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Action Plan

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

concerning the European Union Strategy for the Adriatic and Ionian Region

{COM(2020) 132 final}

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INTRODUCTION

The 'EU Strategy for the Adriatic-Ionian Region' is described in two documents: (1) a Communication from the European Commission to the other EU Institutions and its addendum, and (2) an accompanying Action Plan which complements the Communication.

The Action Plan is one of the outputs of the Strategy approach. Its aim is to go from 'words to actions' by identifying the concrete priorities for the macro-region. Once an action or project is selected, it should be implemented by the countries and stakeholders concerned.

The Action Plan is informed by an extensive, bottom-up consultation process that involved a wide range of stakeholders from the Adriatic-Ionian Region representing national, regional and local authorities, but also the private sector, academia and civil society. This approach allowed stakeholders at all levels to comment on and to endorse the selected four pillars as well as to point to actions/projects under each pillar that appeared promising for responding to challenges and opportunities shared by participating countries. The Action Plan is conceived to be rolling. This means that new actions may be added as needs change over time while existing actions are adapted as they move closer to completion.

While implementation of the Action Plan is the responsibility of all, at country, regional, and local/municipal level, within each participating country, the Strategy's coordination mechanism will be in charge of coordinating and monitoring this implementation. For each pillar, this mechanism should be made up by two or three coordinators from relevant line ministries and representing EU and non-EU countries, working closely with counterparts in the Region, in consultation with the Commission, relevant EU agencies and regional bodies. This involves securing agreement on a plan associated to a timetable, and ensuring close contacts between project promoters, programmes and funding sources. It also involves providing technical assistance and advice as required. This work must be transnational, inter-sector and inter-institutional. It will be eligible for institutional and administrative support from the transnational cooperation programme covering the same geography of the EUSAIR.

It is crucial to ensure that sufficient information and outreach be issued about the Action Plan so as to make it widely known among all types of stakeholders.

Organisation of the Action Plan

The Action Plan is structured so as to reflect the four pillars as well as the topics selected under each pillar. Accordingly, the Action Plan incorporates the following features:

- **Pillars**: These address the core challenges and opportunities identified as being of central importance for the Adriatic-Ionian Region. They are at the core of the Strategy and are essential to the success of its work, and how it is communicated.

- Topics under each pillar: These represent the main areas where the macro-regional strategy can contribute to improvements (either through tackling the main challenges or through seizing the main opportunities). For each topic, the Action Plan will present the issue and indicate what particular contribution it will bring. *Examples: To support competitiveness of enterprises, etc.* Each topic has to be considered with other policy fields. The Strategy encourages a horizontal approach highlighting interdependence between its four pillars. For example, climate change mitigation and adaptation as well as transition to a low-carbon economy have an impact on transport, energy, tourism, and other policies whilst the latter also have an impact on climate change. Accordingly, for each topic, involvement of bodies and institutions representing other policy fields is required.

- Actions: An action is the intervention which countries and stakeholders carry out in order to address the different topics. It can be a new approach, an increased coordination in policy making, policy review, support to a process already engaged, a networking initiative, etc. An action may not necessarily require financing. All actions should be understood without prejudice to existing EU competences and requirements of the EU acquis. *Examples: New approach: “To legislate at the appropriate level to tackle the problem of by-catch in fisheries”; - Increased coordination in policy making: “To develop a joint position of the Region regarding changes which could be introduced in the framework of the TEN-E”; Support to a process already engaged: “To implement fully commitments under the Adriatic-Ionian Initiative”.*

- Projects: The Action Plan is not meant to list specific projects. It is meant to outline the scope of the Strategy (the pillars) as well as the topics (per pillar) on which cooperation should focus. Projects are presented by way of examples to stimulate further initiatives, as the Strategy progresses and as new ideas emerge, and to illustrate what is needed. These examples are drawn from reports pertaining to each pillar as well as from inputs made during the stakeholder consultation and its closing conference which took place in Athens 6th and 7th of February 2014. As far as Blue Growth is concerned, the examples offered are also drawn from a study commissioned by the Commission to support the elaboration of the Adriatic and Ionian Maritime Action Plan. *Examples: “To establish a macro-regional platform for the monitoring and observation of fishing activities”; “To improve connectivity between ports and their hinterlands: linking freight railways to important ports”, etc.* Concrete projects to be implemented have to be identified by the coordination mechanism of the Strategy. As a general rule, each project would have a lead organisation/country and a deadline.

When identifying **actions** and **projects to be included in the Action Plan**, the following criteria shall be taken into account:

- **They should address identified priorities, meeting well-substantiated needs and be widely supported.** The need for the action or project concerned should have been clearly expressed by countries, regions and stakeholders or Commission’s services. The proposals should have been thoroughly discussed with these partners since their support is crucial during the implementation phase. Generally speaking, actions and

projects should reinforce existing EU policies such as: Europe 2020, Territorial Cohesion, Trans-European Networks (transport and energy), the Energy and the future Transport Communities¹, disaster risk management policy; or implementation of EU strategies such as the strategies on Biodiversity² and on Adaptation to Climate Change³, both of which encourage the development of (macro) regional strategies, as well as relevant EU Directives⁴. Finally they should also associate, as appropriate, transnational initiatives of relevance for the macro-region, such as the Adriatic-Ionian Initiative, the Regional Cooperation Council, or the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean.

- **Their scope or impact should be transnational, if not macro-regional.** Most actions and projects having an impact at the macro-regional scale will involve several countries who wish to cooperate and coordinate their efforts. If, however, a national/regional project has a direct impact on (i.e. is for the benefit of) the macro-region (e.g. the construction of a waste water treatment plant that improves the water quality of rivers or extension of a port to buttress a macro-regional transport networks), it could also be included. The impact should ideally be articulated in terms of an impact indicator which could be evaluated over time. Consideration should be given to the data which will need to be gathered in order to evaluate the impact (including definition of the baseline situation). To contribute to this end, an inventory of data already available, including their quality, should be established. Actions and projects spanning national boundaries with a view to implementing the Strategy should furthermore complement each other.
- **They should be realistic and credible.** Projects should be feasible (technically and financially) and there should be overall agreement between countries, stakeholders and the Commission of their worth. In particular, the feasibility and cost-effectiveness of a project should be established and a realistic source of funding should be identified. Confirming the consistency of a project with the Action Plan does not per se guarantee funding,
- **They should build on existing initiatives** and have reached a fair degree of maturity.
- **They should pay attention to the cross-cutting aspects** identified in the Communication, further developed in this Action Plan.
- **They should be coherent and mutually supportive.** While mainly relating to one particular pillar, each action or project must take fully into account possible impacts on actions and projects carried out under other pillars. Actions and projects undertaken under the different pillars must thus be compatible with each other and create win-win solutions. For example, transport projects or energy efficiency initiatives should not jeopardise achievement of environmental targets, such as air quality, and should preferably contribute to achieving such targets.

¹ While the Transport Community Treaty is not signed, actions and projects in the transport sector should build upon the South-East Europe Observatory (SEETO).

² COM(2011) 244 final.

³ COM(2013) 216 final.

⁴ Such as the Habitats and Birds, Water Framework, Maritime Spatial Planning and Marine Strategy framework Directives.

Reference to EU policies is systematically made for each pillar and efforts were made to link actions and projects to existing EU programmes. The targets included in the Action Plan are set by way of examples. They will serve as a source of inspiration for the bodies in charge of turning the Action Plan as it now stands into a concrete tool for implementing the Strategy. This work will include development of result indicators and precise targets, systematically matching the actions or projects that will eventually be selected.

In an initial phase, the Action Plan will concentrate on "low hanging fruits", that is to say projects emanating from existing initiatives and having reached a fair degree of maturity.

1. BLUE GROWTH

COORDINATORS: GREECE AND MONTENEGRO

The **overall objective** of Pillar 1 “Blue Growth” is about driving innovative maritime and marine growth in the Adriatic-Ionian Region by promoting sustainable economic growth and jobs as well as business opportunities in the blue economy sectors.

This requires building on the regional diversity in the Adriatic-Ionian Region, and taking into account that there are various pathways to innovative maritime and marine growth. At the same time a number of challenges and development opportunities need to be approached through cooperation among the countries, regions and cities.

The **specific objectives** for this pillar are:

1. To promote research, innovation and business opportunities in blue economy sectors, by facilitating the brain circulation between research and business communities and increasing their networking and clustering capacity.
2. To adapt to sustainable seafood production and consumption, by developing common standards and approaches for strengthening these two sectors and providing a level playing field in the macro-region.
3. To improve sea basin governance, by enhancing administrative and institutional capacities in the area of maritime governance and services.

To achieve the abovementioned objectives Pillar 1 will focus on three **topics**:

Topic 1 - Blue technologies

Topic 2 - Fisheries and aquaculture

Topic 3 - Maritime and marine governance and services

This pillar strongly supports the Europe 2020 Strategy:

- **Smart growth.** Strengthened blue technologies, as well as improvements in the sectors of fisheries and aquaculture contribute to smart growth in the Region. Actions in this area will have to build on the smart specialisation strategies being developed at regional and national levels. The work under this pillar aims also at contributing to the smart growth dimension outlined in the South East Europe 2020 Strategy. Particular focus is on developing human capital (skills, and administrative and institutional capacity), promoting entrepreneurship, networks of excellence, cooperation between research and public and private sectors, as well as users, to develop innovative products and services and technology transfer.

- **Sustainable growth.** Improved maritime governance and services, notably through Maritime Spatial Planning and enhanced management in the fields of fisheries and aquaculture, can contribute a more sustainable use of existing natural resources and thus to sustainable growth. Furthermore, innovations in the sectors of fisheries, aquaculture and blue technologies have potential for supporting sustainable growth by mitigating environmental risk and by cutting emissions from vessels at sea and in ports. The work under this pillar may also contribute to the sustainable growth dimensions outlined in the South East Europe 2020 Strategy, mainly with regard to competitiveness. Particular focus is on making sustainable use of natural resources, reducing environmental risk, and on enhancing GDP growth through enhancing regional value chains and coordinating policies.
- **Inclusive growth.** Developments in the field of Blue Growth can create new jobs. Paying more attention to job opportunities in the maritime and marine sector and improving skills and capacities in these fields can be an asset for inclusive growth. The work under this pillar may also contribute to the inclusive growth dimensions outlined in the South East Europe 2020 Strategy, mainly with regard to employment and labour mobility.

Inclusive growth is also about integrated growth in South East Europe. The work under Pillar 1 will contribute to the objective of integrated growth by removing barriers to trade and investment, and by promoting policies which are non-discriminatory, transparent and predictable and which can therefore enhance the flow of goods, investment, services and people within the Region. A clear territorial perspective in relation to this growth will increase territorial cohesion.

- **Blue Growth.** In addition to the standard objectives of Europe 2020, the actions carried out under this pillar will contribute to growth, mainly in the field of blue technology but also with regard to strengthening the aquaculture sector.

Blue Growth is the overarching objective of an EU initiative published in 2012. It is the maritime dimension of Europe 2020. The concept is connected to the Europe 2020 objectives of smart, sustainable and inclusive growth and aims at unlocking the untapped potential of Europe's seas and coastal areas. The Blue Growth Strategy seeks to foster growth and job creation by capitalising upon the so-called blue economy. Its main focus is on blue energy, aquaculture, maritime, coastal and cruise tourism, marine mineral resources and blue biotechnology.

- **Governance for growth.** The South East Europe 2020 Strategy follows the objective of governance for growth, including **compliance with EU regulations** underlining that institutions contribute significantly to development and growth. Actions in the topic of “maritime and marine governance and services” can contribute to strengthening effective public services and EU compliance throughout the Region, including the work towards common standards in the fields of fisheries, aquaculture, maritime spatial planning and integrated coastal management.

Links with other pillars

In line with the integrated approach recommended by the Strategy, the three topics under Blue Growth must be brought together with objectives pursued under the other pillars. For example, while strengthening innovative marine and maritime growth has a positive impact on business development, it also improves environmental conditions (Pillar 3 – Environmental quality) through better coordinated and more sustainable use of marine and maritime resources. In this regard, marine biodiversity will be preserved by improving fisheries and aquaculture management and sustainability. Furthermore, this improves the tourist attractiveness of an area and stimulates cooperation between fisheries and tourism activities (Pillar 4 – Sustainable tourism). At the same time, increasing business activities will be closely linked to available transport connections for delivery of goods (Pillar 2 – Connecting the Region).

Cross-cutting issues

Regarding “**capacity building**”, the actions under the third topic of this pillar, “maritime and marine governance and services”, will increase the capacity of the public sector in the countries involved - in particular with regard to enhancing administrative and institutional capacities and to promoting EU integration. Enhanced cooperation and sharing of best practices between countries in the Region (as well as outside the Region) will be promoted. Focus is on coordination of planning activities needed for better marine and maritime governance and services. Furthermore, actions under the second topic “fisheries and aquaculture” require strengthening capacity in the Region with regard to management, surveillance, monitoring and skills. This will improve strategic decision-making related to Blue Growth.

A **communication** dimension is also central for actions involving stakeholder participation, marketing and awareness raising actions. Such actions contribute to the global objective of EU integration as well as interaction with citizens and businesses.

Regarding “**research, innovation and SMEs development**”, actions under the first topic “blue technology” and the second topic “fisheries and aquaculture” both have a strong focus on research and innovation. This involves using the latest research for developing commercial products and internationalising clusters. Actions may thus help transfer the latest R&D results to seafood processing and new products, helping SMEs develop in the sectors concerned. There is a strong focus on “brain circulation” (mobility of researchers, also between academia and private sector) and on establishment of joint research and innovation platforms in the Region.

1.1. Blue technologies

Presentation of the issue

The Adriatic and Ionian Region is short on clustering and fails to fully exploit the advantages that could be gained from better cooperation between research centres and the public and private sectors. There is an insufficient “business resource efficient culture” in the Region resulting from weak involvement of stakeholders and interrelation of business, research and the public sector. Some key sectors, such as shipbuilding, the boating industry and logistics, risk losing competitive leverage while others, such as marine technologies or blue bio-technologies, have not yet developed to their full potential.

To maximise sustainable economic growth and employment as well as business creation based on blue technologies, brain circulation between research and business communities must be enhanced, their capacity to network and cooperate increased, and access to seed and venture capital improved.

Adriatic-Ionian Region specifics

In geographical terms, the topic affects all the countries in the sea-basin. However, non-EU countries have great potential in terms of blue R&D&I, often limited by outdated technologies, lack of support schemes and of planning and financial resources. Projects in this respect are mainly carried out under the umbrella of the 7th Framework Programme and the European Territorial Cooperation programmes. Research networks on which actions can build already exist, e.g. under the framework of UNIADRION⁵. The actions suggested below reflect environmental and economic challenges specific to the Adriatic-Ionian sea basin.

Indicative actions

- **Action - R&D&I platforms on green sea mobility, deep sea resources, biosecurity and bio-technologies:** to boost blue technologies in the Region, there is a need to develop macro-regional research & development & innovation platforms on selected themes of relevance. The most promising themes are green sea mobility, deep sea resources (including the development of unmanned marine vehicles), bio-security and blue bio-technologies.

⁵ UNIADRION is a universities network across the Adriatic Ionian area, which focuses on the creation of a permanent connection among universities and research centres in the area. Members of UNIADRION are Albania, Bosnia Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia. This university network deals with five working groups, which work on protections, cataloguing and promotion of cultural heritage, environment and sustainable environment, cultural tourism and development, economy, communication, ports and economic relations, as well as the technical aspects of its network.

- **Action - Macro-regional cluster development:** to support the establishment of trans-boundary clusters on promising sectors such as green shipbuilding and new materials in order to enhance exploitation of emerging technologies and internationalisation of Small and Medium Enterprises.
- **Action - Researchers mobility:** to promote “brain circulation” amongst research institutes/academies and companies as a condition for developing macro-regional cooperation in the field of blue technologies.
- **Action - Improving access to finance and promoting start-ups:** boosting blue technologies requires financial resources. Improving access to funding and promoting start-ups for development and testing prototypes or ideas is crucial, as well as supporting business spin-offs from scientific research.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
R&D&I platforms on green sea mobility, deep sea resources, biosecurity and bio-technologies	<i>Research institutes, businesses, national/ regional authorities</i>	<ul style="list-style-type: none"> • “Deep sea observation network”⁶: to map and monitor the seabed and analyse potential deep sea resources which can contribute to strengthening economic activities in the blue sector. • “Research platform marine robotics” e.g. to strengthen unmanned marine vehicles for underwater and seabed operations based on existing cooperation between Italian and Croatian research institutes, and the capacities of Greek companies and other stakeholders in the Region. This could also involve develop into platforms for macro-regional quadruple helix networks linking research, business, public sector stakeholders and the civil society. • “Research platform for green shipping” to develop new materials, sensor technologies shore-based supply of electricity for vessels in ports and to innovative propulsion modes and fuels (switch from diesel to Liquid Natural Gas and electric vessels). • “Research platform on the exploitation of micro-organisms” growing in the Adriatic and Ionian seas for the production of pharmaceuticals and cosmetic products.
Macro-regional cluster development	<i>Advanced training institutes, public admin., research institutes and businesses</i>	<ul style="list-style-type: none"> • “Green shipbuilding clusters in the Adriatic and Ionian Seas” to support the establishment of trans-boundary clusters on green shipbuilding and new materials. This strengthening of the internationalisation of clusters could e.g. build on cooperation taking place between stakeholders in Italy and Montenegro, and also involve stakeholders in Slovenia (where technological capacity is available) and Croatia (where technological capacity is under development).

⁶ In line with the Communication on Blue Innovation.

Researchers mobility	<i>Advanced training institutes, public admin., research institutes and businesses</i>	<ul style="list-style-type: none"> • “Blue technology ‘brain circulation’ in the Adriatic and Ionian Region” to support researcher mobility in the areas of blue technology and build on the experience of UNIADRION. This may also involve the development of a “cloud environment”, for facilitating the matching between researchers and institutes and companies, and for setting up a scheme for supporting researcher mobility.
Improving access to finance and promoting start-ups	<i>Financial institutions, research institutes (nat. and internat.), private operators, national/ regional authorities</i>	<ul style="list-style-type: none"> • “Adriatic-Ionian Blue Financing” could be a macro-regional project exploring innovative financial and incentives instruments to facilitate the access to seed and venture capital, such as blending mechanisms, Adriatic-Ionian Blue prize, crowd-funding, etc. This could also be linked to instruments of the EIB and EIF or other international funding bodies.

Examples of targets by 2020

Concrete outputs and results are mainly to be found in the field of increased networking between researchers and clusters linked to the fields of blue technology within the macro-region. Accordingly, the number of newly-established research networks, or clusters involving more than two participant countries, but also joint research papers, or the number of researchers exchanged could be a starting point for the definition of result indicators. These results can be expected to pave the way for increased cooperation on a long-term basis and for internationalisation of research activities and clusters. Possible points of departure for related result indicators may be the number of R&D&I platforms established, as well as the number of clusters with enlarged international cooperation.

As an example, the following target could be mentioned:

- 20 % increase - as compared to the base line situation - in R&D&I investment in the blue technology domain by 2020

1.2. Fisheries and aquaculture

Presentation of the issue

Fisheries and aquaculture are important sectors for Blue Growth in the Adriatic-Ionian Region. In particular, the social, cultural and economic contribution of fisheries is crucial at local and regional level, especially on islands and in remote regions.

Fisheries

The Strategy aims at long-term sustainable and responsible fisheries so that fishing activities can continue to provide income for coastal communities. For this, the following points are of particular importance:

- Effective implementation of the principles of the Common Fisheries Policy (CFP): The CFP advocates the promotion of a bottom -up approach to fisheries management with a view to achieving fishing levels at or below the 'Maximum Sustainable Yield'. Common principles and tools for Marine Protected Areas of fishery interest, including the adoption of measures for the protection of sensitive habitats and certain threatened species (e.g. sea turtles, dolphins), would also be beneficial.
- Market intelligence and services: Such services ensure better traceability and marketing of products. These services should build on existing cooperation among administrative bodies and producer organisations in Croatia, Italy and Slovenia and extended to the other Adriatic-Ionian countries.
- Sustainable fishery management: Multiannual fishery management plans are important tools for strengthening sustainable management of fisheries, to be implemented in close cooperation at national or international level. Data collection is essential to designing management actions and proper control is critical to their implementation.
- Control, monitoring and surveillance: The culture of compliance, transfer and share of data and information need to improve, based on the exchange of expertise and best practices and further development of common operational initiatives. Upgrading of all operational tools (systems, equipment and other resources) should also be promoted.

Aquaculture

The development of a strong, high-quality aquaculture sector that is economically sustainable and environmentally-friendly, contributes to job creation and to supply of healthy food products, respecting the EU and international rules. However, a number of barriers prevent aquaculture in the Adriatic-Ionian sea basin from developing its full potential: lack of a clear and harmonised policy with respect to access to space and licensing; industry fragmentation; limited access to seed capital or loans for innovation; time-consuming administrative procedures and red tape.

Respecting subsidiarity, the Common Fisheries Policy reform proposes to promote aquaculture through a coordinated approach, based on non-binding strategic guidelines and common priorities and exchange of best practices through the open method of coordination.

Adriatic-Ionian Region specifics

Fisheries

This topic is specific to both the Adriatic and Ionian Seas albeit with a differentiated degree of overexploitation⁷. Fishery activities are predominantly small-scale. About 80% of commercial fishing vessels are below 15 meters long⁸. The fishery sector faces various challenges linked to global competitiveness and market forces, as well as to environmental objectives concerning the conservation of fish stocks. Many stocks are shared and overexploited. The culture of compliance, and the monitoring, control and surveillance capacity are still weak in many Adriatic-Ionian countries. Risk of depletion of marine resources is a recognised issue. Out of approx. 450 fish species in the sea basin, 120 are threatened by overexploitation⁹.

Sustainable use of resources and integrated control of fisheries are critical for the entire Adriatic-Ionian Region, and deployment of the necessary capacities is essential. Building capacity to comply with the EU *acquis* on fisheries is essential for long-term sustainability.

This notwithstanding, all countries in the area (barring Bosnia and Herzegovina and the landlocked Serbia) have implemented or have been involved in specific cooperation projects aiming at increasing the profitability of fishery activities. Better cooperation across the Adriatic-Ionian sea basin should trigger a virtuous process of increasing the competitiveness of the coastal communities depending on fisheries and of widening stakeholders' involvement. The benefits of combining fisheries with tourism activity (Pillar 4) should be exploited.

Cooperation on scientific issues and fisheries management already takes place within the multilateral framework of the General Fisheries Commission for the Mediterranean and FAO regional projects (ADRIAMED and EASTMED). Building on this experience, further scientific cooperation between the Region's countries could be promoted to link scientific research to the needs of fisheries and aquaculture.

Aquaculture

Aquaculture is a key sector in the blue economy of countries like Italy, Croatia and Greece. There is significant potential for increasing capacity, and thereby reducing EU

⁷ According to Scientific Technical and Economic Committee for Fisheries (STECF), the largest part of stocks assessed in the Adriatic is overexploited. Available information on assessed stocks shows that the Ionian Sea fares slightly better but remains however alarming (Sources: Set of STECF reports, <http://stecf.jrc.ec.europa.eu/reports/medbs>).

⁸ Sources:
https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/Exec%20sum%20Adr-Ion_31-3-2013.pdf
https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/Report%2021_03_2014.pdf
https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/Annex_21-03-2014-2.pdf

⁹ Cf. footnote 8.

dependency on imports, and for decreasing the pressure on wild stocks, provided this is done in a sustainable manner. This activity is one of the most promising in the seven coastal countries of the macro-region and can play a pivotal role in the entire area.

Sustainable and profitable aquaculture requires strengthened stakeholder involvement in the overall management, simplified procedures, as well as improved skills and product diversification. Development of new sites needs proper space and planning, in coordination with other activities (including co-location). Balancing of the costs/benefits of fisheries/aquaculture is required, notably in relation to tourism, as there tends to be a trade-off between the use of marine space for aquaculture and tourism and vessel traffic. This already happens in Slovenia and in some Italian regions (especially on the North-Adriatic shore), where aquaculture is linked to conservation of habitats and ecosystem services, as well as to tourism. However, this also implies developing tools for proper site management, environmental monitoring and improving quality schemes.

Indicative actions

- **Action - Scientific cooperation on fisheries and fish stocks:** Supporting regular assessment of shared fish stocks in the Adriatic and Ionian Seas and evaluating main elements for sustainable management of fisheries are important for strategic decisions in the sector. These assessments require increasing scientific cooperation and capacities. Existing frameworks of cooperation¹⁰ should be more extensively used.
- **Action - Sustainable management of fisheries:** Multiannual fishery management plans are crucial for sustainable fisheries. In order to become useful and powerful instruments, these plans should be combined with economic impact assessment and established in close cooperation between the different areas at national or international level.
- **Action - EU compliance and common standards and practices:** In the fields of both fisheries and aquaculture, efforts are needed to develop and apply common standards and practices. Compliance with the EU *acquis* in these sectors and alignment to common standards are needed for sustainable fishery management and sustainable aquaculture, as well as for implementation of the Common Fisheries Policy. Establishment of thematic EU compliance networks may help to increase awareness among fishermen and public authorities, as well as sharing of data, exchange of experiences and best practice, and capacity building.
- **Action - Diversification and profitability of fisheries and aquaculture:** Sustainable and profitable fisheries and aquaculture require strengthened stakeholder involvement in the overall management, as well as improved and diversified activities. With regard to aquaculture, this may also imply developing tools for proper site management, environmental monitoring and improving quality schemes.
- **Action - R&D platform for seafood:** Seafood-related R&D and internationalisation of existing seafood clusters are critical to increasing the added value of fisheries and

¹⁰ Such as initiatives promoted by FAO (Food and Agriculture Organization of the United Nations) and GFCM (General Fisheries Commission for the Mediterranean) as well as the MEDAC (Mediterranean Advisory Council).

aquaculture products. Actions include research aiming at improving productivity, quality and environmental sustainability of aquaculture (including offshore aquaculture), as well as at increase the industry's ability to respond to market needs and to diversify its offer (new species).

- **Action - Developing skills:** Professional skills and competencies are needed as well as higher capacity to develop them. This action focuses on promoting and strengthening networks of academies and training institutes aiming to develop specific educational and (joint) training programs for fishermen and aquaculture farmers on innovative fishing and aquaculture techniques and safety at work.
- **Action - Marketing of seafood products:** Communication and customer awareness on quality and origin of seafood products are critical to creating added value throughout the fisheries and aquaculture value chains in the Region. This involves development of market intelligence to ensure that marketing and processing of fisheries and aquaculture products in the Region are clear (labelling, traceability and certification), efficient and in full compliance with applicable rules, as well as organisation of and participation in relevant fairs.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Scientific cooperation on fisheries and fish stocks	<i>Research institutes, fisheries organisations, national/ regional authorities</i>	<ul style="list-style-type: none"> • “Increasing data collection and scientific capacity”, in the fields of scientific thematic areas of investigation to be jointly explored by (national) research institutions, e.g.: (i) the ecology of larval and juvenile stages and stock recruitment relationship of small pelagic and demersal fish relevant for fisheries; (ii) stock connectivity at sea basin level of the most important fishery resources; (iii) the biology and ecology of important coastal resources (e.g. Sparidae) targeted by the small scale fishery. • “New knowledge for minimising maritime damage caused by fishing”, e.g. focusing on developing improved multi-species modelling, fishing gear and related techniques and technologies so as to minimise carbon footprint, seabed damage, discards and by-catch. • “Data sharing on fishery impacts to support evidenced based decision making”, sharing socio-economic and environmental data to enhance managers' understanding of the socio-economic and ecosystem impacts of fisheries management measures and establish synergies between the fishing sector and other maritime activities (e.g. aquaculture, shipping, tourism, amateur fishing, small-scale fisheries, etc.). • “Fish stock monitoring platforms”, monitoring the state of fish stocks in the Adriatic and Ionian Seas and evaluating the main elements for sustainable fisheries management, such as fishing pressure levels, catch/discards composition, habitat

		mapping, genetics, tagging, etc. Using to the greatest extent existing cooperation frameworks, e.g. the GFCM, ¹¹
Sustainable management of fisheries	<i>International organisations, local fisheries stakeholders, research institutes, national and local authorities</i>	<ul style="list-style-type: none"> • "Multiannual fishery management plans": establishing management plans for shared fish stocks¹² at national or international level by building also on the experience of the Adriatic-Ionian Plan for Small Pelagics. Ex-ante studies should be carried out in order to simulate consequences of different management systems. This also involves strengthening stakeholders' involvement in fisheries management. • Cooperation to support responsible fisheries in the Adriatic and Ionian Seas", building on existing initiatives. This cooperation should be strengthened by focusing on the code of conduct for responsible fisheries established by UN-FAO).
EU compliance and common standards and practices	<i>National/ regional authorities, research institutes, private operators and organisations</i>	<ul style="list-style-type: none"> • "EU compliance in the field of fishery", focusing on establishment of thematic EU compliance networks to increase awareness among fishermen and public authorities, sharing of data and exchange of experiences and best practices and building capacity notably in candidate and potential candidate countries. • "Development of common standards in the field of aquaculture", setting up a macro-regional working group for standardising licensing procedures and permission for new farming plants and reducing administrative burdens and constraints.
Diversification and profitability of fisheries and aquaculture	<i>National/ regional authorities, research institutes, private operators (fishermen, POs, processors, etc.) Fisheries Local Action Groups (FLAGs)</i>	<ul style="list-style-type: none"> • "Anti-crisis network for sea food industries", setting up a network capable of responding quickly to crisis situations in the food industry. The set-up of market monitoring tools at sea basin-level could support the prevention of such crises, aimed at developing data and information dissemination. • "Improvement and diversification of fishing activities" addresses renewal of fishing fleet equipment enhancing fishermen's safety at work and improving storage facilities. Others job opportunities can be created by diversifying fisheries activities by promoting e.g. fishing tourism. Fisheries Local Action Groups could represent the natural tool for diversifying fisheries. • "Sustainable aquaculture site location and management", focusing on development of tools (including indicators) for proper location of aquaculture, including tools for identifying potential co-location with other economic activities. This could address issues such as improving quality schemes, increasing the cage number at sea, expanding farming of existing species and introducing new species of high commercial value, while minimising the impact of such measures on the surrounding marine environment.

¹¹ General Fisheries Commission for the Mediterranean.

¹² As defined by the Regulation (EC) No 1967/2006 for the Mediterranean Sea, Articles 18 and 19.

R&D platform for seafood	<i>Research and training institutes, private operators (fishermen, aquaculture farmers, processors, producer organisations)</i>	<ul style="list-style-type: none"> • “Macro-regional seafood clusters and processing capacity”, to carry out research to improve the growth, productivity, quality and environmental sustainability of aquaculture (including offshore aquaculture) and the industry's ability to respond to market needs and diversify offer (new species).
Developing skills	<i>Training institutes, private operators, Fisheries Local Action Groups (FLAGs)</i>	<ul style="list-style-type: none"> • “Boosting skill development”, promoting networks of academies and training institutes to develop specific educational and (joint) training programs for fishermen and aquaculture farmers on innovative fishing and aquaculture techniques and safety at work. • “Strengthening of Centres for Aquaculture production and Safety surveillance” based on the experience of CAPS2¹³. Such a project could aim at strengthening diagnostic capacities of laboratories, for contamination of fish and shellfish and to develop concrete improvements of diagnostic competences in terms of equipment and knowledge, skills and capacities.
Marketing of seafood products	<i>Private operators, public authorities, Fisheries Local Action Groups (FLAGs)</i>	<ul style="list-style-type: none"> • “The taste of Adriatic-Ionian seafood”, developing market intelligence to ensure that marketing and processing of fisheries and aquaculture products bear clear labelling, traceability and certification, are efficient and fully comply with applicable rules. Such a project might also work on a joint quality label for high-quality seafood products from the Region. • “Adriatic-Ionian Seafood on Fairs”, supporting organisation of regional fairs, integration in tourist routes/products to promote common marketing of seafood products. At the same time such a project may also support participation in fairs as a means of marketing seafood products from the Adriatic-Ionian Region.

Examples of targets by 2020

The number of newly established networks relating to research & monitoring, compliance with respect to EU regulations regarding fisheries and aquaculture, common standards in fisheries and aquaculture as well as diversification of aquaculture products, marketing of seafood products from the Region could serve as starting point for the establishment of result indicators.

Examples of targets could include:

- Multiannual fisheries management plans for the stocks adopted and implemented at Sea basin level

¹³ CAPS2- Centres for Aquaculture production and Safety surveillance in Adriatic Cross-border Countries is a cooperation project funded in the framework of the Adriatic IPA Cross Border Cooperation 2007-2013 Programme of the European Union.

- Number of joint marketing initiatives aiming at establishing an Adriatic-Ionian brand for seafood products

1.3. Maritime and marine governance and services

Presentation of the issue

The countries in the Adriatic-Ionian Region are characterised by different administrative and political structures as well as government and governance systems.

A wide range of topics relevant for strengthening Blue Growth are not tied to specific sectors such as blue technologies, fisheries or aquaculture. These overarching topics address mainly the wider administrative capacity to deliver marine and maritime services of public interest.

Cooperation on various services – notably those linked to the capacity building in the public sector and better coordination of planning activities – is needed for preparing the ground for better marine and maritime governance and services. In a wide range of fields, coordination of activities would improve use of existing resources. Focus should be on bringing together national or regional activities under one roof, e.g. via joint planning efforts.

Adriatic-Ionian Region specifics

The Adriatic-Ionian Region displays considerable imbalances and currently undergoes significant political transformation. This makes bridging political divides particularly important, as well as improving institutional capacity and management mechanisms transcending national boundaries. Mutual trust among neighbouring countries is crucial. Although accession and prospective accession to the EU has improved the situation, new systems take time to be put in place. They require change in mind sets, raised awareness, confidence-building among public and private stakeholders and improvement of skills.

There are also considerable imbalances both as regards the access to funding as well as administrative capacities and cooperation experience. These imbalances affect the capacity to respond jointly.

Thus, existing networks and organisations active at the level of the Adriatic and Ionian Seas ought to be strongly involved in the future work. Cooperation experience has already been gained in the macro-region, notably thanks to networks involving major ports (like the North Adriatic Ports Association) or regional authorities (e.g. under the umbrella of the Bologna Charter) and/or research institutes (e.g. involved in SHAPe and ADRIPLAN), fora such as those encompassing Adriatic-Ionian Universities and Cities, and organisations such as the Adriatic-Ionian Initiative or the General Fisheries Commission for the Mediterranean.

Indicative Actions

- **Action - Governance of maritime space:** Proper joint governance of the maritime space provides an important framework for a sustainable and transparent use of maritime and marine resources. This will include supporting the implementation of

the new Directive on Maritime Spatial Planning (through coordinated planning) and may imply adopting clearer legal frameworks for exploiting deep-sea water and marine mineral resources.

- **Action - Institutional capacity to harmonise standards and regulations:** This action aims at improving the quality of public services and improving governance mechanisms for international cooperation. In a wide range of sectors (e.g. fishery policy, maritime spatial planning, integrated coastal management), the development of common understandings and harmonised standards and regulations as well as sharing of best practices are needed. This requires institutional capacity of the involved public bodies and stakeholders.
- **Action - Data and knowledge sharing:** This action aims at improving the evidence base for policy and decision-making in the Region. Sharing data and knowledge among public bodies in the Region can increase the efficiency of the public administration (e.g. by avoiding duplication of monitoring or data collection efforts) and increase their capacity to seize opportunities or react to challenges which can be detected earlier if data and information is shared and analysed across countries.
- **Action - Maritime skills:** Working in the maritime sectors requires skills and increasingly specialised professional profiles and expertise. This actions aims at improving the levels of skills in the Region, e.g. by strengthening networks of academics, training organisations and professional organisations in the maritime sector.
- **Action - Citizen and business awareness and involvement:** This action aims at promoting citizen and business awareness regarding blue economy, new technologies, fisheries and aquaculture.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Governance of maritime space	<i>National and local authorities, research institutes</i>	<ul style="list-style-type: none"> • “Maritime governance and services task force”, ensuring the legal framework for exploiting deep-sea water and marine mineral resources in a sustainable manner, through governance mechanisms such as establishment of maritime zones. • “Implementing coordinated Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM)”, based on the experience of e.g. ADRIPLAN¹⁴, with the aim of improving the on-going process to develop Maritime Spatial Planning (MSP) in the sea basin, of overcoming barriers to full participation of all neighbouring countries in the process and of promoting sound technically/scientifically based political decisions. This will promote a coherent transnational approach to the spatial planning of the two seas and support

¹⁴ See also <http://adriplan.eu>

		implementation of the MSP Directive. The ultimate aim would be good governance of economic activities in this sea region and implementation of common plans.
Institutional capacity to harmonise standards and regulations	<i>National and local authorities, business associations</i>	<ul style="list-style-type: none"> • “Twin Fish”, focusing on training and networking activities with the aim of boosting capacity-building and of twinning projects between EU and non-EU stakeholders on Common Fisheries Policy (data collection, controls, etc.). • “MSP and ICM training and mutual support”, focusing on the development of training activities and networks needed to support capacity building on Maritime Spatial Planning and Integrated Coastal Management.
Data and knowledge sharing	<i>National and local authorities, research institutes</i>	<ul style="list-style-type: none"> • “Adriatic-Ionian data cloud supporting maritime governance and services”, establishing knowledge innovative communities and IT platforms for sharing data and exchanging knowledge. Information from heterogeneous data sources (e.g. sensor data, operational or regulatory data, open source data, voluntary reporting, platforms of opportunity data etc.) would be made available for modelling, risk analysis and wider maritime domain awareness through data broker and "big data analytics" capabilities. Such a project could benefit from a quadruple helix approach involving potential users and providers of relevant information in the academic, private and public sectors and civil society.
Maritime skills	<i>Training institutes, academies, private operators</i>	<ul style="list-style-type: none"> • “Maritime skills circulation”, developing networks of academies and training institutes on maritime profiles/professions (including shared module trainings) with the aim of developing new high-standard training curricula for experts in the maritime sectors. This could also include development of joint curricula taught at different places in the Region. Such a project could benefit from experience of the UNIADRION network.
Citizen and business awareness and involvement	<i>FLAGs, media, private operators, civil society, local authorities</i>	<ul style="list-style-type: none"> • “Citizens exploiting the Region's blue potential”, promoting awareness about the macro-region's potential in terms of blue economy, new technologies, aquaculture and fisheries . The target group would mainly be citizens and businesses in the Region. The aim of such a project would be draw attention to and to discuss potential in this field of activity and to encourage citizens and businesses to exploit it.

Examples of targets by 2020

Concrete results are mainly to be found in the field of increased networking on improving EU compliance, data and information sharing and development of common standards. Other results will pertain to training to improve skills and capacities and to awareness-raising. Accordingly, the number of newly established networks on monitoring and maritime spatial planning or integrated coastal management, as well as the number of trainings provided could serve as starting point for establishing result indicators. These results would prepare the ground for improved cooperation structures,

joint databases or monitoring systems and implementation of joint plans. Possible points of departure for quantifiable result indicators may thus be a common MSP and ICM plans along the Adriatic-Ionian Sea basin and coastlines, the number of joint databases or monitoring systems put in place.

Examples of targets could include:

- Creation of a shared system of major macro-regional data bases (i.e. Adriatic-Ionian Cloud)
- 100% of the water under national jurisdiction and 100% of coast lines covered by Maritime Spatial Planning and Integrated Coastal Management and their implementing mechanisms fully in place

2. CONNECTING THE REGION

COORDINATORS: ITALY, SERBIA AND NORTH MACEDONIA

The **overall objective** of Pillar 2 "Connecting the Region" is to improve connectivity within the Region and with the rest of Europe in terms of transport and energy networks. This requires thorough coordination of infrastructure works and improved operation of transport and energy systems between the countries in the Region.

The macro-region is facing huge infrastructure disparities, notably between 'old' EU Member States and the other countries, following years of isolation and conflict. **Better transport and energy connections** are compelling needs for the macro-region and a pre-condition for its economic and social development. Environmental impacts have to be duly considered (e.g. air emission). Infrastructure projects should be embedded in a wider sustainable transport plan linked to local and regional air quality plans.

Efficient and sustainable transport connections, capable of coping effectively with increased traffic flows, will create attractiveness, both for foreign direct investments and for tourism, hence jobs and prosperity. Better use of intermodal transport will reduce the costs of delivering goods in Central and Eastern Europe, improve the eco-balance and restore the competitive position of the North Adriatic ports as natural gateways to Central and Eastern Europe. Better interconnected energy networks will benefit the whole South-East Europe region, and beyond. A better working and interconnected energy market will reduce wholesale prices and attract investors.

The **specific objectives** for this pillar are:

1. To strengthen maritime safety and security and develop a competitive regional intermodal port system;
2. To develop reliable transport networks and intermodal connections with the hinterland, both for freight and passengers;
3. To achieve a well-interconnected and well-functioning internal energy market supporting the three energy policy objectives of the EU – competitiveness, security of supply and sustainability.

To achieve these objectives, the pillar will focus on three topics:

Topic 1 - Maritime transport;

Topic 2 - Intermodal connections to the hinterland;

Topic 3 - Energy networks.

The challenges posed by improving the connectivity within the Region and between the Region and the rest of the EU can only be tackled through cooperative and coordinated approach.

As the Region is made up of many relatively small countries, national actions are not enough, and even bi-lateral cooperation does not provide the necessary solutions. Wider regional cooperation is needed to overcome bottlenecks and to promote connectivity (i.e. cooperation aimed at developing projects of common interest (PCIs) which will provide services to several countries involved in the Strategy). Many of the planned major infrastructure projects only make sense if looked at from a macro-regional perspective.

The core transport and energy axes are macro-regional per definition or even European in the perspective of the Trans-European Networks for transport (TEN-T) and energy (TEN-E). A coordinated approach is therefore vital.

An additional factor to take into consideration for the railway and electricity markets is their **fragmentation**. Most of the national markets are too small to attract investors and competition. Freight transport, in particular combined, requires distances above 300km, often exceeding the distance between two borders in the Western Balkans. Electricity interconnections are a condition *sine qua non* to have a well-functioning market, not to mention the safety of supply. Macro-region-wide **railway and energy** packages would also make more sense. This, however, requires advanced regulatory and trading skills, not easily found in small markets. Scale is bringing added value. On the sea side, maritime traffic congestion requires better coordination on maritime surveillance, so as to improve maritime safety.

This also holds true for **border crossings**. Simplifying border crossings, between EU Member States, between them and non-EU countries, Schengen and non-Schengen, for passengers and for freight, is better conceived and implemented at macro-region level.

This pillar strongly supports the Europe 2020 Strategy:

- **Smart growth.** Better transport and energy connections require innovative solutions which reduce costs, improve efficiency and contribute to smart growth.
- **Sustainable growth.** It supports modernisation of the transport sector to make it more efficient hence more environmentally-friendly (e.g. by promoting inter-modality). Through interconnection of energy networks, it provides the condition for better functioning energy market and thus development of energy production from renewable sources.
- **Inclusive growth.** Territorial cohesion is supported through better connections and secure and affordable energy, including in remote areas. New business opportunities are created, hence new jobs.

Inspired by the Europe 2020 Strategy, the countries of South East Europe endorsed their own 2020 Strategy (**South East Europe 2020 Strategy - SEE 2020**) as a regional response to Europe 2020 in the context of the Regional Cooperation Council (RCC)¹⁵.

¹⁵ The Regional Cooperation Council (RCC), launched in 2008 in the context of the South-East European Cooperation Process, focuses on promotion and enhancement of regional cooperation in South East Europe (SEE). The work of the RCC focuses on the priority areas of economic and social development, energy and infrastructure, justice and home affairs, security cooperation, building human capital, and parliamentary cooperation as an overarching theme.

SEE 2020 focuses on five main pillars: integrated, smart, sustainable, and inclusive growth, underpinned by good governance.

With regards to **transport**, SEE 2020 sets ambitious targets, including decrease of the cost of transport, improvement of transport infrastructure utilisation rates and increase in railway/waterborne share. The South-East Europe Transport Observatory (SEETO) is playing a central role in the Region, in close coordination with the Commission. The aim of the SEETO is to promote regional cooperation in the Western Balkans in developing the multimodal SEETO Comprehensive Network and to connect it to the EU's TEN-T. The SEETO Comprehensive Network has been defined in close co-operation between the European Commission and the regional partners. It constitutes the indicative extension of the TEN-T into the Western Balkans. It has been included in the TEN-T guidelines.

Concerning **energy**, the countries in South-East Europe, as signatories of the Energy Community Treaty¹⁶, have embarked on a path of energy market reforms and regional integration. SEE 2020 aims at increasing energy efficiency, promoting renewable energy production and consumption, stimulating energy infrastructure development and creating a well-functioning SEE energy market.

Implementing the **energy and railway packages** remains a challenge in the macro-region, Italy excepted. Unbundling of energy production, transport and distribution and of the railway market in infrastructure and train operations may be done on paper, but the access to these markets remains limited and competition almost inexistent.

Actions in each sector should combine investments in the network, soft measures to ensure correct application of the regulatory framework and market functioning, plus specific measures for smoothing border crossings. Effective improvements need coordinated planning, funding and implementation. Market failures, due to externalities, are strikingly evident in lack of investments across borders. Large projects need to be identified and implemented sustainably and efficiently, with shared costs and benefits. The more users, the more efficient investments become, with significant economies of scale. This would for example apply to LNG infrastructure to facilitate fuel switching and to infrastructure providing shore-based power supply.

Links with other pillars

The topics identified under this pillar must be considered with the other policy fields, in line with the integrated approach encouraged by the Strategy. Pillar 2 is an obvious prerequisite for the three other pillars. For example: harmonisation of maritime traffic monitoring and information system will help development of fisheries and aquaculture; intermodal transports will reduce environmental impact; better transport connections are a must for tourism development, particularly in insular and remote areas.

Cross-cutting issues

¹⁶ The Energy Community was established in 2005 by the European Union and the countries from the South-East Europe and the Black Sea region. On top of the EU, it includes 8 contracting parties (the Western Balkans plus Ukraine and Moldova) and a number of observers which includes Turkey, Georgia and Armenia. The Energy Community extends the EU energy policy to the Region on the ground of legally binding framework. Its overall objective is to create a stable regulatory and market framework.

The three topics included in this pillar, and the related specific objectives, would strongly benefit from the cross-cutting issues identified for the Strategy, in particular:

- **Institutional and administrative capacity** of the national and regional bodies responsible for transport (maritime, land, air) is essential for effective coordination at macro-regional level, for coordination in the TEN-T and TEN-E context and, eventually, for achieving the objectives set. Capacity building should aim, inter alia, to help joint planning, financing and implementation of actions. It should aim, first and foremost, to bolster macro-regional thinking.
- **Communication and awareness-raising** is essential for participation of stakeholders in the decision-making process and for building a feeling of ownership in the population. This will also be of benefit for the implementation phase, where actions need wide-ranging public support.
- Investments in transports and in energy networks can benefit from **innovative approaches** which would come from **research**. The business community, and in particular the **small and medium size enterprises**, would benefit directly from investments in the sectors, through work, services and supplies contracts, and indirectly from more efficient transport and energy networks which would favour investments, thus growth and jobs.

2.1. Maritime transport

Presentation of the issue

The Adriatic and Ionian Seas represent the backbone of the Region, and its major asset. Maritime transport is an economic sector that could play a significant role in Adriatic and Ionian countries.

During the 1960s, 1970s and 1980s, the ports of the macro-region were unable to develop their container traffic to a significant extent, because of the Region being located on the fringe of Western Europe. Current trends of trade have increased the competitive position of the North Adriatic ports as natural gateways to Central and Eastern Europe. There is evidence that the North Adriatic ports could secure 6.0m TEU containers/year of traffic by 2030 (or 11.3% of the EU market); this would represent traffic growth of almost 350% over 20 years, provided good railway access is provided for the hinterland.

In this context, development of maritime transport, in particular motorways of the sea as navigation corridors, is of paramount importance and must go hand-in-hand with the creation of modern and efficient intermodal ports integrating maritime transport with rail and road. Such an extension of infrastructure and transport activities must be accompanied by a coherent sustainable transport plan linked, inter alia, to an air quality plan under Directive 2008/50/EC. Investments in innovation and modernisation of infrastructure, reduction of procedural constraints and bureaucratic burden (especially in port operations) and promotion of safe maritime traffic should be given priority in the entire sea basin.

Adriatic-Ionian Region specifics

Traffic monitoring and management are still an issue in the Region. The current ADRIREP¹⁷, a mandatory Ship Reporting System in the Adriatic Sea, is outdated and not fully serving its objectives. Significant improvements are still needed on harmonising the procedures, the data exchange and the national VTMS¹⁸ and on establishing mechanisms to enable maritime traffic information exchange between national VTMS systems, also in view of including pre-accession countries in SafeSeaNet¹⁹.

The North Adriatic Ports Association (NAPA) constitutes a positive step of cooperation between the Adriatic **ports** in their global competition with those of Northern Europe. The partners agreed, in particular: (a) to establish a network of port community systems capable of integrating all members of the transport community through internet; (b) to exchange data on the shipping lines and vessels operating between sea ports and harbours in order to achieve coordination and integration; and (c) to promote the concept of

¹⁷ Adriatic Traffic Reporting system

¹⁸ Vessel Traffic Management Information System

¹⁹ A European vessel traffic monitoring and information system established in order to enhance maritime safety, port and maritime security, marine environment protection and efficiency of maritime traffic and maritime transport in EU waters.

“Single Window” with the aim of reducing transaction costs and operation turnaround time.

Ports also play a key role in local traffic, with ferries and Ro-Ro **short-sea shipping**. More routes would decrease the distances between the two coasts of both seas. Tourism is heavily dependent on ports, for cruise ships, big and small, and for yachting. Trends in the fast growing cruise industry and in logistics and distribution systems, have led to an increased need for value-added services within the area of the port. Ports require new facilities such as cranes, new passenger terminals, new operational procedures, and good sequential or parallel coordination of the different services provided by the port actors inside and outside the port, in the context of door-to-door logistics. Port services could also address air quality measures such as power supply from shore and cleaner non road mobile machinery (e.g. cranes). For the same reason clean short sea shipping in the very touristic Adriatic Sea basin should also be promoted, by using clean shipping and retrofitting technologies.

The multiple islands in the Region present a unique point of attractiveness, but, without improving connections within the macro-region and beyond, they will not be able to develop this competitive economic advantage.

On the problematic side, ports are a possible gate for unlawful trades concerning drugs, weapons, counterfeited goods. Ports are also gateways for introduction of invasive alien species which can make a negative impact on other activities, like aquaculture or tourism. Security concerns will have to be continuously addressed in an appropriate manner.

Overall, ports will need to invest substantially in order to meet all these technological, industrial, safety, security, environmental and climate change challenges.

Indicative Actions

- **Action - Clustering port activities/services throughout the region:** Following the example of the existing NAPA cooperation agreement, harmonising the ports processes through a common ITS (Intelligent Transport System) would attract traffic that is now avoiding the Region.
- **Action - Improving and harmonising traffic monitoring and management:** Strengthening and securing frequent exchange of information between coastal countries through the development of a Common Adriatic-Ionian Vessel Traffic Monitoring and Information System (by building on existing regional exchange of Automated Identification of Ships data and Ship Mandatory Reporting system, i.e. ADRIREP), will improve safety and security of maritime traffic in the region.
- **Action - Developing ports, optimising port interfaces, infrastructures and procedures/operations:** Developing the ports and port terminals in order to boost maritime transport, short-sea shipping capacity and cross-border ferry connectivity. Ports should favour development of combined infrastructure (trade, procedures, movement of goods information systems, structures, vehicles and operations), improving links to the mainland and emphasising the supply chain of goods.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Clustering port activities /services	<i>Port authorities, port users, shipping companies, freight transporters</i>	<ul style="list-style-type: none"> • Sharing strategic functions and harmonising ports processes through a common Intelligent Transport System (ITS), building e.g. on the NAPA initiative (Trieste, Koper, Venice and Rijeka) and on the APC -Adriatic Port Community (APC) project (Venice, Ploce and Igoumenitsa). • Common certification of the ports on safety, sustainability and computerisation.
Improving and harmonising traffic monitoring and management.	<i>Masters, owners, agents, operators, shippers and relevant authorities</i>	<ul style="list-style-type: none"> • Establish a working group to amend the current Adriatic Traffic Reporting system (ADRIREP) in order to reduce excessive administrative burden and unnecessary duplication of data collected by Vessel Traffic Monitoring & Information System (VTMIS) infrastructure. • Implement a new ADRIREP ensuring that data providers, including masters, owners, agents, operators, shippers and relevant authorities, need to submit information only once, and that the information submitted is available for use in all relevant reporting, notification and VTMIS systems • Link all Adriatic and Ionian countries to a Sub-Regional MARE server to take advantage of AIS sharing data, including as an example, data on ships, emission factors, results of fuel quality inspections, clean shipping index, that could help monitoring emission and improve air quality in port cities. • Capacity -building activities (training, education programmes, standardization and interoperability) improving the application of international legal requirements. • Traffic Separation Schemes (TSS) could be envisaged in the congested areas.
Developing ports, optimising port interfaces, infrastructures and procedures / operations	<i>Port authorities, port users, shipping companies, transport companies</i>	<ul style="list-style-type: none"> • Implementation of Information and Communication Technology (ICT) and intelligent infrastructure services (e.g. tracking and monitoring) to improve the efficiency, reliability and safety/security of the port operations and of the delivery system • Harmonisation of the port processes through a common ITS • Creation of an accessible maritime transport database allowing for the design of new itineraries • Support port multimodal connectivity through the development of Short- Sea Shipping and the improvement of road and railway connections. • Given the increased traffic in ports and the requirement to finalise international routes in time by the companies organising

		<p>cruises, development of a system of berth allocation in Adriatic Ionian ports.</p> <ul style="list-style-type: none"> • Green upgrading of ships, of port machinery and port activities (e.g. cranes, power supply from shore, fuel switching to LNG, retrofitting, etc.).
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Examples of targets by 2020

- Double the current Adriatic-Ionian market share in container traffic reaching EU
- Establish a single system for maritime traffic surveillance through a unique window and common data exchange
- Increase the traffic of clean Ro-Ro, ferries, short-sea shipping and cruise ships and yachts by 20%

2.2. Intermodal connections to the hinterland

Presentation of the issue

Intermodality goes beyond technical aspects and infrastructure. It includes organisational issues, meeting overall transport demand and seasonal/daily traffic peaks, spatial planning, life-styles, innovations, etc. Together with inland waterways, road and rail provide important international connections within the Region. Ports of the Adriatic and Ionian Seas, as well as railway lines and airports, are immediate entry points to the Region from abroad. An appropriate transport policy must take into account all these considerations, promoting multimodality, while also taking into account environmental aspects (e.g. air emission, etc.), economic growth and social development.

Adriatic-Ionian Region specifics

High investments in the **road** network in the Western Balkans delivered 36% increase in highways from 2006 to 2011 in relation to the SEETO Comprehensive Road Network. In the period 2007-2011, **investments** in this network amounted to EUR 10.8 billion, with more than 80% going to the roads network. In addition, the SEETO multi annual plan 2014 defines 20 mature priority projects, and 20 more that require preparatory activities. In relation to the Western Balkans road network, approx. 500 km need urgent rehabilitation and approx. 700 km urgent upgrading of capacity. More attention should, however, be paid to sustainable transport, i.e. multimodal combining maritime, rail and inland waterways. More or less the whole SEETO railway network needs urgent rehabilitation and removal of bottlenecks.

Cumbersome procedures are still leading to excessive delays for freight transport at border-crossing points. The completion of the Adriatic and Ionian Motorway, from Trieste to Patras, is a priority for the development of the Region, in particular for tourism, provided its environmental impacts are carefully considered.

Railway services must become better and more competitive through the on-going reform process separating infrastructure and operations and introducing licensing and regulation. Their complete operational establishment is still lagging behind. After a long period of under-investing in infrastructure and rolling stock, current on-going and planned projects indicate that the rehabilitation of the main rail lines has begun. The SEETO comprehensive network has been improved by rehabilitation and overhaul work mainly on the corridor X, the main artery in the region, and on corridor Vc. However, further efforts and investments are needed in order to bring the railway network of the region close to TEN-T standards. Nevertheless, both freight and passenger traffic volumes continue to decline. Despite border crossing agreements, excessive waiting times and cumbersome procedures and the large number of border crossing points in small areas, present one of the most serious obstacles.

A major issue regarding **air transport** is the need to develop the route network. Lack of intraregional connectivity reduces the attractiveness of the Region. Given undeveloped

road and railway traffic infrastructure, the fastest and cheapest way to increase intraregional links between the countries of the Region may be by air. Synergies may be sought, as appropriate, with the air policy initiative in the Western Balkans (Joint Service Provision Area) which aims at creating proactive relationship between regional civil aviation administrations and service providers. Coherence with the ISIS programme (Implementation of the Single European Sky in South-East Europe) should also be sought.

Development of the South East Mediterranean **Motorway of the Sea** Master plan is intended to concentrate flows of freight on sea-based logistical routes. This should improve existing maritime links or establish new viable, regular and frequent maritime links for transporting goods between participating countries so as to reduce road congestion and/or to improve access to peripheral regions or islands. For example, the Adriamos project aims at enhancing a viable, regular and reliable sea-based transport service integrated in the logistic chain along the Adriatic-Ionian transport corridor between the port of Venice and the Ionian Sea/West Greece port cluster (Igoumenitsa and Patras). This would contribute to reducing economic, social and environmental costs related to port and logistics activities. This project involves infrastructure and facility investments (both works and studies) necessary for removing bottlenecks and for improving the efficiency of the logistic chain.

Indicative Actions

- **Action - Developing the Western Balkans comprehensive network:** Western Balkans need to prioritise investments on the defined SEETO comprehensive network (railway, inland waterways, nodes and hubs, notably with the motorways of the sea), aimed at promoting sustainable transport in the Region, and to prepare their integration in the Trans-European Network – Transport (TEN-T) network. This implies elaborating integrated planning for infrastructure developments and defining joint roadmaps for investments.
- **Action - Improving the accessibility of the coastal areas and islands:** Coastal area and island accessibility are mostly affected by tourism seasonality and commercial and passenger maritime transport are not sufficiently developed. This needs to be addressed by exploring new coordinated and market-based options, optimising use of freight and passenger routes and involving private and public stakeholders.
- **Action - Developing motorways of the sea:** Intermodal transport requires integrated management of the whole logistic chain. Essential elements are, inter alia, improved road and rail infrastructure linking ports with the hinterland and improved infrastructure within a port and ITS solutions.
- **Action - Railway reform:** Taking measures to expedite progress in **railway reform**, e.g. transparent non-discriminatory access to rail terminals, in particular in sea and inland ports, introducing a concession approach for infrastructure, with direct cost-oriented track access charges, performance schemes and management contracts for authorised applicants

- **Action - Development of air transport:** Establishing a dialogue amongst stakeholders on regional flight connections aiming to develop better links within the Region and to optimise year-round regional flights connections with outside destinations.
- **Action – Cross-border facilitation:** This requires physical and non-physical investments on specific transport axes.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Developing the Western Balkans comprehensive network	<i>National ministries of transport and infrastructure, railway undertakings, port authorities, multi-modal operators</i>	<ul style="list-style-type: none"> • Develop integrated planning for infrastructure developments and define joint roadmaps for investment. • Upgrade multimodal corridors linked to TEN-T core corridors (Baltic-Adriatic, Mediterranean) starting with cross-border bottle necks. Step-by-step renovation of the railway between Bar and Belgrade. • Build capacity and develop communication activities (training, education programmes, seminars) aimed at improving the application of international legal requirements in the field of environmental impact assessment of transport and energy infrastructures.
Improving the accessibility of the coastal areas and islands	<i>Ship-owners, port authorities, public authorities, tourist operators and associations</i>	<ul style="list-style-type: none"> • Support feasibility studies and market analyses on maritime connections between neighbouring countries, islands and mainland in order to (i) limit seasonality and (ii) draw new routes. • Promote cooperation between relevant actors to set/improve maritime connections between neighbouring countries, between islands and with mainland.
Developing motorways of the sea	<i>Shipping operators, shippers, maritime transport industry, ports, customs</i>	<ul style="list-style-type: none"> • Analyse the comparative socio-economic and environmental costs and benefits of different modes of transport (motorway of the sea, railway, motorway, including city bypass-roads) along the eastern coast of the Adriatic and Ionian Seas from Trieste to Patras. • Foster development of a Motorway of the Sea in the Adriatic-Ionian region by building on existing experiences, such as the Adriamos project between the ports of Venice and Igoumenitsa. • Improving the railway connections at the port terminals instead of RO-RO. • Support the logistic chain with shared IT solutions.
Railway reform	<i>Railway undertakings,</i>	<ul style="list-style-type: none"> • Coordinate and align access and access charges.

	<i>multi-modal operators</i>	
Development of air transport	<i>Regional airports, carriers, public authorities, tourist operators and associations</i>	<ul style="list-style-type: none"> Establish a cooperation platform between relevant actors to set/improve flight connections between countries in the Region and optimise year-round flights connections with outside destinations.
Cross-border facilitation	<i>National ministries of transport and infrastructure</i>	<ul style="list-style-type: none"> Re-launch cross-border bus or train connections for passengers. Agree on simplified border-crossing procedures.

Examples of targets by 2020

- Agree on a master plan for coastal road traffic
- Double cross-region regular container train connections
- Reduce the time spent at regional border crossings by 50%

2.3. Energy networks

Presentation of the issue

The energy systems are made up of energy networks and energy markets. The two are interrelated as networks are essential for the effective operation of the markets. The opening of the EU electricity markets, pursued by the third internal market package, contributes to both competition and security of supply and will be facilitated by creation of the European Network of Transmission System Operators and the Agency for Cooperation of Energy Regulators.

In particular in the gas sector, the interconnections between national markets have been improved and countries in the Region need to gain access to new external sources. Reinforcing gas transmission infrastructure will be pivotal for preventing potential supply disruption in the future. Well-functioning networks, interconnections and interoperability are needed for energy security, diversification and effective energy operation.

Adriatic-Ionian Region specifics

The three energy policy objectives of the EU – competitiveness, security of supply and sustainability – can only be achieved through a well-interconnected and well-functioning internal energy market. For the Western Balkans, a treaty establishing the Energy Community was signed in 2005 and an energy strategy developed in 2012.

The energy markets remain fragmented. Integration of the electricity market is a goal which should be achieved by 2020. In the electricity market, the ultimate goals remain the removal of regulated electricity prices, the substantial easing of network congestion, and unhampered cross-border exchanges of energy. In gas, substantial investments are required in transmission and storage infrastructure, in order to improve market liquidity. Investment in infrastructure is crucial for achieving market competition for both electricity and gas. Development of freely accessible energy trading/ auctioning platforms is necessary to enhance market competition.

Unavailability of grid capacity to dispatch fluctuating energy from renewable sources is limiting the development of renewable energy. Hydropower is the most commonly used type of renewable energy in the Region. Only between 2012 and 2020, the installed generation capacity in the Western Balkans is forecast to grow by some 13 GW, which represents an increase of about 64% from 2009 capacity at a cost of some EUR 28 billion. The Energy Community interconnection plans include connecting new renewable energy to the grid, integrating energy markets, enhancing the security of supply, and improving the reliability and quality of energy services provided. Interconnection of electricity grids and adequate grids capacity are pre-conditions for large-scale investments in renewable energy.

Developing natural gas infrastructure will also help currently isolated regions to have access to natural gas supplies, to ensure continuous and secure supplies by having network renovated and modernised, and to bring natural gas from a new range of export markets via new routes (Trans Adriatic Pipeline – TAP, and the Ionian- Adriatic Pipeline - IAP). The TAP project is under development, while the IAP project still lacks a defined business model. In addition to this, LNG infrastructure in ports enabling fuel switching to LNG would also be welcomed, both for the benefit of ship operators and for the sake of air quality.

Wherever possible, energy efficiency improvements should be considered with a view to enhancing security of supply and to achieving a better degree of energy autonomy. Moreover, the participation of the demand side is particularly valuable for matching varying supply patterns and accommodating renewable energy sources in the system. However, owing to economies of scale, each country pursuing full energy independence and striving to achieve security of supply on its own would be far less efficient than cooperating and planning infrastructure developments with its neighbours, while at the same time increasing the reliance on the regional energy trade. In case of a coordinated approach, investment requirements in electricity generation would be significantly reduced – by around 10% of the energy expenses between 2005 and 2020, in South East Europe, according to the Power Generation Investment Study conducted for the World Bank.

Regulated and/or non-cost-reflective prices and tariffs constitute a major barrier to investment. In the majority of cases, regulated end-user prices do not reflect the real costs of electricity supply. The regulatory framework is not yet fully in line with the EU *acquis*, especially regarding wholesale market opening, transparency of capacity allocation and third party-access to energy networks. Slow progress in unbundling supply and distribution still constitutes an important barrier to market opening, creating an unequal playing field between the incumbent supplier and a new entrant. Differences in allocation of cross-border capacity (in particular non-market based allocation) and in pricing methodologies constitute obstacles to trading. When planning and developing cross-border connecting networks, potential impacts on the environment - e.g. on the marine environment from pipelines - need to be duly considered.

Indicative Actions

- **Action - Cross-border electricity interconnections:** Improving cross-border electricity interconnections is a fundamental prerequisite for supporting the investments required in energy generation.
- **Action - Gas pipelines:** For gas, the objective is to enhance security of supply and to promote market integration through diversification of sources and routes to connect gas supply sources, as well as through necessary internal market actions. The creation of a gas ring in the Region will contribute to more secure gas supply.
- **Action - Support the establishment of a well-functioning electricity market:** Energy needs an integrated and well-functioning market. One of the major requirements for harmonising South-East Europe as far as electricity supply is concerned is to establish a Coordinated Auction Office (CAO). A well-functioning Day Ahead Market for the

whole SEE region thus requires, among other things, that all transmission capacity should be made available for the implicit auctions. In this respect, the main function of the CAO is to provide correct transmission capacities to the market, irrespective of the market concept applied.

- **Action - Remove barriers for cross-border investments:** In order to facilitate development and implementation of Projects of Energy Community Interest, the Energy Community will adopt a holistic approach, in which regulatory measures will be enforced in order to remove some of the barriers to cross-border investment; these may involve permitting procedures, information for decision makers, cost benefit analysis, incentives for projects with a cross-border impact and others.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Cross border electricity interconnections	<i>Transmission system operators, project promoters</i>	<p>Example of possible projects amongst the 2013 PECO (Project of Energy Community Interest) list:</p> <ul style="list-style-type: none"> • 400 kV OHL Banja Luka (BiH) - Lika (HR) • 400 kV OHL Brinje - Lika - Velebit – Konjsko including 400 kV sub-station Brinje • 400 kV HVDC SS Vlora - Bari West
Gas ring	<i>Transmission system operators, project promoters</i>	<ul style="list-style-type: none"> • Realising the TAP and its IAP connection • LNG infrastructure in ports to allow fuel switching in shipping
Support the establishment of a well-functioning electricity market	<i>National and regional competent authorities, energy companies</i>	<ul style="list-style-type: none"> • Establishment of a Coordinated Auction Office (CAO)
Remove barriers for cross-border investments	<i>National, regional competent authorities</i>	<ul style="list-style-type: none"> • Coordinate and align permits and regulations. • Joined capacity building and innovative solutions for implementing a common market.

Examples of targets by 2020

- Complete the agreed PECO projects
- Security of gas supply at the same level as elsewhere in the EU
- "x" ports with LNG infrastructure

3. ENVIRONMENTAL QUALITY

COORDINATORS: SLOVENIA AND BOSNIA HERZEGOVINA

This **overall objective** of the pillar is to address the issue of environmental quality, with respect to marine, coastal and terrestrial ecosystems in the Region. Environmental quality is essential for underpinning human activities in the Region and for ensuring economic and social well-being for its peoples. The pillar will deal with the environmental issues that can only be adequately tackled through cooperation at the level and scale of the macro-region.

The **specific objectives** for this pillar are:

1. To ensure a good environmental and ecological status of the marine and coastal environment by 2020 in line with the relevant EU *acquis* and the ecosystem approach of the Barcelona Convention.
2. To contribute to the goal of the EU Biodiversity Strategy to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restore them in so far as feasible, by addressing threats to marine and terrestrial biodiversity.
3. To improve waste management by reducing waste flows to the sea and, to reduce nutrient flows and other pollutants to the rivers and the sea.

Two **topics** are identified as pivotal in relation to environmental quality in the Adriatic-Ionian Region:

Topic 1 - The marine environment;

Topic 2 - Transnational terrestrial habitats and biodiversity.

Actions under both topics are expected to contribute to attaining a good ecological and environmental status for marine, coastal and terrestrial ecosystems by 2020.

This pillar strongly supports the Europe 2020 Strategy:

- It contributes to **smart growth** by strengthening of technical and scientific capacities, and establishment of common platforms and innovative solutions for research, observation and monitoring;
- It contributes to **sustainable growth**, in particular to the objectives of ‘A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy’. The actions under the pillar will support efficient and sustainable use of natural resources including fish stocks, materials and water, preservation of biodiversity, habitats and ecosystems, and will contribute to minimising the impact of climate change on marine and terrestrial ecosystems;
- It contributes to **inclusive growth** by promoting stakeholder involvement in exploring sustainable options, including the involvement notably of fishermen and farmers, thereby ensuring the economic and social sustainability of actions.

Taking appropriate actions to address environmental issues faced by the macro-region will contribute to implementing the EU Environmental *acquis*, particularly the Marine Strategy Framework, Maritime Spatial Planning, Water Framework, Urban Waste Water, Nitrates, Waste, Birds, Habitats Directives as well the Green Infrastructure Strategy. It will also contribute to achieving the goals set out in the Common Fisheries Policy, the EU Adaptation Strategy and the EU Biodiversity Strategy.

The Adriatic and Ionian Region is vulnerable to disasters and to the impact of climate change and comprehensive actions to adapt to those circumstances are needed. Enhancing cooperation in this area, through different actions such as conducting adequate comprehensive risk assessment, implementing a disaster risk management policy, as well as developing a regional strategy on adaptation to climate change, will make the Region more resilient to such changes.

The pillar also contributes to the South East Europe 2020 Strategy of the Regional Cooperation Council, in particular to the Environment Dimension of its Sustainable Growth Pillar, by addressing issues related to water quality, disaster risk reduction and climate change mitigation and adaptation.

Involvement of a wide range of stakeholders in the implementation of all actions proposed under this pillar and, more specifically, the social partners and private sector actors from fisheries and producers of packaging, as well as the scientific community and civil society, will further contribute to an integrated approach.

Links with other pillars

While being addressed as a separate pillar, this issue runs across the other three pillars of the Strategy. In line with the Strategy's emphasis on an integrated approach tying together different policy areas and sectors, this pillar is to be linked to the other three pillars on which the Strategy is built. In addition to supporting low-carbon developments and helping limit the ecological footprint of, for example, transport and energy programmes and projects, it directs attention to how environmental quality can ultimately enhance prospects for smart and inclusive growth under the three other pillars. It thus reinforces Blue Growth, through actions related to ensuring the sustainability of fisheries and aquaculture. It also contributes to sustainable tourism by ensuring preservation of natural resources and cultural heritage on which tourism depends, and by addressing issues resulting in part from tourism, such as inappropriate coastal development and marine litter, and issues affecting tourism such as air emissions (e.g. from shipping and road transport). It also contributes to bolstering the resilience of the macro-region's economies and societies in the face of existing and/or potential impacts of climate change.

Cross-cutting issues

In respect of cross-cutting issues:

- **Capacity building and communication** is of paramount importance for both topics under Pillar 3. Macro-regional cooperation in the field of environment can only be successful if there are adequate legislative and institutional conditions at the national level. Moreover, after the necessary legislation has been put in place, environmental protection requires monitoring and enforcement. Capacity building

and communication can contribute to raising awareness of the issues and ownership of efforts to address them as well as to aligning national environmental legislation to existing EU legislation, thereby also improving implementation where relevant;

- **Research and Innovation, and SMEs** - Many of the actions listed under both topics depend on research and innovation for reliable and up-to-date data for identifying baseline situations and hence for monitoring progress. There is a clear need for sharing existing knowledge and development of scientific cooperation, notably through innovative integrated observatory infrastructure and data exchange platforms across the Region and across sectors.

3.1. The marine environment

Two issues can be identified as particularly relevant for the Adriatic-Ionian marine environment, namely threats to coastal and marine biodiversity and pollution of the sea.

a) Threat to coastal and marine biodiversity

Presentation of the issue

The Adriatic-Ionian Region is rich in biodiversity. However, our understanding of marine biodiversity is still not complete. While the marine sub-region has rare or unique habitats, there is a lack of habitat maps covering the Adriatic and Ionian Seas. The high biodiversity of the two seas is the basis for tourism, recreational and fishing activities and contributes to the cultural heritage of the macro-region.

Overfishing, habitat degradation and incidental catches pose serious threats to marine biodiversity, including fish, sea turtle, cetacean, seabird and other species. In addition, uncontrolled and illegal coastal development often leads to destruction of habitats. Invasive alien species from aquaculture and ballast water discharge also threaten ecosystem functions, and illegal collection of sponges, corals and bivalves are further cause for concern.

Increased human use of the marine and coastal space, in particular for fishing, maritime transport, tourism, and construction, has intensified pressures on coastal and marine ecosystems. Ecosystem-based approach to coordination of activities is needed within the framework of Integrated Coastal Management (ICM) and Marine Spatial Planning (MSP) in order to ensure sustainable use of resources. Both frameworks are important stimulants for trans-boundary collaboration and stakeholder cooperation across different coastal and maritime sector activities, and have potential for bringing together ecosystem services and Blue Growth opportunities in a sustainable way. They are key tools for achieving decision-making balancing sector-based interests competing for marine and coastal space.

Adriatic-Ionian Region specifics

The Adriatic and Ionian Seas are home to almost half of all the recorded marine species found in the Mediterranean Sea. High variation in hydro-geographic and other conditions gives rise to a large number of diverse ecosystems and habitats, in turn generating rich biodiversity. A complete inventory of this rich biodiversity and marine habitat maps is however still missing. The highly indented eastern coast of the Adriatic also acts as a breeding ground and nursery to a large number of species. At the same time, the Adriatic and Ionian Seas are subjected to intense fishing activity, aquaculture and coastal development that pose serious threat to this natural capital. There is a general lack of information on small-scale fisheries, illegal fishing gear is not uncommon, and monitoring and enforcement are insufficient. Aquaculture is a rapidly growing industry which is not regulated in all countries so as to ensure sustainability. Raising the

awareness of fishermen regarding marine species and fishing nets minimising by-catch, is needed for improving compliance and for strengthening their involvement in identifying the best measures for meeting sustainable fishing targets.

Illegal and uncontrolled construction is a widespread phenomenon across much of the macro-region, with the demand for additional construction stemming from tourism further exacerbating the problem. Coverage in terms of offshore Marine Protected Areas (MPAs) beyond 12 nautical miles is the lowest of all EU marine regions²⁰, while existing MPAs are often not adequately managed. Invasive marine alien species with possible detrimental effects to aquaculture and fisheries are introduced by shipping vectors.

Indicative Actions

- **Action - Increasing marine knowledge:** To ensure a sound basis for actions related to Maritime Spatial Planning (MSP), Integrated Coastal Management (ICM) and implementation of the Marine Framework Strategy Directive, it is important for the Region to:
 - Make an inventory of marine biodiversity and detailed habitat mapping in coastal and offshore areas
 - Agree on a common approach to be applied across the Adriatic and Ionian sea basin for monitoring diversity descriptors on the status of the marine environment the two seas, and for determining Good Environmental Status indicators and targets
 - Establish a common infrastructure platform in terms of data collection, marine research, lab analysis through common survey programs, research vessels and laboratories
 - Develop a Web-GIS Observatory Network to gather and process geographical and statistical data related to sustainable development and the marine environment.
- **Action - Enhancing the network of Marine Protected Areas:** By possible designation of new areas in coordination with the process of designation of Specially Protected Areas of Mediterranean Importance under United Nations Environment Programme – Mediterranean Action Plan (UNEP MAP); by establishment of Fisheries Restricted Areas under the General Fisheries Commission for the Mediterranean (GFCM), by completing marine NATURA 2000 network under Birds and Habitats Directives; by designating further protected areas to form a coherent and representative network of MPAs according to the Marine Strategy Framework Directive; and by ensuring their joint or coordinated management, also in relation to maritime spatial planning and integrated coastal management;
- **Action - Exchanging best practices among managing authorities of Marine Protected Areas:** Aiming to achieve and/or to maintain the Good Ecological Status of marine waters and to preserve biodiversity also by integrating a fishing component in each MPA (e.g. Fishing Protected Areas);

²⁰ Forthcoming EEA report on Spatial analysis of Marine Protected Area networks in the Regional Seas surrounding Europe.

- **Action - Implementing Maritime Spatial Planning and Integrated Coastal Management:** By ensuring coordination of different projects/initiatives with the frameworks provided by the Maritime Spatial Planning Directive and the Priority Action Plan of UNEP/MAP. The latter plays an important role in supporting ICM by Mediterranean countries and in implementing the ICZM (Integrated Coastal Zone Management) Protocol of the Barcelona Convention.

Several actions related to the environmental impact of fisheries and aquaculture have been included under the Blue Growth pillar of the Strategy. These actions make a strong contribution to preserving marine biodiversity, by supporting enhanced cooperation on data collection, scientific study, policy planning, monitoring, control and enforcement. In addition to the actions listed under this pillar, a number of other actions can favour preservation of marine biodiversity.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Increasing marine knowledge	<i>Research institutes, national/regional authorities, NGOs</i>	<ul style="list-style-type: none"> • Building on the CREAM²¹ 2011-2014 FP7 project which coordinates research in fisheries management with a view to establishing guidelines on ecosystem based fisheries management • Building on the PERSEUS (Policy-oriented marine Environmental Research for the Southern European Seas) project, which assesses the dual impact of human activity and natural pressures on the Mediterranean and Black Seas by merging natural and socio-economic science approaches to predict the long-term effects of pressures on marine ecosystems • Building on national marine biodiversity inventories and habitat mapping projects
Enhancing the network of Marine Protected Areas	<i>National/regional authorities, NGOs</i>	<ul style="list-style-type: none"> • Building on the ECOSEA project²² for the protection, improvement and integrated management of the sea environment and of cross-border natural resources • Building on the MediSeH project, an FP7 project focused on identifying Mediterranean Sensitive Habitats and gathering and disseminating GIS data • Building on the CoCoNET project²³, an FP 7 project aimed at producing the guidelines to design, manage and monitor network

²¹ This acronym stands for: **C**oordinating **R**esearch in support to application of Ecosystem Approach to Fisheries and **M**anagement advice in the Mediterranean and Black Seas.

²² Starting at the end of year 2012 and funded by the IPA Adriatic Programme, this project aims to promote, improve and protect the marine and coastal environment from the upper Adriatic District to the Ionian Sea through sustainable management of fishing activities.

²³ The Project's full title is: "Towards COast to COast NETworks of Marine Protected Areas (from the shore to the high and deep sea), coupled with sea-based wind energy potential".

		<p>of MPAs, and an enriched wind atlas for both the Mediterranean and the Black Seas, creating a permanent network of excellent researchers (e.g. with summer schools) that will work together also in the future, making their expertise available to their countries and to the European Union</p>
Exchanging best practices among managing authorities of Marine Protected Areas	<i>MPAs' managing authorities, national/regional authorities, civil society, NGOs</i>	<ul style="list-style-type: none"> • Using the experience of MEDPAN²⁴ and building on the work of the Adriatic Protected Areas Network (AdriaPAN), a network of all managing authorities of Marine Protected Areas of the Adriatic and Ionian Seas, to exchange best practice and work on measures to improve ecological status of the seas, including through fishing measures • Exchanging best practices among Marine Protected Areas regarding actions, also outside PAs, and in coordination with relevant actors, preventing introduction of Invasive Alien Species (IAS), quickly eradicating newly emerging IAS, and controlling established ones • Exchanging best practices for managing NATURA 2000 areas, including designating fishery measures under the new Common Fishery Policy
Implementing Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM)	<i>National /regional authorities, research institutes, representatives of private sector, NGOs</i>	<ul style="list-style-type: none"> • Implementing common spatial information systems on ecosystem components and human uses and activities • Implementing pilot projects for the Ecosystem Approach (ECAP) developed under the Barcelona Convention • Building on the ADRIPLAN²⁵ project aiming to promote a coherent transnational approach to the spatial planning of the Adriatic and Ionian seas and implement common Maritime Spatial Plans • Building on the SHAPE (Shaping an Holistic Approach to Protect the Adriatic Environment) project, which aims at the development of a multilevel and cross-sector governance system, based on an holistic approach and on an integrated management of the natural resources, risk prevention and conflict resolution among uses and users of the Adriatic coast and sea • Building on the PEGASO (People for Ecosystem-Based Governance in Assessing Sustainable Development of Ocean and Coast project, which establishes a shared 'Integrated Coastal Management (ICM) Governance Platform' to bridge the gap between scientists and decision-makers to support the implementation of ICM in the Mediterranean and Black Sea.

Examples of targets:

- Establishment of a common infrastructure platform with participation of all countries for data collection, research, and laboratory analysis by end of 2015

²⁴ MedPAN is a network of managers of Marine Protected Areas in the Mediterranean (www.medpan.org).

²⁵ See also <http://adriplan.eu>

- 10% surface coverage of Adriatic and Ionian Seas by Marine Protected areas²⁶
- Adoption of maritime spatial planning and integrated coastal management strategies by EU Member State by 2017 and for coastal candidate and potential candidate Countries by 2018
- Achieving Good Ecological Status of the Adriatic and Ionian Seas by 2020
- Enhancement of a marine NATURA 2000 network and a coherent and representative network of MPAs under the Marine Strategy Framework Directive by 2020

b) Pollution of the sea

Presentation of the issue

Pollution of the sea originates from a number of different sources. Intense maritime transport activities and hydrocarbon exploration and exploitation result in oil spills, including large scale pollution events, and noise pollution. Insufficient waste water treatment in several participant countries leads to pollution from rivers, exacerbated by use of nitrates on agricultural lands. Pollution is also caused by ecologically-unsound aquaculture practices, entailing discharge of nutrient and chemicals into the sea.

Marine litter stemming both from land-based sources and lost and discarded fishing gear poses a serious problem. In addition to entailing significant costs to shipping, marine litter affects human safety and health, as well as marine wildlife, and it also has an aesthetic impact. Coastal and recreational activities account for more than half of the litter found on beaches. Poor management of solid waste and a large number of illegal landfills including hazardous waste result from a combination of scarce funding for solid waste treatment infrastructure, lack of awareness on the part of the general public, weak enforcement and increasing urbanisation of the coastlines. Facilities for treating waste water are equally poor in many places.

Adriatic-Ionian Region specifics

Owing to its semi-enclosed and relatively shallow nature, the Adriatic is highly vulnerable to anthropogenic pressures. Its waters are exchanged with those of the open seas of the Mediterranean only once every 3 or 4 years and the North Adriatic is the shallowest part of the entire Mediterranean Sea, with an average depth of around 50 metres. The high degree of eutrophication, observed especially in this part of the Adriatic, is caused mainly by fertiliser run-off from agricultural lands. Industrial accidents on land and maritime accidents can potentially cause large damage to the marine ecosystems. The Ionian Sea is less vulnerable to such impacts as it is part of the open Mediterranean waters. However, pollution from the Adriatic is exchanged with the Mediterranean through the Ionian Sea, and the latter is therefore also affected by human activities in the Adriatic. The high vulnerability of the Adriatic is further compounded by high levels of human activity. With the increase of maritime traffic and interest for

²⁶ In line with the Aichi Target 11 of the Convention on Biodiversity and related commitments of the EU and the Barcelona Convention.

exploring seabed mineral resources, raising levels of marine noise will seriously threaten endangered marine wildlife like cetaceans and sea turtles.

Indicative Actions

- **Action - Implementing a life cycle approach to marine litter.**
 - Establishing a coordinated monitoring system and database on marine litter and marine pollution, including sources and types of litter and pollution and a GIS database on the location and sources of marine litter²⁷.
 - Strengthening collaboration between sectors for the development of new possibilities for marine litter recycling including production of packaging waste and fishing gears to enable recycling;
 - Preparation of a joint strategy for the assessment, prevention and reduction of marine litter, building on the work of MED POL programme²⁸ and in line with the Regional Plan of the Barcelona Convention on Marine Litter Management in the Mediterranean, including an economic assessment of the costs and benefits of different options for reducing marine litter, as well as actions intervening at different stages of production, sources, transmission and loss.
 - Supporting the preventative measures to address Abandoned, Lost or otherwise Discarded Fishing Gear (ALDFG), implementing gear marking and gear registration, marine spatial management, codes of practice for fishermen.
- **Action - Supporting clean-up programmes** for both floating and sunken litter, integrating these activities with recycling programmes, and investing in necessary infrastructure.
- **Action - Drafting and implementation of a joint contingency plan** for oil spills and other large-scale pollution events, building on the work on the sub-regional contingency plan developed by the Joint Commission for the protection of the Adriatic Sea and coastal areas, and on the forthcoming Action Plan for the Offshore Protocol of the Barcelona Convention. Implementation of measures to enable joint contingency planning and coordinated emergency response.
- **Action - Identifying hotspots** and investing in reducing emissions of pollutants by realising a Hot Spot Inventory and aiming to depollute the sea.
- **Action - Ensure prioritisation of investments to reflect the contribution to reducing pollution of the sea** in the catchment area of the Adriatic and Ionian Seas. Aligning existing funding instruments, including funding from the European Regional Development Fund, the Cohesion Fund and the European Agricultural Fund for Rural Development, to support investment in waste management, waste water treatment and environmentally-friendly agricultural practices.

²⁷ This action should help countries to align to the Marine Strategy Framework Directive.

²⁸ This programme is the marine pollution assessment and control component of the Mediterranean Action Plan under the Barcelona Convention.

- **Action - Address diffuse sources** (e.g. nitrates from agriculture) by decreasing fertiliser use and by enhancing the recycling of nutrients through e.g. awareness-raising among farmers on the impacts of excessive use of fertilisers, education and training activities on the implementation and financial aspects of environmentally-friendly farming practices.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Implementing a life cycle approach to marine litter	<i>National authorities, Marine Protected Area managing authorities, producers of packaging and fishing gear, fisheries representatives, local population, NGOs</i>	<ul style="list-style-type: none"> • Building on the <i>CleanSea</i> project, which provides analysis of marine litter, proposes monitoring tools and standard protocols to facilitate monitoring marine litter in a harmonised way and presents cost-effective management measures and policy options for addressing the issue • Building on the MARLISCO (MARine Litter in Europe's Seas, Social awareness and CO-responsibility) FP7 project, which raises awareness of the issue of marine litter, triggers co-responsibility and facilitates stakeholder dialogue.
Supporting Clean-up programmes for both floating and sunken litter	<i>Fisheries representatives, local authorities, NGOs.</i>	<ul style="list-style-type: none"> • Developing further the 'Fishing for litter' project, started by local municipalities to enlist local fishermen. It is designed to recover marine litter whilst raising awareness in the Region • Building on the Guardians of the sea project, which focused on reorienting fishermen and reassigning fishing vessels to carry out other activities, including cleaning of the seas from marine litter • Building on the DEFISHGEAR (Derelict Fishing Gear Management System in the Adriatic Region) project, which quantifies and monitors marine litter, constructs a marine litter Geographic Information System (GIS), and also establishes a permanent cooperation network to involve stakeholders in generating new, more sustainable options
Drafting and implementation of a joint contingency plan for oil spill and other large-scale pollution events	<i>National and local public authorities</i>	<ul style="list-style-type: none"> • Building on the HAZADR (Strengthening common reaction capacity to fight sea pollution of oil, toxic and hazardous substances in Adriatic Sea) project, which includes activities aimed at harmonising national, regional and country contingency plans in Adriatic • Contributing to preparation and implementation of the Action Plan for the Offshore Protocol of the Barcelona Convention by building on the experience of REMPEC²⁹ and the Union Civil Protection Mechanism

²⁹ REMPEC is the Regional Marine Pollution Emergency Response Centre in charge of the marine pollution assessment and control component of the Mediterranean Action Plan under the Barcelona Convention. for the Mediterranean Sea, a Regional Activity Centre of the Barcelona Convention.

Identifying hotspots	<i>National and local authorities, local population, NGOs, industry</i>	<ul style="list-style-type: none"> Building on the Horizon 2020 initiative for the depollution of the Mediterranean programme, which includes a working group on pollution reduction investments, with a Hot Spot Inventory being prepared for the Western Balkans, to complement the hot spot inventory for the Southern Mediterranean prepared by the Mediterranean Hot Spots Investment Programme aiming to depollute the Mediterranean by 2020
Ensure prioritisation of investments to reflect the contribution to pollution of the sea	<i>National and regional authorities,</i>	<ul style="list-style-type: none"> Horizon 2020 initiative for the depollution of the Mediterranean Building on the SURF nature project³⁰ aiming to improve funding opportunities for nature conservation and biodiversity through the European Regional Development Fund (ERDF).
Address diffuse sources	<i>Rural communities, agricultural representatives, advisory services, rural development networks, LAGs³¹, NGOs.</i>	<ul style="list-style-type: none"> Promoting networking in good practices and guidance for sustainable use of fertilisers in agriculture

Examples of targets:

- Reduction of marine litter in line with Marine Strategy Framework Directive and 7th Environment Action Programme targets by 2020
- Reduction of anthropogenic nutrient flows to the Adriatic and Ionian seas to ensure that by 2021 eutrophication is minimised
- A joint contingency plan for oil spills and other large scale pollution events adopted by 2016 and measures to enable joint and coordinated emergency response implemented by 2020

³⁰ Funded through the ERDF INTERREG IVC programme, the SURF-nature is a project of 14 partners in 10 different EU member states who have come together to enhance regional policies for the promotion and preservation of biodiversity and nature.

³¹ Local Action Groups (rural development).

3.2. Transnational terrestrial habitats and biodiversity

Presentation of the issue

Macro-regional cooperation also needs to focus on the protection and preservation of terrestrial ecosystems, in particular transnational habitats and landscape elements of central importance for large carnivores and migratory bird species.

Climate change is expected to affect much of the Adriatic- Ionian Region more severely than elsewhere in the EU, especially natural habitats and biodiversity. The risks of climate change to biodiversity can be reduced by bolstering the general resilience of ecosystems, thereby increasing their ability to adapt to its effects. Joint action in shared eco-regions (mainly forest areas) to better withstand and contain catastrophes (e.g. forest fires) can also be the focus of such cooperation.

Adriatic-Ionian Region specifics

Several countries of the macro-region are home to shared eco-regions³² stretching across borders. These eco-regions include the Illyrian deciduous forests, and the Dinaric Mountains and the Pannonian mixed forests. The Region also contains a number of unique ecosystems, including karstic regions and tectonic lakes. The preservation of these is essential to Europe's natural heritage and requires joint action from the countries concerned.

The macro-region has rich biodiversity in comparison to the average European region, with many species³³. All countries of the macro-region provide habitats for Europe's large carnivores, including the wolf, the Eurasian lynx and the brown bear. These species require large habitats to sustain viable populations, and cooperation is therefore needed on joint management and on ensuring that infrastructure investments will not result in significant fragmentation of important landscape features.

The Adriatic Flyway is one of the main routes for millions of migratory birds crossing the Mediterranean, with birds making a resting stop along the eastern Adriatic. A number of bird species also spend winter in the area. The low number of undisturbed wetlands on the eastern coast of the Adriatic, lack of hunting ban areas and hunting rules which are not in line with EU legislation, (as well as low enforcement of the rules in place) result in vulnerable, threatened or endangered migratory bird species being killed. This has impacts for the entire EU, as efforts to protect species breeding risk are being undone if protection is not ensured during migration.

Indicative Actions

³² According to the definition of eco-regions used by WWF, these are land or water areas that contain a geographically distinct assemblage of natural communities which (1) share a large majority of their species and ecological dynamics, (2) have similar environmental conditions, and (3) interact ecologically in ways that are critical for their long-term persistence.

³³ http://195.97.36.231/publications/SoMMCER_Eng.pdf, p. 64.

- ***Action – Development of joint management plans for cross-border habitats and ecosystems***, which should include a transnational plan to deal with landscape fragmentation through Green Infrastructure investment and to enhance the NATURA 2000 network. It should also enhance the Emerald network of protected areas, launched by the Council of Europe in compliance with Resolution 4 and 6 of the Bern Convention, and strengthen ecosystem resilience in preparation for potential impacts of climate change;
- ***Action - Joint population level management plans for large carnivores and awareness-raising activities***, e.g. developing GIS database of large carnivore habitats to underpin transnational planning, monitoring and management of large carnivore populations and their habitats and identifying needs for developing green infrastructure. Alleviating habitat fragmentation, and supporting awareness-raising activities, targeting the rural population, so as to increase awareness of benefits to be reaped from healthy carnivore populations, notably for species preservation and for marketing areas for eco-tourism.
- ***Action - Harmonisation and enforcement of national laws*** with EU legislation, with respect to length and timing of hunting season, list of species which can be hunted, designation of 'no hunting' areas. Protecting migratory birds and other species through awareness-raising and capacity building, including assessing the impact of laws on species and communities. Improving the ability of nature protection authorities and customs officials to enhance enforcement of hunting laws. Awareness raising activities among local populations on the benefits of species preservation, and activities enabling the capitalisation of species preservation, including marketing of areas for eco-tourism;
- ***Action - Protection and restoration of coastal wetland areas and karst fields*** relevant for the Adriatic Flyway: Activities to restore wetland areas including restoration of water flows and vegetation, investments in green infrastructure and removal of grey infrastructure; clean-up of sites and investment in waste water treatment.
- ***Action – Awareness-raising activities on implementation and financial aspects of environmentally-friendly farming practices*** (e.g. organic farming, agri-environmental measures) complementing restoration and preservation of biodiversity. Coordination should be ensured between actions foreseen at national level through use of the existing networking, coordination and cooperation instruments, such as those under the National Rural Networks and the European Network for Rural Development.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible project
Development of joint management plans for cross-border habitats and ecosystems	<i>Nature protection authorities, research institutes, NGOs</i>	<ul style="list-style-type: none"> • Trans-boundary management of shared natural resources in South Eastern Europe, building on projects of the Environment and Security Initiative (ENVSEC), which includes publication of the feasibility studies on establishing Trans-boundary Protected Areas and the Network of Mountain Protected Areas in the Balkans and the Dinaric Arc, and encourages regional cooperation for management of trans-boundary natural resources, in particular water and mountain areas. • Building on the BE-NATUR (BETter management and implementation of NATURA 2000 sites) project, which improves the management of rivers, lakes and coastal areas, in order to implement the EU legislative framework and to develop common tools for a better management and implementation of NATURA 2000 sites. • Building on the European Green Belt initiative that aims to preserve habitats along the former ‘Iron curtain’ through joint cross-border activities in nature conservation and sustainable development.
Joint population level management plans for large carnivores	<i>Nature protection authorities, research institutes, NGOs, local communities</i>	<ul style="list-style-type: none"> • Development of national and transnational management plans for large carnivores
Harmonisation and enforcement of national laws	<i>National public administration, nature protection authorities, customs officials, local communities, NGOs</i>	<ul style="list-style-type: none"> • Cooperation of all countries in joint implementation of CITES regulations and fighting illegal wildlife trafficking
Protection and restoration of coastal wetland areas and karst fields	<i>Nature protection authorities, local authorities, local population, NGOs</i>	<ul style="list-style-type: none"> • Building on good practices developed under a successful LIFE NATURE project targeting an important karstic landscape in Slovenia, including Lake Cerknica • Building on good practices developed under the LIFE Nature project aimed at improving water circulation and reducing eutrophication in the PO delta.
Awareness-raising activities on the implementation	<i>Local authorities, Universities, schools, Chambers of</i>	<ul style="list-style-type: none"> • Building on good practices developed under the AGRI-KNOWS project, co-financed in 2007-2013 under cross-border cooperation between Italy and Slovenia under the European Agricultural Fund for Rural Development (EAFRD), focusing on

and financial aspects of environmentally friendly farming practices	<i>Agriculture</i>	<p>raising awareness of young people working in agriculture about practical application of scientific knowledge relative to environmentally-friendly practices</p> <ul style="list-style-type: none"> • Building on the WWF “One Europe, More Nature (OEMN)” innovative pilot project in the trans boundary “Prespa Park” region of Greece, Albania and North Macedonia, aimed at introducing environmentally-friendly agricultural practises connected with the special environmental needs of the area
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Examples of targets by 2020:

- Establishment of transnational management plans for all terrestrial eco-regions, shared by two or more participating countries
- Enhancement of NATURA 2000 and Emerald networks in the Region

4. SUSTAINABLE TOURISM

CO-ORDINATORS: CROATIA AND ALBANIA

This pillar focuses on developing the sustainable and responsible tourism potential of the Adriatic-Ionian Region, through innovative and quality tourism products and services. It also aims at promoting responsible tourism behaviour on the part of all stakeholders (wider public, local, regional and national private and public actors, tourists/visitors) across the Region. Facilitating the socio-economic perspectives, removing bureaucratic obstacles, creating business opportunities and enhancing the competitiveness of SMEs are essential for the development of tourism.

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.

To achieve the above mentioned objectives the pillar will focus on two topics:

Topic 1 - Diversified tourism offer (*products and services*);

Topic 2 - Sustainable and responsible tourism management (*innovation and quality*).

This pillar strongly supports the Europe 2020 Strategy. It 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.

As far as the EU Tourism Policy is concerned, the pillar reflects the Communication (COM(2010)352) "*Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe*", in which the Commission focuses on two key concepts mutually influencing each other: the need for a sustainable approach and the need to boost the competitiveness of the European tourism sector. In addition it takes good note of the Communication COM(2014)86 "*A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism*" that sets the framework for current challenges and proposes a strategy dedicated to enhancing the sector's sustainability and competitiveness so as to unlock the full potential of this growing and promising sector³⁴.

Furthermore the pillar's objectives are in line with the South-East Europe Strategy 2020.

³⁴ The pillar takes also into account the "*Agenda for a sustainable and competitive European tourism*" - COM (2007) 621 - which outlined the objectives and principles for the sustainability of tourism and the challenges to be tackled at EU level.

Its smart growth objective in particular reinforces implementation of the Ljubljana Process which calls for integrated rehabilitation of cultural heritage in the Region.

Sustainability in tourism should be strongly linked to commercial and business perspectives. In this regard, the Forum of the Adriatic and Ionian Chambers of Commerce (AIC Forum)³⁵ is linking the chambers of commerce of most of countries participating in this Strategy. Administrative barriers and red-tape must be removed and commercial opportunities facilitated and exploited. With a special thematic Round Table on Tourism, a Round Table on EU Project Management and the International Court of the Adriatic and Ionian Area, it aims at influencing policies targeting SMEs so as to increase the macro-region attractiveness in terms of tourism.

For several actions, the Action Plan could further build on the work already carried out in a bottom-up manner by established macro-regional actors. Such is the case of the Adriatic-Ionian Initiative (with a special group for Tourism and Culture), the network of the Adriatic and Ionian Universities (UNIADRION), the Adriatic-Ionian Euro-region (through its Thematic Committee on Tourism and Culture), the Forum of Adriatic and Ionian Cities and the mentioned AIC Forum.

Links to other pillars

In line with the integrated approach encouraged by the Strategy, the 'Sustainable Tourism' pillar is strongly linked to the other three pillars. Successful implementation of the Action Plan for Pillar 4 could thus be reinforced thanks to increased and better intermodal connectivity, which is the focus of Pillar 2 ('Connecting the Region'). Pillar 3 ('Environmental Quality') and Pillar 1 ('Blue growth') play an evident role in ensuring the integrated sustainability sought through the 'Sustainable Tourism' pillar.

Cross-Cutting Issues

The highlighted cross-cutting issues are of high relevance to both proposed topics: **Research and Innovation**, with particular attention to **SMEs development, and Capacity Building**, both for private actors and public bodies who need to engage in a much closer cooperation. **Communication** – especially publicity - to wider and specific audiences, as well as higher quality of **education**, life-long learning, vocational training, and development of skills, are incorporated in the proposed Action Plan as part of the "Capacity building" process.

³⁵ <http://www.forumaic.org/>

4.1. Diversified tourism offer (products and services)

Presentation of the issue

Joint cooperation at macro-regional level 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. The overall Strategy should also combine every available support for an entrepreneurial approach³⁶, in order to improve the quality of the Region's products, and encourage tourism in a way that would lead to diversification of the rural and coastal economy, linking it further to the tourism sector. It should, above all, have a strong commercial and business-oriented dynamic based on best practices (mainly at transnational and/or interregional level) and be implemented through regional integrated territorial development action plans linked to coherent sustainable transport plans and air quality plans.

Adriatic-Ionian Region specifics

Although tourism is already one of the fastest growing economic activities in the Adriatic- Ionian Region, and one of the main contributors to the area's GDP, the full potential of the Region's rich natural, cultural, historic and archaeological heritage is not yet exploited in a sustainable and responsible way. This should build on climatic as well as on existing market advantages. However, the concept of sustainable tourism³⁷, as well as developing innovative, quality tourism products and services and making the Adriatic-Ionian destination even more attractive, has not yet been taken fully on board by the tourism actors across the Region. As a result, many alternative and potentially sustainable forms of tourism³⁸ have not been sufficiently developed, diversified and/or integrated in wider regional development strategies (e.g. sustainable tourism supported by creative and /or cultural industries, as well as cultural entrepreneurship) so as to reinforce the strong socio-economic tourist advantage the Region has already built. Improving quality is central for developing sustainable tourism products and services. In addition, this is needed for developing responsible tourism; including all stakeholders, the local population as well as tourists/visitors, is part of the sustainable tourism concept.

³⁶ Including possible involvement of the Enterprise Europe Network- EEN (<http://een.ec.europa.eu/>)

³⁷ Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee long-term sustainability.

³⁸ Including cultural tourism, sports tourism, eco-tourism, thermal, health and wellbeing tourism, nature tourism, historical, scholastic, pilgrim tourism, agro-tourism, rural tourism, business, or tourism capitalising on the maritime and sub-aquatic cultural heritage, industrial heritage or the economic fabric of a region, etc.

Indicative actions

- **Action - “Brand-building of the Adriatic Ionian tourist products/services”**. Gradual establishment of an Adriatic-Ionian brand which would posit the Region as one destination in the eyes of visitors, residents and stakeholders. This strategic approach will only be effective through a brand-building process based on a common identity and strongly collaborative efforts, pooling of joint resources, networking, partnerships in association with an appropriate communication strategy. Overall, the branding exercise should formulate a vision emphasising the clear benefits that improved tourism products/services will bring to both residents and visitors in the Region. In this regard, actors should also explore how to take stock of existing synergies³⁹.
- **Action – “Initiative to improve quality for sustainable tourism offer”**. Although improving quality in tourism offer is a horizontal issue that should touch upon all topics and actions, it is to be treated also as a distinct action. 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. The tourism offer in the Adriatic-Ionian Region could also derive its strength from individual excellences in each country, in particular with regard to quality and visibility. Thanks to a critical mass of interconnected niches of excellence, the overall offer of the Region will be significantly optimised.
- **Action - “Diversification of the cruise and nautical sectors and enhancement of the yachting sector”**. While 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. Subsequently, local economies have not developed appropriate ways of managing profitably effects of intensive influx of tourists within a relative short period. By exploring alternative routes and/or business model, linking better the cruise offer to local people and products, unsustainable congestion can be better tackled and the full potential could be better exploited, with more lasting economic benefits for local economies. To secure the support of the local population, such developments should be linked to sustainable transport plans.
- **Action - “Sustainable tourism R&D platform on new products and services”**. This action focuses on 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.
- **Action - “Sustainable and thematic tourist routes”**. This action focuses on development and branding of macro-regional tourism routes, through mapping and

³⁹ Being patented brand and owned by the AIC Forum, ADRION aims to help tourist operators in the Region to present themselves to international tourist markets, to stimulate the growth of weak tourist areas by connecting them with the more established tourist destinations, and to assist consumers/tourists with immediate identification of services and tourist products of the Region.

further promoting existing routes, (i.e. cruise, motor bike, walking/hiking, cycling, sailing). In addition, one should also explore creation of new routes building on the assets and diversity of the Adriatic-Ionian Region. This will include developing strategies for attracting new niche markets, especially for cultural, luxury and business tourism. The action should build on knowledge, skills and heritage assets, which would connect and promote lesser-known destinations of the Region.

- **Action - “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. This could be achieved by strengthening cultural cooperation. In this way the implementation of the Ljubljana process⁴⁰ will be reinforced and there will be increased demand for use of the creative, cultural and natural industries sector. With a critical mass of cultural hotspots at macro-regional level certain areas could be rejuvenated and enjoy increased tourism attention.
- **Action - “Improving accessibility for Adriatic-Ionian tourism products and services”.** This action is expected to adjust 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). By successfully creating a "critical mass" across the Region of 'year-round' accessible destinations, attractions, sights and tourism-related quality services, more tourists can be expected to be attracted while tourism flows could be maintained also in the low season.
- **Action - “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. In addition, labelling and upgrading local products at macro-regional level is likely to result in stronger affiliation with the Region. At the same time development of local products could be an effective economic development tool.

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Brand-building of the Adriatic-Ionian tourist products/services	<i>National Tourism Organisations, Destination management organisations, international experts, research and, cultural institutes, museums, non-</i>	<ul style="list-style-type: none"> • Adriatic-Ionian brand strategy. Preparatory steps require targeting global travel, on the basis of important topics, such as the target customer groups, the portfolio of value-added products and services, administrative adaptations needed, as well as key messages (based on the Region's values) that will effectively communicate the brand. • Identification and development of an Adriatic-Ionian ‘basket of products’ that can be associated in a unique manner with the Region.

⁴⁰ http://www.coe.int/t/dg4/cultureheritage/cooperation/sec/irppsaah/ljubljanaprocessii_EN.asp

	<i>profit organizations, and private operators,</i>	<ul style="list-style-type: none"> • Communication of the branding strategy, both within the Region, with targeted common niches, and internationally with continuous campaigns promoting the Region so as to attract visitors from other continents and from both established and emerging markets.
Initiative to improve quality for sustainable tourism offer	<i>Chambers of commerce, shipping and environment, SMEs, tourism organisations, destination management associations, ministries of tourism, tourism local actors, LAGs⁴¹ and FLAGs, municipalities and regions</i>	<ul style="list-style-type: none"> • Digitalisation of communication and of available tourism offer data storage. The public and private sectors should use a common Adriatic-Ionian tourism portal to upload all available tourism offer and rating in order to facilitate dissemination of tourism information. • Public/private cooperation to enhance the quality of tourism offer. Defining common quality criteria for the specific Adriatic-Ionian tourism offer. Based on those predefined criteria, launching of a needs analysis of the tourism offer in terms of quality. Defining niches of excellence in the broader Region and interconnecting them so as to enhance the tourism offer. • Setting up modes for facilitating circulation of tourists throughout the macro-region. Creating common road signals and cross-border/transnational information for tourism attractions, using appropriate languages for the designation of products, using common standards and classification systems. • Developing projects enhancing the economic potential of tourism by combining innovative facilities with ancient routes (e.g. Odyssea project⁴²)
Diversification of the cruise and nautical sectors and enhancement of the yachting sector	<i>Port Authorities, cruise lines, nautical industry, tourist operators, local municipalities, university departments in relative fields, leisure sports organizations/associations</i>	<ul style="list-style-type: none"> • Consultation with the cruise sector and the local authorities for designing possible alternative sea routes⁴³ (including alternative use of smaller-scale cruise) that could promote joint coastal and rural tourism packages to attract tourists to the hinterland as well as to reduce the environmental impacts Joint promotion campaign in all the macro-region's cruise ports. • Identifying new and innovative business and logistics models for supplying Adriatic-Ionian food and non-food products in the cruise sector. Development of guidelines and study of the carrying capacity of the call ports for the application of sustainability criteria for the decongestion of cruise ports and better development of these ports. This would include linking such approaches with coherent sustainable mobility plans and air quality plans.
Sustainable tourism R&D platform on new products and services	<i>Universities and research centres and networks, , Regional development</i>	<ul style="list-style-type: none"> • Network of Adriatic – Ionian regional tourism innovation centres. Mapping and networking of the various innovation structures for tourism-related sectors such as sustainable construction, energy efficiency, waste management, ICT for tourism to facilitate transfer of knowledge, best practices in

⁴¹ Local Action Groups (rural development) and Fisheries Local Action Groups.

⁴² www.odyssea.eu

⁴³ Promotion of transnational thematic itineraries like cultural, pilgrim or ancient trade routes.

	<i>agencies, Ministries of Competitiveness, of Research and Education</i>	<p>technology transfer and business cooperation.</p> <ul style="list-style-type: none"> • New business opportunities in environmental technology. Joint calls for proposals, at macro-regional level, with a view to helping the environmental technology sector facing particular challenges to exploit research results in the Region. • Develop transnational new clusters in the field of tourism, encouraging trans-sectorial and cross-border cooperation.
Sustainable and thematic tourist routes	<i>Private operators, national tourism ministries, regional and local authorities, destinations management associations, chambers of commerce</i>	<ul style="list-style-type: none"> • Mapping and joint promotion of existing macro-regional routes. • Further development of thematic tourism such as cultural tourism, sports tourism, eco-tourism, thermal, health and wellbeing tourism, nature tourism, historical, scholastic, pilgrim tourism, agro-tourism, rural tourism, business, or tourism capitalising on the maritime and sub-aquatic cultural heritage, industrial heritage or the economic fabric of a region, etc. • Establishing synergies between macro-regional routes and local communities.
Fostering Adriatic-Ionian cultural heritage	<i>Ministries of Culture and Tourism, regional authorities and municipalities, NGOs, Universities, museums</i>	<ul style="list-style-type: none"> • Adriatic-Ionian Museum Network for the establishment of a regional network that will direct visitors to the various museums, cultural events and premises across the Region. • More emphasis on archaeological sites for the promotion of the Region as a global destination for archaeological tourism. • Creative Adriatic-Ionian Region. Globally, creative industries are among emerging drivers of the economy. Networking of creative industries actors for exchanging ideas, know-how and experience will help distribute the creative potential across the entire region. This project would identify issues of common interest and concentrate on knowledge, experience, information and sharing of excellence in support of artistic entrepreneurship, creative start-ups and contemporary art festivals.
Improving accessibility for Adriatic - Ionian tourism products and services	<i>Relevant tourism authorities and agencies, tourism operators, SMEs, training providers across the Region and disability stakeholders</i>	<ul style="list-style-type: none"> • Improving specific skills and training relative to accessibility in the tourism supply chain. • Disseminating good practices among tourism stakeholders in accessible tourism⁴⁴. • Promoting the Adriatic-Ionian Region as an accessible Region to key markets; promoting the Region through means based on, but not limited to, use of new technologies and social networks oriented towards different target users. An example could be creation of accessible and safe marinas, mainly for people with reduced mobility, in particular in the field of leisure boating.

⁴⁴ E.g: Calypso project, and Holiday4All project, managed by Serbia and Montenegro. They aim at developing sustainable social-off season tourism for disadvantaged people, and at making tourism leisure activities accessible to all.

Upgrade of the Adriatic Ionian tourism products	<i>Farmers, producer groups, processing industry, short supply chains, LAGs, and FLAGs⁴⁵, universities, Venture capitals, regional authorities,</i>	<ul style="list-style-type: none"> • Connecting local agricultural, fisheries, tourism and food supply sectors, partnerships between businesses participating in local food projects in order to develop new strategies for placing their products and attracting new types of customers. • Exchange of good practices⁴⁶ and know-how transfer from the European Network for Rural Development. • Linking with technology transfer and business cooperation networks such as Enterprise Europe Network for facilitation of technology transfer and identification of business cooperation opportunities, new production, labelling and marketing methods.
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Examples of targets by 2020:

- 5 new macro-regional routes created
- Conformity with EU standards and best practice by hotels and museums in the Adriatic-Ionian, to be fully accessible by special needs groups

⁴⁵ Local Action Groups (rural development) and Fisheries Local Action Groups

⁴⁶ http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=18EC541F-CB32-ED81-55DF-AFB25B27E01E

4.2. Sustainable and responsible tourism management (innovation and quality)

Presentation of the issue

The current state of Adriatic and Ionian cooperation in the management of the sustainable tourism is rather limited. This in turn results in limited options addressing common organisational, human resources and financial problems. A series of actions aiming at better understanding the concept of “sustainable development” among tourism stakeholders are therefore needed, including: horizontal interventions promoting 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.

Adriatic-Ionian Region specifics

Currently intensive tourism activities are very important and profitable. However, they are not always managed soundly, and can even have negative effects (production of waste, pressure on water supply, impact on land and biodiversity, etc.) on the coastal, marine, and hinterland environment. By integrating sustainability approaches⁴⁷ into their activities, tourism stakeholders will increase business by protecting the competitive advantages (its intrinsic diversity, its variety of landscapes and cultures) that make the Adriatic Ionian an attractive tourist destination.

The tourism industry also needs to build innovation transfer networks, in order to develop better its products and services and to increase its quality and value. Sustainability needs, however, to be linked strongly to commercial perspectives. A commercial approach needs to be developed together with the sustainable and smart approach of tourism. The objectives of this particular topic are: enhancing, strengthening cooperation between key public and private stakeholders; fostering competitive and innovative tourist SMEs; tackling the seasonality issue, and promoting the sustainability of the tourism sector.

Indicative actions

- **Action - Network of Sustainable Tourism businesses and clusters:** Stimulating innovation through interaction between different tourism actors and creation of strong synergies with complementary sectors along the value chain. Useful lessons could be also learnt from applying the Smart Specialisation approach and, in particular, through adapting the Entrepreneurial discovery process, actively involving

⁴⁷ Such as, the responsible use of natural resources, taking into account the environmental impact of activities, the use of 'clean' energy, protection of the heritage and preservation of the natural and cultural integrity of destinations.

the private sector in identifying sustainable tourism activities with the most promising potential for growth and for absorbing research outputs.

- **Action - Facilitating access to finance for new innovative tourism start-ups:** This action would facilitate 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. Establishment of joint ventures and innovation incubators can also boost the Adriatic- Ionian SMEs at an international level. This could be done through European Structural and Investment Funds, COSME⁴⁸ programme for the competitiveness of Enterprises and small-medium-sized enterprises, and other relevant funding programmes.
- **Action – Promoting the Region in world markets:** Improving the promotion of destinations in international key markets is needed for increased tourist flows. More tourists want to discover the rich artistic and monumental heritage of a destination and to discover new places beyond the mainstream attractions of Europe. The attractiveness of the Region could, therefore, be enhanced from common promotion campaigns in key markets⁴⁹. Creating B2B and B2C European platforms would link the Region's business actors among themselves and with customers. This can give the Region a comparative advantage.
- **Action - Expanding the tourist season to all year-round:** The Action will seek to alleviate seasonality in the Adriatic Ionian, and expand the tourist season. It will promote off-season tourism (such as culture activities, comfortable transport and accommodation), target markets (such as senior and accessible tourism, business and conference tourism, winter tourism, rural tourism) and design a strategy for setting Adriatic-Ionian as an excellent off-season destination.
- **Action – Training in vocational and entrepreneurial skills in tourism:** Tourism in the Region is experiencing a gap in skills; a lack of qualified and skilled labour represents (together with increased competition from other destinations) a main threat for the sector. Tourism entrepreneurship is also in need of strategic information, new learning concepts taking into account new global tourism trends and new management concepts. The action will focus on the need for training for SMEs (including e-training), the creation of an Adriatic-Ionian Observatory on Sustainable Tourism skills, and training for tourism entrepreneurship.
- **Action - 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. Common procedures on visas, and nautical licenses valid for visitors wishing to visit a range of Adriatic and Ionian attractions, revising the legislative regime for skippers and recreational boating and establishing stable and simplified legislative and fiscal framework are some of the actions needed for considerably increasing the tourism inflows.

⁴⁸ Regulation (EU) No 1287/2013 of the European Parliament and of the Council.

⁴⁹ AIC Forum studies.

- **Action - Adriatic-Ionian action for more sustainable and responsible tourism:** This action would include the establishment of an Adriatic-Ionian Charter to encourage sustainable and responsible tourism practices in the Region. It would be based on tested ideas and practices to be easily taken up by the sector actors, and especially the SMEs that form the majority of tourism enterprises. It would promote the use of indicators to measure sustainable development at destination level⁵⁰

The table below provides an overview of the mentioned actions, a non-exhaustive list of indicative actors, and examples of possible projects.

Actions	Indicative actors	Examples of possible projects
Network of Sustainable Tourism businesses and clusters	<i>SMEs, tourism clusters, technology transfer and innovation support networks, research centres</i>	<ul style="list-style-type: none"> • Tourism smart specialisation platforms to develop an extended macro-regional Entrepreneurial Discovery Process, building on experience gained by the Smart Specialisation Strategies, with a particular emphasis on commercial tourism opportunities. • Enhancing the use of ICT tools and information packages for setting-up, managing and promoting tourism business and tourism business opportunities, and the digital connection between SMEs in source and destination markets. • Strengthening links with industries with real growth potential, including environment-based industries and the cultural and creative sector, and with a strong overall commercial perspective. • Exchange of business cooperation opportunities and best practices in sustainable tourism innovation. The existing Enterprise Europe Network, in particular with the Tourism and Cultural Heritage Sector Group, can help.
Facilitating access to finance for new innovative tourism start-ups.	<i>Financial institutions, private operators, relative university departments and research institutes</i>	<ul style="list-style-type: none"> • The ‘Adriatic-Ionian Sustainable Tourism Financing’ can develop innovative financial and incentives instruments facilitating access to seed and venture capital European Investment bank (EIB) and European Investment Fund (EIF) or other international financial bodies for new start-ups.
Promoting the Region in world markets.	<i>Destination Management Organisations, Tourism Business Associations, Ministries of Tourism</i>	<ul style="list-style-type: none"> • Joint promotion strategy and campaigns in the world market. • Supporting internationalisation of tourism SMEs in the macro-region through establishment of "one-stop shops", "BtoB" or "BtoC" shops, in order to provide assistance and guidance to businesses and customers, to promote partnerships, and to define new entry strategies to foreign markets. An example can be the TOURISMLink⁵¹ project which aims at bringing together European business on a common IT platform.

⁵⁰ e.g. European Tourism Indicator System (ETIS).

⁵¹ <http://www.tourismmlink.eu>

Expanding the tourist season to all year-round.	<i>Regional Authorities, Destination Management Organisations, Tourism Business Associations, Ministries of Tourism</i>	<ul style="list-style-type: none"> • Adopt and implement a strategy for all year- tourism, by <ul style="list-style-type: none"> - Building on the EU initiatives SENIOR⁵² and Accessible tourism⁵³ - Promoting rural tourism - Promoting the Region for year round conference and business tourism, and especially during the off-season - Promoting winter tourism and cooperation, with exchange of best practice, in winter sports infrastructure and management of sport events.
Training in vocational and entrepreneurial skills in tourism.	<i>Chambers of Commerce and Industry, Adriatic Ionian Initiative Forums, National vocational training foundations, CEDEFOP, European Training Foundation</i>	<ul style="list-style-type: none"> • Adriatic-Ionian Observatory on Sustainably Tourism skills for monitoring and getting feedback from the sector stakeholders on key issues and latest trends. This project aims at matching supply and demand in specific labour skills and to stimulate reforms in vocational training. An integrated information management system (for business, clients and Public Authorities) should also be connected to this Tourism Observatory. • Training for tourism entrepreneurship, for developing key skills in managing tourism businesses; this training will include an update on new market trends and transfer of know-how regarding destination management. • E-learning platform for SME training. • Link with the EURES portal, which provides information for jobseekers and employers in a special 'blue jobs' section.⁵⁴
Adriatic Ionian cooperation for facilitating tourist circulation	<i>Ministries of interior affairs – ministries of foreign affairs, national tourism organisations, ministries of tourism, national statistics organisations, Universities, Chambers of Shipping, Tourism SMEs, Ship-owners, Marinas, yacht skippers, and Yacht brokers associations</i>	<ul style="list-style-type: none"> • Developing harmonised visa procedures for tourists visiting the Adriatic-Ionian region. • Developing common system for delivering and recognising nautical licenses within the Region; Assessing the need for EU action on qualification requirements for skippers and recreational boating; Addressing the "insularity" and the public service character as key issues for coastal shipping⁵⁵. • Joint Set of Quality Standards for the Adriatic-Ionian Tourism, for a high level of tourist satisfaction while protecting environment and culture. This should address tourism professions, tourism jobs qualifications, and common classification systems as an important benchmarking instrument. • Harmonisation of national statistics on tourism for more detailed, more comparable and more comprehensive data to measure the impact of the sector on the economy and to better design policy options and macro-regional tools (including building on the existing European Tourism Indicator System -

⁵² http://ec.europa.eu/enterprise/sectors/tourism/tourism-seniors/index_en.htm

⁵³ http://ec.europa.eu/enterprise/sectors/tourism/eden/index_en.htm

⁵⁴ <http://ec.europa.eu/eures>

⁵⁵ University of Aegean, stakeholders' report of the department of Shipping, Trade and Transport on the Strategy for coastal and maritime tourism.

		<p>ETIS).</p> <ul style="list-style-type: none"> • Guidelines for Green Public procurement across the Adriatic- Ionian Region and dissemination of best practices among national and regional authorities to help them procure low-carbon, environmentally-friendly goods, works and services in the tourism sector. • Annual Adriatic Ionian Sustainable Tourism Forum
Adriatic-Ionian Charter for sustainable and responsible tourism	<i>Ministries of Tourism, Business Associations, Chambers, Environmental state agencies, regional and international experts, regional administrations, University departments</i>	<ul style="list-style-type: none"> • Development of an Adriatic-Ionian Charter to encourage sustainable and responsible tourism with a set of principles and guidelines. It could promote implementation of the European Tourism Indicator System (ETIS)⁵⁶ for Sustainable Management of Tourist Destination, allowing measuring of destinations' performance, to enable their sustainable development and improvement. • The Charter could be supported by actions such as the application of the EU Eco-Management and Audit Scheme (EMAS), and training of tourism companies to evaluate, report, and improve their environmental performance.

Examples of targets by 2020:

- 50% increase in tourist arrivals from countries outside the Region
- 50% increase in tourism arrivals during the off-season period

⁵⁶ http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/indicators/index_en.htm

5. FUNDING

The Action Plan accompanying the Strategy shall be implemented by mobilising and aligning all available EU, international, national and private funding of relevance for the four pillars and the specific topics identified under each pillar.

The regulatory framework for European Structural and Investment Funds (ESI Funds) for 2014-2020 and the Instrument for Pre-accession Assistance (IPA) for non-EU countries provide significant financial resources and a wide range of tools and technical options.

The macro-regional approach was included in the Regulations for the programming period 2014-2020 and should be included in the new generation of Regulations for the programming period 2021-2027⁵⁷. In addition, due to the coordinated approach of the Directorate General for Regional and Urban Policy and the Directorate General for Enlargement, Strategy Papers for non-EU countries (Montenegro, Serbia, Bosnia and Herzegovina, Albania) did explicitly refer to the Strategy and so should do the IPA Strategic Framework 2021-2027. Moreover, considering that the macro-regional strategy will contribute directly to national objectives, thereby becoming an integral component of national, regional and local strategies, all kinds of existing funding sources beside EU level can be harnessed, dramatically increasing funding possibilities in support of cooperation activities throughout the macro-region.

Other means are also available. In addition to interventions of international financial institutions, the Western Balkan Investment Framework (WBIF) provides finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. Capitalising on the work done in the framework of the two other macro-regional strategies on innovative financing⁵⁸, implementation of projects - also in the non-EU countries - can benefit from innovative options involving, among others, the WBIF. The European Investment Bank (EIB), for its part, stands ready to mobilise its financing tools and expertise in support of suitable projects under the topics included in the Action Plan. The EIB can extend support to both public and private sector activities in the form of lending, blending and technical advice. It offers a variety of financing instruments, ranging from investment loans for both direct and indirect financing to equity funds via the European Investment Fund. An overview of how the EIB can contribute to implementation of the Strategy for the Adriatic-Ionian Region is enclosed in this document.

Funds of relevance for the specific pillars are also available. The European Maritime and Fisheries Fund as well as Horizon 2020 (Horizon Europe for post-2020), which targets

⁵⁷ Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument – COM(2018) 375 final, Article 17.

⁵⁸ E.g. the Danube Financing Dialogue This Dialogue brings together projects, available sources of funding and international financial institutions.

Blue Growth as one of its focus areas for RTD, can lend key support to implementation of actions and projects under Pillar 1.

Of high relevance for Pillar 2, the Connecting Europe Facility (CEF) 2014-2020 supports the development of high-performing, sustainable and efficiently interconnected trans-European networks in the field of transport, energy and digital services. The Facility focuses on projects with high EU added value, such as building missing cross-border links and removing bottlenecks along main trans-European transport corridors. The CEF creates significant leverage and attracts additional public and private funding through the use of innovative financial instruments, notably EU project bonds. CEF financing for actions in pre-accession countries can be granted if these actions are necessary for implementing projects of common interest⁵⁹. CEF coordination with the Horizon 2020 research and innovation programme as well as with the Cohesion and Structural Funds will be central. Parts of the budget of the ESI Funds for 2021-2027 could be dedicated to projects related to energy, transport and ICT infrastructure via embedding cooperation in mainstream programmes as proposed by the European Commission⁶⁰. Opportunities of CEF 2021-2027 for the implementation of the EUSAIR in the near future should be thoroughly explored.

As for Pillar 3, funds under the LIFE programme are open also to non-Member States. This programme explicitly mentions cross-border actions and includes mitigation as well as an adaptation pillar. Pillar 4 may, among others, benefit from the COSME programme for SMEs.

⁵⁹ A "project of common interest" means a project identified in Regulation (EU) No 1315/2013 or Regulation (EU) No 347/2013 or in Regulation on guidelines for trans-European networks in the area of telecommunication infrastructure.

⁶⁰ Staff Working Document accompanying the Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies - SWD(2019) 6 final.

6. MONITORING, REPORTING AND EVALUATION

The experience reaped from the two existing macro-regional strategies notwithstanding, the macro-regional approach remains new and hence somewhat experimental. Moreover, despite substantial overlaps between the Danube and the Adriatic-Ionian macro-regional strategies in terms of countries involved (five out of eight countries are engaged in both strategies), certain challenges specific to the Adriatic-Ionian macro-region call for *sui generis* responses, not only in terms of action/project implementation, but also in terms of action/project monitoring and evaluation.

While there should be a description of the *status quo* in the participating countries with regard to the topics identified under each pillar as well as prioritisation of actions under each topic, data and analyses currently available do not make this possible. Collecting and analysing reliable and comparable data throughout the Region, on which sound description of baseline situations can be delivered and well-founded prioritisation of actions can be done, will form an integral part of further development of the macro-regional approach.

Setting, already at this early stage, tentative result indicators aimed at capturing the change hoped for, with respect to specific aspects of the problems identified, can nonetheless facilitate understanding of these problems as well as of the kinds of response(s) required. It will furthermore facilitate ex-post evaluation of the extent to which actions or projects carried out contributed to alleviating the problems identified in the baseline situation. Evidence, in particular regarding economic geography for fisheries and aquaculture, and marine environmental assessment and modelling to be provided by the Joint Research Centre will be used to this end.

A data base including existing projects and providing data on the basis of which the necessity of possible projects can be justified should furthermore be established. For the sake of comparability, monitoring of the Action Plan will preferably make use of available statistical indicators from the European Statistical System (ESS). If appropriate, statistical data collections and territorial analyses will furthermore make use of harmonised spatial definitions (e.g. NUTS) and existing typologies for coastal regions (based on NUTS 3 regions) and coastal areas (based on Local Administrative Units).

Far from relating to beneficiaries of the actions or projects alone, result indicators should relate to entire segments of the macro-regional territory. Result indicators often relate to concrete achievements with a macro-regional or transnational impact. They may however also relate to results that are less easily quantifiable, such as: increased coordination of policies across national boundaries; creation of cooperative networks; joint ventures initiated by SMEs; growing sense of ownership and raised awareness of interdependencies across national boundaries; raised level of engagement among municipalities and other public authorities, SMEs as well as civil society; greater acknowledgement among decision makers of mutual effects of national decisions with a territorial impact and hence better compliance with the requirements of the Strategic Environmental Assessment (SEA), etc. Consequently, result indicators will not

exclusively be variables to be measured in quantitative terms. Depending on the context they can also be assessed in qualitative terms.

In order to convey a sense of direction to the actions/project, it is useful to associate targets for result indicators. These targets can however at best be approximate estimates subject to regular revision and adaptation in pace with implementation of the Action Plan. Like result indicators, they may be set in quantitative terms (e.g. attaching a quantified value or a range of quantified values to the change expected)⁶¹ or indicate in qualitative terms the expected direction and pace of change as compared to a baseline situation.

While the Action Plan should ideally remain relatively stable for a certain period of time, new issues may emerge along the way and priorities may evolve, requiring actions and projects and their associated targets to be updated, transformed or replaced. In other words, the Action Plan will be “rolling”, and will retain a certain flexibility.

To further reflect this situation, reasonable buffer time must be built into implementation plans for each project and caveats foreseen acknowledging that impacts might only be measurable in the medium and longer term. While the Strategy itself is open-ended and therefore has no deadlines attached to it, the time-horizon for the first phase of the Action Plan will coincide with that of the multi-annual financial framework. Within this overall time-horizon the specific time-frame for actions and projects can vary. Some can be implemented in a short time (1-2 years) and some will need longer.

⁶¹ For the fisheries sector, it is suggested to refer to Maximum Sustainable Yields and to have assessment/evaluation carried out by experts groups (such as the Scientific, Technical and Economic Committee for Fisheries –TECF- and Working Groups on Stock Assessment of Demersal and Small Pelagic species under the General fisheries Commission for the Mediterranean - SAC/GFCM) in sessions dedicated to the Region.

Role of the European Investment Bank (EIB) in the EU Strategy for the Adriatic and Ionian Region

The role of the EIB in the Strategy can be crucial, especially in mobilising and blending sources of finance for bankable projects. The EIB has much experience of cooperation with most of the countries in the Adriatic and Ionian Region across a range of different sectors. EIB's key role in ensuring the availability of long-term financing to key infrastructure and industrial projects is underlined by the already substantial support provided by the Bank in the Region over the course of the last 10 years. Additionally, the JASPERS (Joint Assistance to Support Projects in European Regions) initiative⁶², is also supporting projects in the Region.

EIB presence in the Adriatic and Ionian Region is marked by increased lending volumes: in the last 4 years (2010-2013), the EIB lent EUR 46.6bn. in the countries covered by the Strategy. The main sectors supported have been: (i) intermediated loans to SMEs, mid-caps and small infrastructure, with EUR 16bn. of loans signed; (ii) transportation and storage, with EUR 9.4bn. of loans; (iii) electricity and gas with EUR 8.4bn.; (iv) manufacturing, with EUR 4.3bn; (v) water supply, sewerage and waste management, with EUR 2.2bn; and (vi) information technologies with EUR 2.1bn.

The sectors financed contribute directly or indirectly to the four pillars of the Adriatic and Ionian Strategy. For instance, in Italy, one can mention as relevant to the 'Blue Growth' and 'Connecting the Region' pillars, the support given by the Bank to the ports included under the TEN-T network, for which a loan of EUR 120m was approved at the end of last year for the modernisation and expansion of the port of Ravenna.

Furthermore, the EIB is assisting Member States in the Region, such as Greece and Slovenia, to finance the national contribution to EU funded projects under the respective National Strategic Reference Frameworks (NSRFs). Many of these projects have a trans-regional impact. For example, the PATHEP (Patras-Athens-Thessaloniki-Idomeni/Promahonas) Railway Corridor, TEN-T priority project, is expected to have a broad impact on transport and logistics in the Balkans, which suffered till now of poor rail connections.

Other examples of EIB projects contributing to the 'Connecting the Region' pillar are the Port of Koper in Slovenia; and the support of the TEN-T networks in Western Balkans. The Bank supported investment in the Port of Koper as well as the construction of the energy and gas transmission networks, which have clear regional relevance for all the Western Balkans. With regards to TEN-T project in Western Balkans, one can mention in particular the sizeable projects financed by loans on Corridor Vc in Croatia and Bosnia and Herzegovina, as well as on Corridor X in Serbia and North Macedonia. In Croatia in 2013 the Bank also signed the first 80m loan for a PPP project for Zagreb airport. In Greece, the Bank signed in 2013 a first tranche of EUR 350m (out of EUR 650m approved by the EIB) for the re-launch of the 4 stalled Motorway concessions, which are also TEN-T networks.

⁶² Shared by the EU Commission, the EIB, KfW and EBRD.

The Bank also plays an important role in supporting investments aiming to preserve, protect and improve the environmental quality. For example, in Serbia the Bank supports investments in rehabilitation and upgrading of water supply and wastewater collection and treatment networks in the city of Novi Sad, while in Montenegro EIB supports the rehabilitation and construction of water and waste water infrastructure of different municipalities.

EIB's intermediated loans in the Italian Adriatic regions and the other seven countries covered by the Strategy supported EUR 749m of investment in sectors related to the touristic activity in the last 4 years.

Furthermore, the EIB, in line with its mandate for Western Balkan, supports investments that spur growth and increase employment in the Region, therefore these investments are considered to create added value to the Strategy. The Bank's EUR 500m loan to the investment in the FIAT factory in Kragujevac, is deemed to create considerable indirect employment effects in addition to the employment at the plant itself, as well as creating export income for Serbia, having a positive effect on the trade balance.

Given EIB's experience from the Baltic Sea and Danube strategies and its priority lending objectives, the Bank is well positioned to support developments in all sectors specified in the Adriatic and Ionian Region strategy.

In addition to the EIB's lending activity in the Region, EIB provides technical and financial advisory assistance to support countries of the Region and their intergovernmental organisations. The Bank's 5-year (2011-2015) pilot project to provide technical assistance (TA) to Greece in support of the EUR 2bn co-financing of the national component of the 2007-2013 NSRF, has led to extensive capacity building and identification of best practices and lessons learned that are being incorporated in the upcoming Partnership Agreement for 2014-2020. Similar projects might be extended in the Region to other EU Member States and candidate/potential candidate countries.

Technical Assistance is also provided in the Region under the JASPERS initiative in Slovenia, Croatia, Greece, Serbia and Montenegro. In the beginning of 2014, there are approximately 100 JASPERS assignments in the Region, with Croatia as the main recipient, while Slovenia and Greece benefit also from the JASPERS TAs, albeit in a lesser extent.

JESSICA (Joint European Support for Sustainable Investment in City Areas) is an initiative launched in 2006 and uses 2007-2013 Structural Fund allocations to establish revolving investment instruments rather than grant subsidies, in favour of urban development projects. The JEREMIE initiative⁶³ (Joint European Resources for Small and Medium-sized Enterprises), also launched in 2006, offers EU Member States, through their national or regional Managing Authorities, the opportunity to use part of their EU Structural Funds allocations to finance small and medium-sized enterprises (SMEs) by means of equity, loans or guarantees, through a revolving Holding Fund acting as an umbrella fund. EPEC (the European PPP Expertise Centre)⁶⁴ was launched

⁶³ Developed by the European Commission and the European Investment Fund (EIF), which is part of the European Investment Bank Group.

⁶⁴ Launched by the EIB and the European Commission.

in September 2008 and aims to strengthen the organisational capacity of the public sector to engage in Public Private Partnership (PPP) transactions.

The EIB also cooperates with other International Financial Institutions active in the Region (European Bank for Reconstruction and Development (EBRD), World Bank, etc.) and EC project preparation facilities to build a pipeline of potential projects.

For example, since 2009, the EIB, the European Commission, the Council of Europe Development Bank and the European Bank for Reconstruction and Development have been cooperating under the Western Balkans Investment Framework (WBIF). The WBIF was launched in 2009 as an initiative aimed at facilitating the preparation and financing of priority projects in the framework of the EU's Pre-Accession process for the Western Balkans countries. It is implemented jointly by the EIB with the European Commission, the EBRD and the CEB as well as EU Member States and other multilateral and bilateral institutions. It blends available grants and loans for the priority projects in the Western Balkans. During the period 2008-2013, it approved grants for a total amount of EUR 302m in support of 178 operations. In connection with the grants approved by the WBIF, a total of EUR 7.4bn of loans have been identified, of which EUR 3.1bn are signed. Amongst the initiatives supported by the WBIF, there is also the Western Balkan Enterprise Development and Innovation Facility (WB EDIF), which was launched in December 2012 at the initiative of the EIB Group and EBRD as a new complementary measure for improving access to finance for SMEs and supporting economic development in the Region. The WB EDIF will help to develop the local economy and regional venture capital markets, while promoting policy reforms to support access to finance through financial instruments.

It should also be noted that EIB is significantly contributing to the Strategy's objectives through its recent initiatives following the capital increase of 10bn. The Bank's focus on growth and job creation through financing public infrastructure, SMEs development and support to Foreign Direct Investment has numerous spill over effects that have a cross-cutting effect throughout the Region.

In considering the opportunities offered by EIB loans to leverage EU grants for the Strategy, there are thus several concrete examples that can be followed and EIB is available to support its Italian, Slovenian, Croatian, Western Balkans and Greek counterparts in preparing projects that could fit into the regional dimensions of the Strategy through its lending, blending and advisory services.

Examples of selected EIB and JASPERS projects in the Adriatic and Ionian Region and their contribution to the EUSAIR

EIB Projects						
	Pillars of the Strategy				Cross cutting issues	
	Blue Growth	Connecting the region	Environmental quality	Sustainable tourism	R&I and SME development	Capacity building
Greece: EU Funds Co-financing (EUR 2bn)		√	√	√	√	√
Serbia: Rehabilitation and upgrading of water supply (EUR 25 million)			√			
Serbia: Corridor X (E-75) Motorway (EUR 384 million)		√				
Slovenia: Port of Koper (EUR 36 million)	√	√				
Montenegro: Urgent Flood Relief and Prevention (EUR 20 million in two loans respectively for transport and WSS)		√	√			
Croatia: Zagreb airport (80 million)		√				
Bosnia-Herzegovina: Banja Luka-Doboj Motorway (EUR 160 million)		√				
Italy: Modernisation and expansion of the port of Ravenna (EUR 120 million)	√	√				
Albania: Fier Motorway Bypass (EUR 35 million)		√				
Montenegro: Rehabilitation and construction of water and waste water infrastructure of municipalities (EUR 57 million)			√			
North Macedonia: Construction of motorway section between Demir Kapija and Smokvica in Corridor X (TEN)		√				
JASPERS Projects						
PPP waste-to-energy projects in different regions in Greece			√			√
Save river crossing-Gradiska in Croatia		√				√
Sava navigability in Croatia	√	√				√

Dubrovnik airport development in Croatia		√				√
Remediation and closure landfill Sovjak in Promorje-Gorski Kotar county in Croatia			√			√