tourism governance indicators	24
2.2.5. Cross-pillar suggested indicators	26
3. the overview of the operational programmes in the AIR for the programming period 2021-2027	28
4. CONCLUSION	32
Literature.....	34

LIST OF TABLES

Table 1 Tourism in Macro-regional Strategies	3
Table 2 Macroregional socioeconomic context indicators	11
Table 3 MRS.ESPON indicators	15
Table 4 Interregional investments in EUSAIR Pillar 4 related projects by relevant programmes .	17
Table 5 Supported transnational cooperation networks at the EUSAIR level	18
Table 6 Project introducing innovations by relevant programmes.....	18
Table 7 Result indicators.....	19
Table 8 Travel & Tourism Competitiveness Index – Environmental Sustainability	23
Table 9 Joint tourism products developed and promoted by programmes	24
Table 10 Attendance of TSG4 meetings.....	25
Table 11 Project ideas generated by the TSG 4 “Sustainable tourism”	25
Table 12 Innovation effects	26
Table 13 Employment rate by EUSAIR countries.....	27
Table 14 Supported transnational cooperation networks at the EUSAIR level	27
Table 15 The overview of Operational Programmes for the period 2021-2027 that are relevant for the Adriatic-Ionian Region	28

LIST OF FIGURES

Figure 1 Map of EUSAIR countries	2
Figure 2 Number of arrivals of non-residents staying in hotels and similar accommodation establishments, 2013-2020 (2013=100)	5
Figure 3 Number of bed places in hotels and similar accommodation establishments, 2012-2020 (2012=100)	6
Figure 4 Number of nights spent at hotels and similar accommodation establishments, 2012-2020 (2012=100)	7

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 1st 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 presents the findings related to the preparation and implementation of projects related to sustainable tourism and culture in the area of the EUSAIR strategy. 313 projects were analysed, and some of them where described in more detail. The report also contains analysis of 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 points 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 gives 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.

Zagreb, 26th April 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: EC, 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: Promoting culture and tourism	1.Equal employment opportunities Increase the economic potential of strategic sectors
	2. Connecting the Region	2. Connect the region	2. Protecting the Environment	2.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"> - Innovations - Tourism – reinforcing cohesiveness of the macro-region through tourism. 		renewable and reliable energy solutions for the future
	<p>4. Sustainable tourism:</p> <ul style="list-style-type: none"> - diversified tourist offers - sustainable and responsible tourism management 		4. Strengthening the region:	
Horizontal Objectives	<ul style="list-style-type: none"> - research, innovation and SMEs, and capacity building, including communication 	<ul style="list-style-type: none"> - Capacity building - climate change - cooperation with neighbouring non-EU countries - spatial planning 		<ul style="list-style-type: none"> - Good governance and capacity building

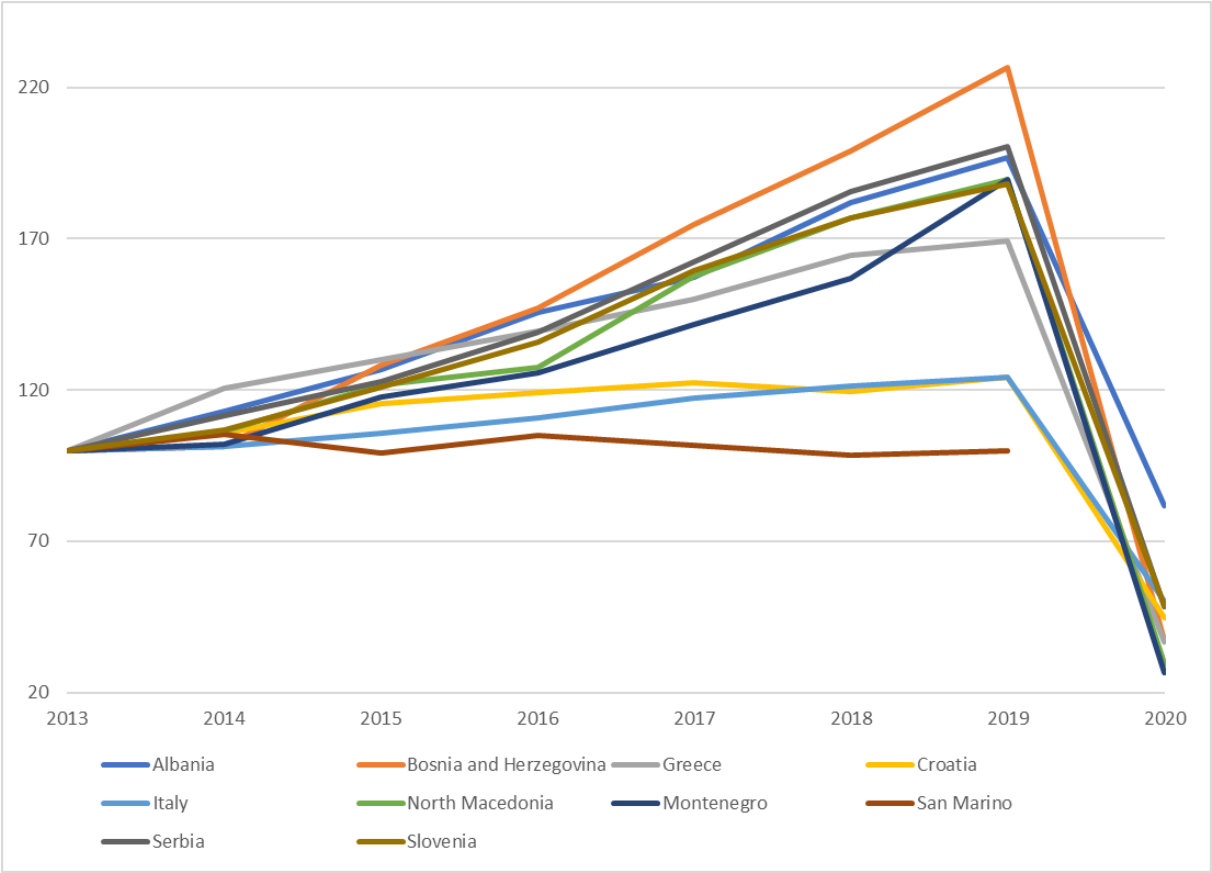
Description: **Economy** /Environment and energy/Transport and connectivity /Resilience/**Tourism and innovation**

Source: *Innovative Actions in Sustainable Tourism EU Strategy for the Adriatic-Ionian Region (EUSAIR) Third Annual Report (2022) Task T1.2.24, for the Ministry of Tourism and Sports of the Republic of Croatia, 2022*

1.1 Main changes in the sustainable tourism in the Adriatic – Ionian Region in the period 2012 – 2020

In the period 2013-2020 the total of 1.4 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, in 2020 all of the EUSAIR countries had a large decline in number of tourists, so none of the countries is above the number of tourists they had in 2013, which can be seen in Figure 2. Only Albania is on the level of 80% of tourists in 2013, while all other countries are around 50%.

Figure 2 Number of arrivals of non-residents staying in hotels and similar accommodation establishments, 2013-2020 (2013=100)



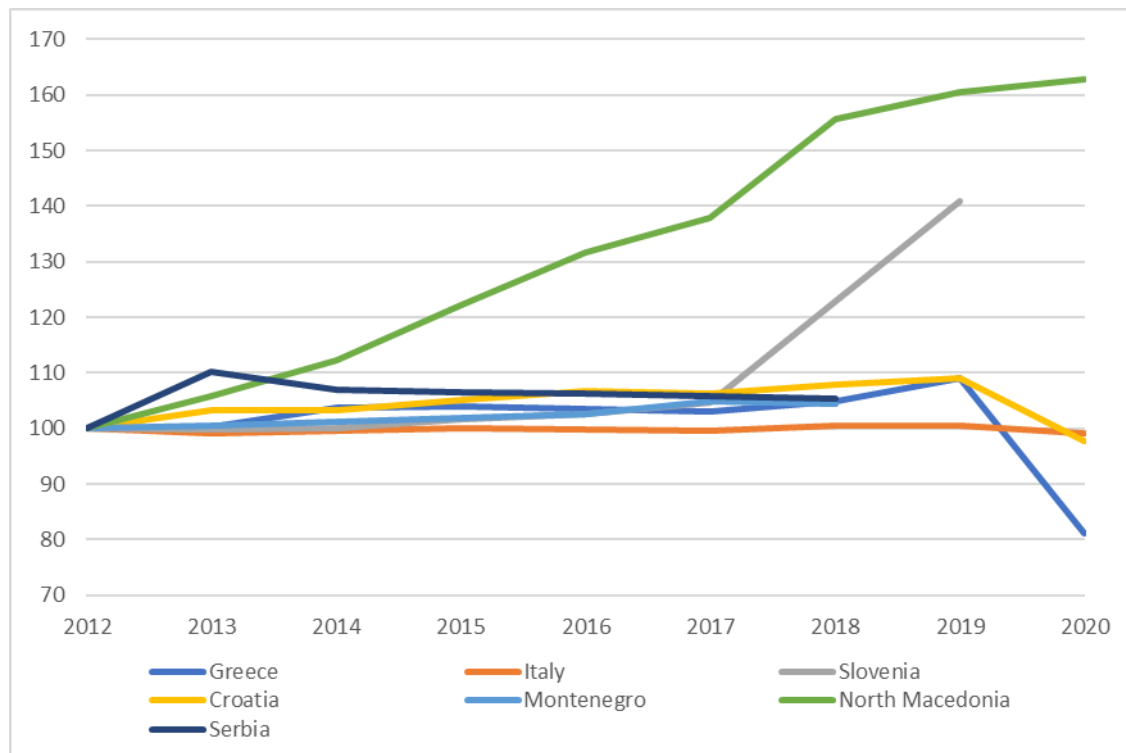
Source: UNWTO

When compared to the 2nd EUSAIR Monitoring Annual Report with the data for 2019, the situation in the EUSAIR countries regarding the arrivals of tourists has completely changed. The number of arrivals declined sharply, but Italy and Greece 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 626 thousand bed places and Croatia with 153 thousand bed places in 2020. The smallest number of bed places in hotels and similar accommodation establishments in Adriatic-Ionian Region is found in North Macedonia (24 thousands in 2020). In the period 2012-2019, the number of bed places in hotels and similar accommodation establishments was growing, especially in North Macedonia. 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, where the number of bed places is never bigger, even though the number of tourists is way below the level from period 2012-2019. 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, 2012-2020 (2012=100)

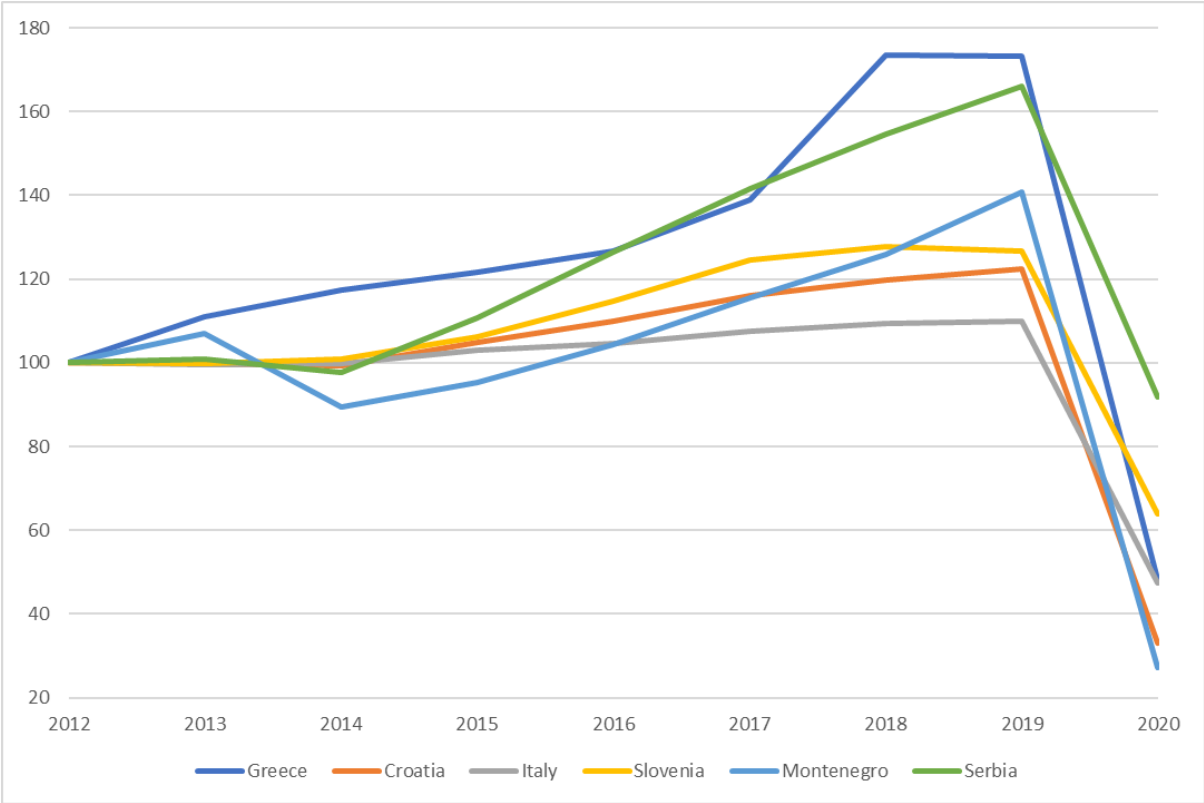


Source: Eurostat

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.

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.

1.2 Future for EU tourism strategies

In 2022, the European Commission published a report Transition Pathway for Tourism (2022) which represents a framework for future development of sustainable tourism in the European Union. 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. 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.

The report concludes that the tourism ecosystem is interlinked with several other ecosystems and their policies. Therefore, 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. In the future, it is important to ensure that the co-implementation process considers the progress made by other ecosystems and developments in other EU policies.

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 Macroregional 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 (CO₂) 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 the development of the Adriatic-Ionian Region**

Monitoring 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, and they are presented in Table 1.

Table 2 Macroregional socioeconomic context 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	1,880	1,790	1,800	1,880	1,940
		Italy	2,310	2,360	2,350	2,420	2,440
		Slovenia	1,540	1,610	1,680	1,780	1,900
		Croatia	1,230	1,320	1,390	1,450	1,640
		Montenegro	680	730	760	770	-
		Albania	250	270	300	290	-
		Serbia	400	450	480	510	550
		Bosnia and Herzegovina	-	-	-	-	-
		North Macedonia	350	340	-	-	-
		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	4.23	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	-
		Italy	26.0	25.7	24.6	-	-
		Slovenia	16.6	15.4	13.7	14.3	-
		Croatia	23.7	22.1	20.8	20.5	-
		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	-	-
		San Marino	-	-	-	-	-
Human Development Index	Score	Greece	0.879	0.881	0.888	-	-
		Italy	0.886	0.890	0.892	-	-

		Slovenia	0.907	0.912	0.917	-	-
		Croatia	0.845	0.848	0.851	-	-
		Montenegro	0.822	0.826	0.829	-	-
		Albania	0.790	0.792	0.795	-	-
		Serbia	0.798	0.803	0.806	-	-
		Bosnia and Herzegovina	0.774	0.777	0.780	-	-
		North Macedonia	0.767	0.770	0.774	-	-
		San Marino	-	-	-	-	-

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

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.

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.

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
Tourism direct contribution to GDP	%	Greece	20.21	20.13	8.7
		Italy	13.07	13.11	7.0
		Slovenia	12.25	12.25	6.7
		Croatia	25.15	25.75	10.2
		Montenegro	25.10	25.10	8.8
		Albania	26.34	26.27	10.6
		Serbia	6.70	6.80	2.8
		Bosnia and Herzegovina	9.85	10.05	3.5
		North Macedonia	6.82	6.95	3.3
San Marino	-	-	-		
Jobs in tourism industries	%	Greece	25.39	25.30	19.8
		Italy	14.81	14.73	13.8
		Slovenia	12.71	12.74	10.6
		Croatia	23.41	23.78	19.0
		Montenegro	20.02	19.74	27.3
		Albania	24.30	24.30	17.5

		Serbia	4.74	4.75	5.0
		Bosnia and Herzegovina	11.45	11.72	8.4
		North Macedonia	6.23	6.36	5.7
		San Marino	-	-	-
Number of UNESCO World heritage sites	Number	Greece	18	18	-
		Italy	54	55	-
		Slovenia	4	4	-
		Croatia	10	10	-
		Montenegro	4	4	-
		Albania	4	4	-
		Serbia	5	5	-
		Bosnia and Herzegovina	3	3	-
		North Macedonia	1	1	-
		San Marino	-	-	-

Source: World Bank

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 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.

Regarding the indicator number of UNESCO World heritage sites, no new data for 2020 are available.

2.2. MONITORING 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. In relation to the previous report, an additional 31 projects related to sustainable tourism in the EUSAIR region were identified through the Interreg ADRION programs, Cross Border Cooperation programs, Interreg Mediterranean and HORIZON. One project related to sustainable tourism was found in the COSME program.

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

Programme	Number of projects analysed	New projects, 2021	Total budget in million EUR till 2021	Budget in million EURO, 2021
National and Regional OPs	148		EUR 461,98 million	
ADRION Programme	22	8	EUR 18,66 million	EUR 8,3 million
Cross-border Cooperation Programmes	112	17	EUR 132,16 million	
Interreg Mediterranean	21	2	EUR 56,75 million	EUR 5,97 million
LIFE Programme	3		EUR 4,86 million	
HORIZON Programme	7	3	EUR 15,44 million	EUR 14,3 million
COSME		1		EUR 1,3 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. Since the previous Annual Monitoring report – there is one more identified network.

Table 5 Supported transnational cooperation networks at the EUSAIR level

	2019	2020	2021
EUSAIR cooperation networks	18	18	19

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 ADRIION 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
ADRIION 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 (CO₂) 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	-
		Italy	93,228	95,399	38,419	-
		Slovenia	4,425	4,702	1,216	-
		Croatia	57,668	60,021	21,608	-
		Montenegro	2,077	2,510	351	-
		Albania	5,927	6,406	2,658	-
		Serbia	1,711	1,847	446	-
		Bosnia and Herzegovina	1,053	1,198	197	-
		North Macedonia	707	758	118	-
		San Marino	1,874	1,904	-	-
Number of bed places in hotels and similar accommodation establishments	Thousands	Greece	809.6	841.1	626.0	-
		Italy	2,260.9	2,260.5	2,229.3	-
		Slovenia	-	62.7	-	-
		Croatia	169.1	171.0	153.3	-
		Montenegro	36.2	-	-	-
		Albania	-	-	-	-
		Serbia	53.3	-	-	-
		Bosnia and Herzegovina	-	-	-	-
		North Macedonia	23.1	23.9	24.2	-
		San Marino	-	-	-	-
55.9Number 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	8.7	-
		Italy	13.07	13.11	7.0	-
		Slovenia	12.25	12.25	6.7	-
		Croatia	25.15	25.75	10.2	-

		Montenegro	25.10	25.10	8.8	-
		Albania	26.34	26.27	10.6	-
		Serbia	6.70	6.80	2.8	-
		Bosnia and Herzegovina	9.85	10.05	3.5	-
		North Macedonia	6.82	6.95	3.3	-
		San Marino	-	-	-	-
Total spending of overnight tourists	Thousand EUR	Greece	2,294,115.65	2,327,213.57	-	-
		Italy	26,829,423.58	26,207,893.3	-	-
		Slovenia	1,391,248.32	1,306,896.01	-	-
		Croatia	1,650,987.43	1,660,333.11	-	-
		Montenegro	-	-	-	-
		Albania	-	-	-	-
		Serbia	475,933.73	-	-	-
		Bosnia and Herzegovina	-	-	-	-
		North Macedonia	-	114,963.38	-	-
		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	-
		Italy	48.6	46.6	25.4	-
		Slovenia	32.3	43.9	26.0	-
		Croatia	51.8	51.3	20.1	-
		Montenegro	37.1	40.2	16.0	-
		Albania	16.9	21.4	8.1	-
		Serbia	35.4	37.7	20.8	-
		Bosnia and Herzegovina	-	-	-	-
		North Macedonia	25.8	26.8	14.3	-
		San Marino	-	-	-	-
Direct tourism employment as a percentage of total employment in the destination	%	Greece	25.39	25.30	19.8	-
		Italy	14.81	14.73	13.8	-
		Slovenia	12.71	12.74	10.6	-
		Croatia	23.41	23.78	19.0	-
		Montenegro	20.02	19.74	27.3	-
		Albania	24.30	24.30	17.5	-
		Serbia	4.74	4.75	5.0	-

		Bosnia and Herzegovina	11.45	11.72	8.4	-
		North Macedonia	6.23	6.36	5.7	-
		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).

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.

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).

The data for the indicator total spending of overnight tourists for the 2020 are not available. In 2018, total spending of overnight tourist was by far the largest in Italy, followed by Greece, Croatia and Slovenia. The same situation was in 2019, but compared to 2018, total spending of overnight tourists in Italy and Slovenia declined, while in Greece and Croatia raised.

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%.

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.

Two more result indicators that are suggested in this report are this Intensity of greenhouse gas (CO₂) emissions into the air from tourism, and Travel & Tourism Competitiveness Index – Environmental Sustainability.

The indicator Intensity of greenhouse gas (CO₂) 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 Competitiveness Index is a measurement of the factors that make it attractive to develop business in the travel and tourism industry of individual countries, rather than a measure of a country attractiveness as a tourist destination. The index consists of 4 sub-indices and 14 Pillars. Pillar 9 is the “environmental sustainability” pillar. 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 Competitiveness Index – Environmental Sustainability

EUSAIR country	2017		2019	
	Travel & Tourism Competitiveness Index – Environmental Sustainability	Rank	Travel & Tourism Competitiveness Index – Environmental Sustainability	Rank
Greece (EL)	4.48	39	4.5	37
Italy (IT)	4.49	37	4.3	64
Slovenia (SI)	5.07	10	5.4	8
Croatia (HR)	4.73	21	5.1	14
Montenegro (ME)	4.33	49	4.7	26
Albania (AL)	4.11	72	4.3	62
Serbia (RS)	4.18	61	4.5	40
Bosnia and Herzegovina (BA)	3.89	94	4.3	65
North Macedonia (MK)	3.74	105	3.6	105
San Marino	-	-	-	-

Source: *World Economic Forum*

In 2019, the best EUSAIR country in Travel and Tourism Competitiveness Index, Pillar 9 Environmental Sustainability was Slovenia with the value of 5.4 and rank 8, followed by Croatia with value 5.1 and rank 14. The country with smallest value, 3.6 is North Macedonia, which was ranked 132.

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 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 cultural and natural 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 possible that the number of strategic documents and action plans related to natural and cultural heritage and tourism on local and regional level will rise. Some of the projects analysed during this evaluation had activities related to development of natural and cultural heritage, smart, sustainable tourism action plans. Some of them are VISITUS project: Enriching tourism offer for persons with visual impairment and blindness (Interreg Croatia Serbia), ExtroCult project: Enhancement Extroversion on Culture, Folkloric and Gastronomic Tourism (Interreg Greece-Albania) and NEST: Networking for Smart Tourism Development (Interreg Italy-Albania-Montenegro). More of these plans 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.

In 2021, in addition to the previous 165 projects, this Annual report also analysed 31 additional projects related to sustainable tourism. Among these projects, 2 new projects have been identified that are dedicated to or promote joint tourism projects.

Table 9 Joint tourism products developed and promoted by programmes

Programme	Projects that develop and/or promote joint tourism products till 2021	Projects that develop and/or promote joint tourism products in 2021
ADRION Programme	10	
Cross-border Cooperation Programmes	60	2
Interreg Mediterranean	3	
LIFE Programme	0	
HORIZON Programme	3	

2.2.4. Pillar 4 – Sustainable tourism governance indicators

Two governance indicators have been analysed 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, one meeting was held, on 5 October, 2021, with all countries participating.

Table 10 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 th Meeting	16 February, 2021	Online	All 9 countries participated
15 th Meeting	20 April 2021	Online	All 9 countries participated
16 th Meeting	5 October 2021	Online	All 9 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 14th Meeting held online on 16 February, 2021 and 1 project idea was presented at the 15th Meeting, also held online, on 20 April 2021. Last TSG4 Meeting, held online on 5 October 2021 generated 1 project ideas.

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 th Meeting	16 February, 2021	Online	4
15 th Meeting	20 April 2021	Online	1
16 th Meeting	5 October 2021	Online	1

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 2nd 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. There are only one new transnational cooperation networks in the Adriatic-Ionian Region.

Table 14 Supported transnational cooperation networks at the EUSAIR level

EUSAIR	Supported transnational networks till 2021	Supported transnational networks in 2021
EUSAIR	18	19

3. THE OVERVIEW OF THE OPERATIONAL PROGRAMMES IN THE AIR FOR THE PROGRAMMING PERIOD 2021-2027

Even though the programming period 2021-2027 has already started, not all Operational Programmes have been developed yet, due to the economic situation caused by the COVID-19 pandemic. The following table gives the overview of Operational Programmes for the period 2021-2027 that are relevant for the Adriatic-Ionian Region.

Table 15 The overview of Operational Programmes for the period 2021-2027 that are relevant for the Adriatic-Ionian Region

Operational Programme	Phase of development	Priorities
Competitiveness and Cohesion Operational Program 2021-2027 (OPCC) (Croatia)	Sent to the relevant EU services	Not available
Operational Program Effective Human Resources 2021-2027 (Croatia)	Sent to the relevant EU services	Not available
Integrated Territorial Program 2021-2027 (Croatia)	Sent to the relevant EU services	Not available
Croatian National Recovery and Resilience Plan	The plan was adopted by the Council on 28 July opening the door to its implementation and financing.	Economy Public administration, judiciary and state property Education, science and research Labour market and social protection Health care Initiative: Renovation of buildings
Operational Programme "Competitiveness" (Greece)	Sent to the relevant EU services	Not available
Greek National Recovery and Resilience Plan	The plan was adopted by the Council on 13 July opening the door to its implementation and financing	1. Green transition 2. Digital Transformation 3. Employment, skills and social cohesion 4. Private Investments and Transformation of the economy
Italian National Operational Programme	Several draft versions of the Partnership Agreement were therefore prepared, sent to the European Commission for the purpose of the informal dialogue and shared with the partnership	Not available

Italian National Recovery and Resilience Plan	The plan was adopted by the Council on 13 July opening the door to its implementation and financing.	Mission 1: Digitalisation, Innovation, Competitiveness, Culture and Tourism Mission 2: Green Revolution and Ecological Transition Mission 3: Infrastructure for a sustainable mobility Mission 4: Education and Research Mission 5: Inclusion and Cohesion Mission 6: Health
Slovenian Operational Programme for the financial period 2021-2027	The inputs and contributions produced by line ministries and partners will be used to feed the design of the programme and will help identify areas of support and scope of support by individual policy objectives	Not available
Slovenian National Recovery and Resilience Plan	The plan was adopted by the Council on 28 July opening the door to its implementation and financing.	Green transition Digital transformation Smart, sustainable and inclusive growth Health and social security
CBC Interreg Greece – Italy	Sent informally to the relevant bodies of the EU	Not available
CBC Interreg Italy – Croatia	The composition and setting up of the Task Force 2021-2027 were formalized with official note of the Managing Authority n. 463266 of 30/10/2020	Not available
CBC Interreg Italy – Slovenia	Due to the outbreak and persistence of COVID pandemic, during 2020 and 2021 the Task Force has carried out negotiations through online meetings	Not available
CBC Interreg Slovenia – Croatia	The negotiations, which took three years, were finalized with an agreement reached on 24 June 2021, which was followed by the adoption and publication of the Cohesion Policy legislative package 2021-2027	Not available
IPA Cross-border Co-operation Programme Croatia – Serbia	Finalised and approved by Programming Task Force on 31 March 2021	PO 1 SMARTER EUROPE PO 2 GREENER EUROPE PO 4 SOCIAL EUROPE
IPA Cross-border Co-operation Programme Croatia – Bosnia and Herzegovina – Montenegro	Finalised and approved by Programming Task Force on 30 March 2021	PO 1 SMARTER EUROPE PO 2 GREENER EUROPE PO 4 SOCIAL EUROPE

		ISO 1 BETTER COOPERATION GOVERNANCE
IPA Cross-border Co-operation Programme Greece – Albania	In order for the approval process to be completed, a public consultation round has been opened	Not available
IPA Cross-border Co-operation Programme Greece – Republic of North Macedonia	Programme version was informally submitted to the European Commission	Not available
Interreg ADRION	The Task Force has identified programme priorities and specific objectives that are considered worth to be supported in the post-2020 transnational context	<p>A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity (PO 1)</p> <p>A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility (PO 2)</p> <p>A more connected Europe by enhancing mobility (PO 3)</p>
Interreg Mediterranean	Launched in October 2019, the Task Force of the Interreg MED Programme has been responsible for the drafting of the 2021-2027 Programme, that will be called Interreg Euro-MED	<p>Mission 1: Strengthen an innovative sustainable economy.</p> <p>Mission 2: Protect, restore and valorise the natural environment and heritage</p> <p>Mission 3: Promote green living areas</p> <p>Mission 4: Enhancing sustainable tourism</p>
LIFE Operational Programme	The LIFE programme 2021-2027 is the only EU funding programme entirely dedicated to environmental, climate and energy objectives	<p>Nature and biodiversity</p> <p>Circular economy and quality of life</p> <p>Climate change mitigation and adaptation</p> <p>Clean energy transition</p>
Horizon Europe Operational Programme	New funding opportunities have already opened up since early 2021: in February the Commission launched the first European Research Council calls under Horizon Europe and in March it launched the new European Innovation Council	Not available

The analysis of the Operational Programmes for the financial period 2021-2027 showed that most of the OPs are still not publicly available. On the other hand, out of those that are available, sustainable tourism is a priority in only two of them – Italian National Recovery and Resilience Plan and Interreg Mediterranean. In other OPs, sustainable tourism is mostly part of priorities related to business environment, competitiveness, entrepreneurship and SMEs development.

4. CONCLUSION

The last two 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. All of the result indicators declined – 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. Two more result indicators are suggested in this report – Intensity of greenhouse gas (CO₂) emissions into the air from tourism, and Travel & Tourism Competitiveness Index – Environmental Sustainability. The indicator Intensity of greenhouse gas (CO₂) 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 is a measurement of the factors that make it attractive to develop business in the travel and tourism industry of individual countries, rather than a measure of a country attractiveness as a tourist destination. Tourism Competitiveness 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 significant change compared to the previous annual monitoring report.

However, the pandemic helped to change the way tourism is experienced. It is recognized that, among other sectors, tourism has to be more sustainable. Therefore, the European Commission

published a report that presents a framework for the development of sustainable tourism. Among other, the report recognizes the importance of following areas:

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

Also, due to the fact that at the moment, Operational Programmes for the financial period 2021-2027 are being developed, it is expected that they will follow the recognized need for sustainable tourism projects and innovation in order to ensure sustainable development in AIR.

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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