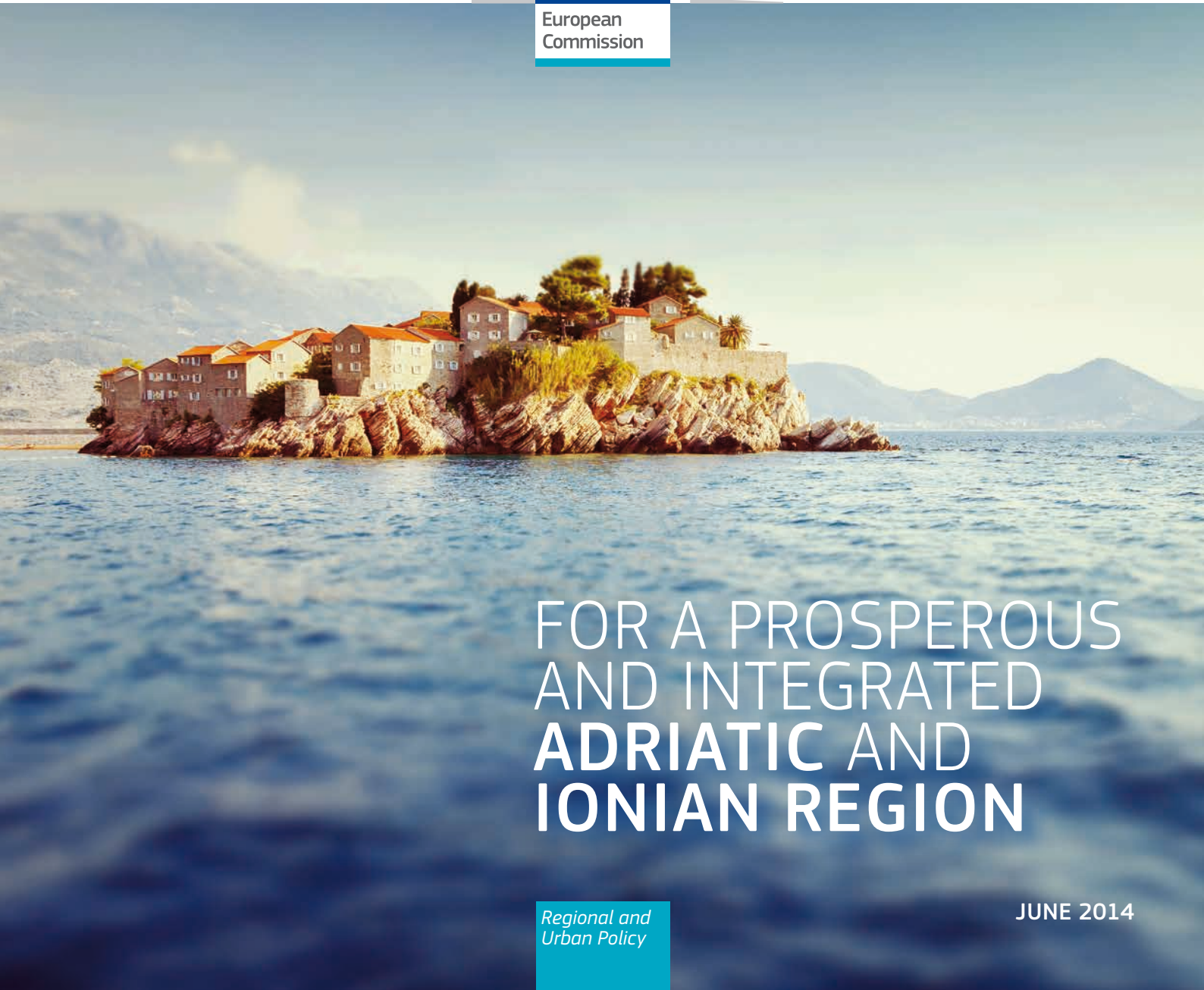




European
Commission



FOR A PROSPEROUS AND INTEGRATED ADRIATIC AND IONIAN REGION

*Regional and
Urban Policy*

JUNE 2014

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1 Why is an EU strategy needed for the Adriatic and Ionian Region?

“We, the Members of the Adriatic Ionian Council (AIC), are convinced that the EU Strategy for the Adriatic and Ionian Region (EUSAIR) will give new impetus for cooperation and investment to the benefit of all involved and to the peace and security of the entire area.”

*XVII Meeting of the Adriatic Ionian Council
Brussels Declaration
13 May 2014, Brussels*

For a prosperous and integrated Adriatic and Ionian Region

Home to more than 70 million people and key for Europe's geographical continuity, the Adriatic and Ionian Region is a functional area primarily defined by the Adriatic and Ionian Sea basins.

The EU's Strategy builds on the Adriatic-Ionian Initiative⁽¹⁾, which was launched in 2000 and involved eight countries: four EU Member States (Croatia, Greece, Italy and Slovenia) and four non-EU countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia).

In order to address a number of pressing socio-economic and environmental challenges facing the Region, the European Council of 13-14 December 2012 requested the European

Commission to present a new macroregional strategy for the Adriatic and Ionian Region before the end of 2014.

Building on previous strategies for the Baltic Sea Region (EUSBSR) and the Danube Region (EUSDR), the Commission is now adopting a Communication and Action Plan for the EU Strategy focusing on the Adriatic and Ionian Region (EUSAIR). This new Strategy also incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission on 30 November 2012.

The EUSAIR will promote economic growth and prosperity in the Region by improving its attractiveness, competitiveness and connectivity. It also aims at protecting the sea, coastal and inland environment and ecosystems.

Moreover, the Strategy is expected to better integrate into the EU both candidate and potential candidate countries across the Region.

Challenges and opportunities facing the Region

What we see today are very noticeable socio-economic differences across the countries in the Region. While some regions enjoy low unemployment; others have jobless rates of over 30%. Gross domestic product (GDP) per

head between the different countries also vary significantly.

There are substantial differences in road, rail and maritime infrastructure between countries. There is also an urgent need for more investment in energy networks to ensure a secure and efficient supply across the Region.

Ecosystems are under intense pressure due to the ever-increasing human use of marine and coastal space. Over-fishing, untreated waste, oil and gas pollution and the illegal hunting of migratory birds are all significant issues.

In addition to major seismic activity, the Region is also under threat from climate change – flooding, drought, soil erosion and forest fires are all increasing realities.

In terms of economic potential, the tourism sector is not optimally managed or exploited, and could benefit from better coordination.

In addition, the Region's administrations and institutions may benefit from opportunities for modernisation and better linkages, among others, in order to combat illegal migration and cross-border crime.

Combined with other actions, the objective is to create further opportunities for smart, sustainable



Stakeholder Conference on the EU Strategy for the Adriatic and Ionian Region, Athens, 6-7 February 2014



and inclusive growth right across the Adriatic and Ionian Region. For example, a big opportunity exists for the Blue Economy to prosper and change the face of the Region.

In relation to mobility, the sea basin provides a natural waterway penetrating deep into the EU. There is thus a great potential for improved land-sea connectivity and intermodal transportation.

An opportunity also exists for investment in energy improvements, such as smart grids and to increase energy efficiency and the use of renewables.

The area's outstanding natural beauty and rich cultural, historic and archaeological heritage also has obvious potential for sustainable, responsible and diversified tourism.

A concrete Action Plan

In a 2013 report⁽²⁾, the Commission stressed that new macro-regional strategies should focus on a limited number of well-defined objectives and that these objectives should be implemented through a clear Action Plan. In short, the aim is to go from 'words to actions' by identifying concrete priorities for the macro-region making the best use of existing institutions, legislation and funds for a quick turnaround.

The EUSAIR is built on four thematic pillars:

- Blue Growth.
- Connecting the Region.
- Environmental quality.
- Sustainable tourism.

Moreover, 'Strengthening R&D, Innovation and SMEs' and 'Capacity building, including communication' are two cross-cutting aspects across each pillar.

¹ The intergovernmental Adriatic-Ionian Initiative was initiated in 2000 with the aim of strengthening regional cooperation, to promote political and economic stability thus creating a solid base for the European integration process.

² Report concerning the added value of macro-regional strategies, COM (2013) 468 final of 27.06.2013.

2

What is it about? What are the aims?

2.1 Blue Growth

Blue Growth is a long term strategy for unlocking the potential of Europe's seas and coastal areas. It covers such topics as blue energy, aquaculture, maritime, coastal and cruise tourism, maritime mineral resources and blue biotechnology.

The Blue Growth pillar will promote innovative maritime and marine growth in the Adriatic and Ionian Region. This it will do by promoting sustainable economic development and job creation as well as business opportunities.

The Blue Growth pillar will focus on three topics:

- Blue technologies.
- Fisheries and aquaculture.
- Maritime and marine governance and services.

Blue technologies

The Adriatic and Ionian Region is not currently exploiting the advantages from blue technologies that could be gained from better collaboration.

In order to boost blue technologies in the Region, macro-regional research and development (R&D), and innovation platforms in areas such

as green sea mobility, deep sea resources, bio-security and bio-technologies will be developed.

Macro-regional clusters in promising sectors such as green shipbuilding and new materials will also be established, encouraging the internationalisation of small and medium-sized enterprises (SMEs). The idea of 'brain circulation' that sees researchers move between institutes, universities and companies will become a reality. Finally, start-ups will be granted easier access to finance and promotion.

PROJECT EXAMPLE *Research platform marine robotics To strengthen unmanned marine vehicles for underwater and seabed operations based on existing cooperation among stakeholders in the Region. This project can also contribute in developing platforms for macro-regional quadruple helix networks, linking research, business, public sector stakeholders and the civil society.*

Fisheries and aquaculture

Fisheries and aquaculture are both important sectors for blue growth in the Adriatic and Ionian Region.

As regards fishing, the aim is to promote sustainable and responsible fishing practices that will provide a steady stream of income for coastal areas. This will be achieved by:

- improving fisheries data collection, monitoring and control;
- adopting fisheries management plans at sea basin level;
- harmonising standards across the Region;
- improving skills and capacity to comply with EU rules and standards;
- increasing the added value of local seafood value chains;
- developing market intelligence and more transparent marketing and processing.

Currently, a number of barriers prevent the development of the full potential of aquaculture in the Adriatic-Ionian Sea basin. They include:

- limited access to space and licensing;
- industry fragmentation;
- limited access to seed capital or loans for innovation;
- time-consuming administrative procedures and red tape.

The Strategy proposes to promote sustainable aquaculture through stakeholder involvement, introducing simplified procedures, as well as product diversification.

PROJECT EXAMPLE *Fish stock monitoring platform Performing regular stock assessments of fish in the Adriatic and Ionian Sea and evaluating the main elements for sustainable fisheries management.*

Maritime and marine governance and services

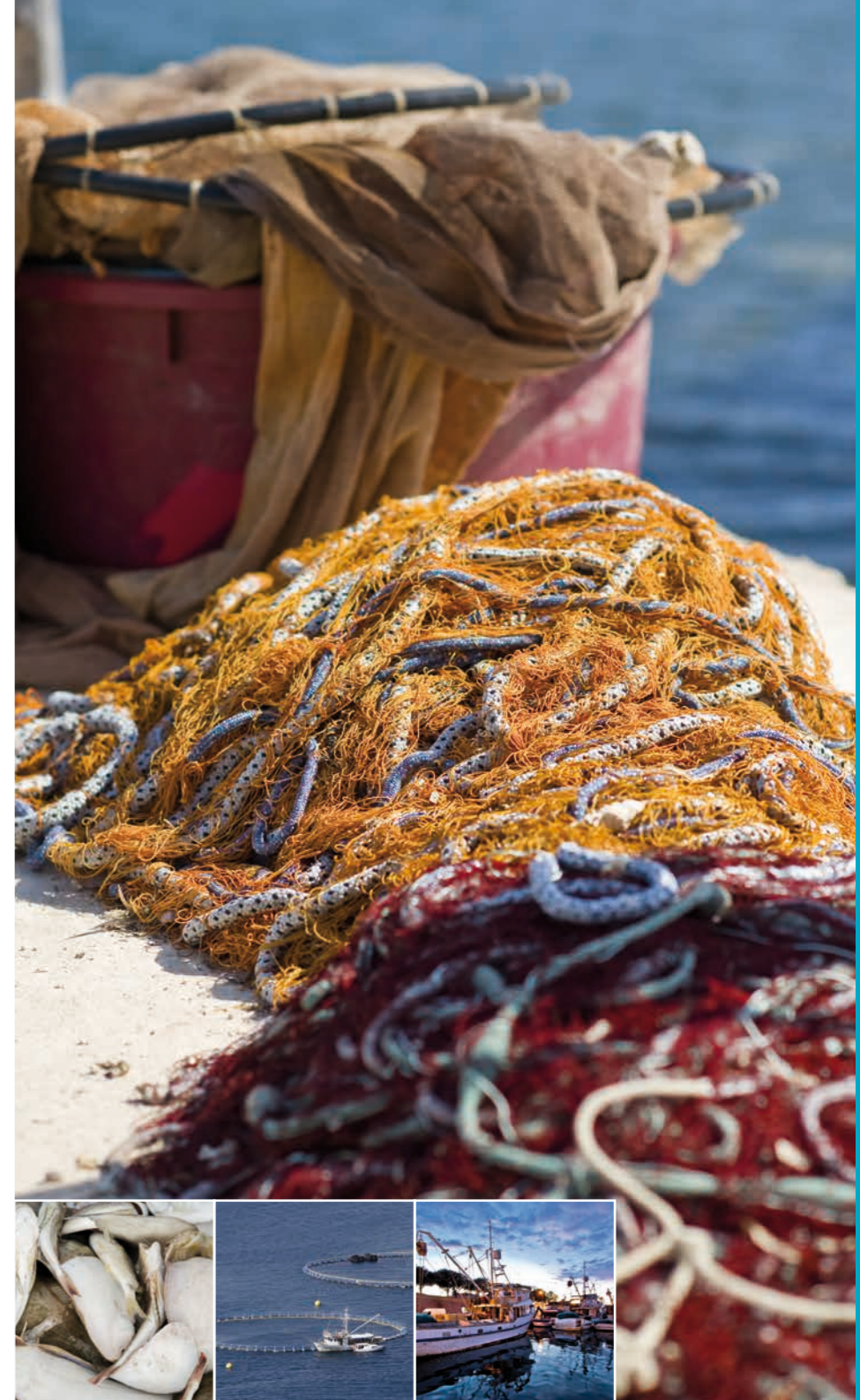
The countries in the Adriatic and Ionian Region have differing administrative and political structures, government and governance systems. Training and better coordination of planning activities is needed for better marine and maritime governance and services.

This will be achieved through data sharing, joint planning and the coordinated management of existing resources.

PROJECT EXAMPLE *Coordinated Maritime Spatial Planning Ensuring a coherent legal framework for economic activities at sea by building on the work of the ADRIPLAN project and placing all waters under national jurisdictions through the process of Maritime Spatial Planning.*

As our Blue Growth strategy highlights, seas and oceans have the potential to generate huge economic growth and much needed jobs. The Adriatic Ionian nations have already shown that they share the will to address the Region's challenges together.⁹

Maria Damanaki, European Commissioner for Maritime Affairs and Fisheries



2.2 Connecting the Region

Fragmentation in the Adriatic and Ionian Region has resulted in infrastructure disparities – particularly between the EU-Member States and the non-EU countries. Better transport and energy connections are needed, and are pivotal for the Region's economic and social development.

The 'Connecting the Region' pillar will improve transport and energy connectivity by:

- strengthening maritime safety and security and developing a port system;
- creating reliable transport networks and intermodal connections with the hinterland;
- establishing a well-interconnected and well-functioning internal energy market.

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

- Maritime transport.
- Intermodal connections to the hinterland.
- Energy networks.

Maritime transport

The North Adriatic ports are natural gateways to Central and Eastern Europe and could have over 10% share of the EU's container traffic market by 2030, provided good railway access is granted to the hinterland. Boosting maritime transport is therefore crucial, as is the creation of efficient intermodal ports to integrate maritime transport with rail and road.

Improving connectivity within the Region and between the Region and the rest of the EU needs a coordinated approach.

Actions under this topic include:

- Clustering port activities and services throughout the Region to attract increased traffic.
- The frequent exchange of information between coastal countries through a Common Adriatic-Ionian Vessel Traffic Monitoring and Information System to improve the safety and security of maritime traffic in the Region.
- Developing ports and port terminals to boost maritime transport, short-sea shipping capacity and cross-border ferry connectivity.

PROJECT EXAMPLE *Improve and harmonise traffic monitoring and management*
Upgrade the current Adriatic Traffic Reporting System (ADRIREP) in order to reduce administration and unnecessary duplication of data collected by Vessel Traffic Management Information System infrastructures.

Intermodal connections to the hinterland

Intermodal connections to hinterlands must be upgraded to cope with increased maritime transport of goods. 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 approach has to take all of these into account, while also considering environmental aspects, economic growth and social development.

Actions under this topic include:

- Developing the Western Balkans comprehensive network including rail, inland waterways, nodes and hubs and prepare their integration into the Trans-European Transport Network (TEN-T).
- Improving the accessibility of coastal areas and islands by optimising the use of freight and passenger routes and involving private and public stakeholders.
- Developing motorways of the sea through improved road and rail infrastructure that links the port with the hinterland, improved infrastructure and ITS solutions.
- Providing better air transport links within the Region and improving regional flight connections with foreign destinations.



PROJECT EXAMPLE *Improve the accessibility of the coastal areas and islands*
Promote cooperation between ship-owners, port authorities, public authorities, tourist operators and associations to improve maritime connections between neighbouring countries, islands and the mainland.

Energy networks

The three energy policy objectives of the EU – competitiveness, security of supply and sustainability – can only be achieved through an interconnected and functioning internal energy market. To achieve these, the following actions are foreseen:

- Improving cross border electricity connections.
- Building a gas ring in the Region to enhance security of supply and promote market integration.
- Introducing a well-functioning electricity market by setting up a Coordinated Auction Office that will provide increased transmission capacities to the market.
- Regulatory measures to remove the barriers to cross-border investments.

PROJECT EXAMPLE *Remove barriers for cross-border investments*
Coordinate and align permits and regulations.

This is Europe's third macro-regional strategy, and we have learnt the importance of political commitment and of participating countries focusing their efforts in the macro-regional approach. This will be key to this Strategy's success.™

*Johannes Hahn,
European Commissioner
for Regional Policy*



2.3 Environmental quality

Environmental quality is essential for ensuring the economic and social well-being of the Region's inhabitants. This pillar will address environmental quality through cooperation at regional level. Specifically it will:

- ensure a good environmental and ecological status of the marine and coastal environment by 2020;
- help halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020;
- improve waste management by reducing waste and nutrient flows to the sea and rivers.

The focus will be on three topics for achieving these goals:

- The marine environment.
- Pollution of the sea.
- Transnational terrestrial habitats and biodiversity.

The marine environment

Threats to coastal and marine biodiversity

The Adriatic and Ionian Seas are home to almost half of all the recorded marine species found in the Mediterranean Sea. They are however also subjected to intense fishing activity, aquaculture and coastal development, which pose a threat to this natural habitat. There is a general lack of information on small scale fisheries, illegal fishing gear is not uncommon, and monitoring and enforcement are insufficient.



Ecosystem-based coordination of activities is needed to ensure the sustainable use of resources. This will be achieved by:

- increasing marine knowledge on maritime spatial planning, integrated coastal management and implementation of the marine framework strategy Directive;
- enhancing the trans-border, open-water network of marine protected areas;
- exchanging best practices among managing authorities of marine protected areas;
- implementing maritime spatial planning and integrated coastal management.

PROJECT EXAMPLE *Exchanging best practices among managing authorities of marine protected areas*
Building on the work of the Adriatic Protected Areas Network (AdriaPAN), creating a network of managing authorities of Marine Protected Areas of the Adriatic and Ionian to exchange best practice and work on measures to improve the ecological status of the seas.

Water pollution

Intense maritime transport inevitably results in oil spills and noise pollution. Pollution from rivers is caused by insufficient waste water treatment as well as excessive use of nitrates on agricultural lands. In addition to causing significant costs for shipping, marine litter affects human safety and health, as well as marine wildlife.

Actions foreseen under this topic include:

- coordinated investments in water and solid waste treatment plants;
- joint efforts to deal with entire life cycle of marine litter;

- shared planning and capacity building to prevent and react to oil spills and other occurrences;
- raising awareness among farmers of the negative impacts of excessive nitrate use.

PROJECT EXAMPLE *Implementing a life cycle approach to marine litter*
Building on the CleanSeaNet project, which provides analyses of marine litter, cost-effective management measures and policy options for addressing the issue will be developed.

Transnational terrestrial habitats and biodiversity

Climate change is expected to impact the natural habitats and biodiversity of the Adriatic and Ionian Region more severely than elsewhere in the EU. The risks of climate change to biodiversity can be reduced by bolstering the resilience of ecosystems, thereby increasing their ability to adapt to its effects.

Cooperation will also focus on the protection and preservation of terrestrial ecosystems, in particular transnational habitats and landscape elements of central importance for migratory bird species and large carnivores.

Specific actions include:

- developing joint management plans for cross-border habitats and ecosystems;
- joint population level management plans for large carnivores, and awareness raising activities;
- harmonisation and enforcement of national laws with EU legislation;

- protection and restoration of coastal wetland areas and karst fields;
- awareness raising activities on environmentally friendly farming practices.

PROJECT EXAMPLE *Development of joint management plans for transnational terrestrial habitats and eco-regions*
Building on the BE-NATUR project, developing tools for better managing and implementing NATURA 2000 sites (rivers, lakes and coastal areas).

“After years of difficult political and economic circumstances, the Adriatic-Ionian Region has brighter prospects. By providing an overall framework for policy coordination and territorial cooperation, the Strategy will make the Region a better place to live, work and enjoy. It can act as a showcase for growth, jobs and ideas and as a gateway to other parts of the world. Joint efforts can prepare the Region well for the challenges and opportunities of the 21st century.”

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.

2.4 Sustainable tourism

Developing the Region's potential in terms of sustainable tourism can be accelerated by offering innovative and quality tourism products and services. Responsible tourism behaviour involving all actors in the sector is also important.

The main objectives of this pillar are to:

- diversify the macro-region's tourism products and services, and tackle the issue of seasonal tourism;
- improve quality and innovative approaches.

To achieve these objectives the pillar will focus on two topics:

- A diversified tourism offer.
- Sustainable and responsible tourism management.

Diversified tourism offer

Although tourism is already one of the fastest growing economic activities in the Region, its natural, cultural, historic and archaeological heritage has not yet been fully exploited.

Joint cooperation at macro-regional level will boost efforts to diversify tourism in a sustainable manner, to reduce the dependence of the sector on the seasonal model, and to limit its environmental impact.

To achieve these goals, the following actions are planned:

- Build the Adriatic-Ionian 'brand', and ensure its values are in line with the Region's products and services.
- Diversify and expand the cruise and nautical sectors into coastal hinterland economies.
- Establish a R&D platform with universities, research centres and the business community to develop new tourist products and services.
- Promote new tourist routes for walking, cycling and sailing, etc.
- Embrace the Adriatic and Ionian cultural heritage by working together with the cultural sector.
- Improve access to tourism products and services for senior groups, disabled people, low income groups, etc.

PROJECT EXAMPLE *Brand-building of the Adriatic and Ionian Region*
Promoting an Adriatic-Ionian 'brand' for diversified tourism products and services targeting global travel customer groups.

Sustainable and responsible tourism management

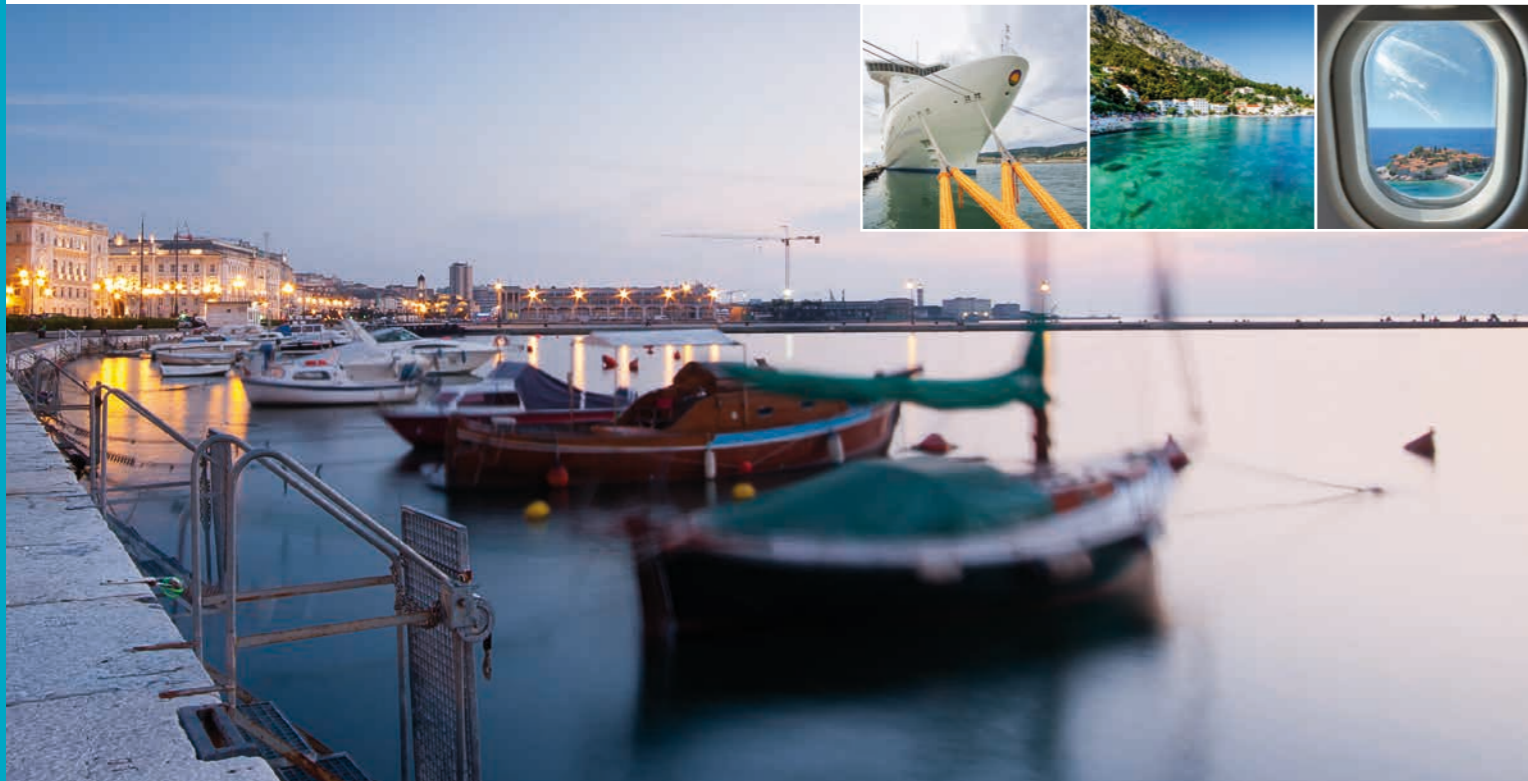
Sustainable tourism is not as developed as it should be in the Region. Tourism activities are not always managed properly, which can have a negative impact on the coastal, marine, and hinterland environment. A commercial yet sustainable approach needs to be developed.

Actions foreseen in this topic include:

- creating a network of sustainable tourism businesses and clusters, to stimulate innovation and create synergies with complementary sectors;
- providing funding for innovative and sustainable tourism start-ups, SMEs and university spin-offs that will bring new products and services to the sector;
- promoting the Region in world markets, via marketing and advertising;
- expanding the tourist season to all year-round, by positioning the Adriatic-Ionian as an excellent off-season destination for the older generation, conferences, etc;
- providing training in tourism entrepreneurial skills;

- creating an Adriatic-Ionian Charter for sustainable and responsible tourism, targeted at those working in the sector.

PROJECT EXAMPLE *Facilitating access to finance for tourism start-ups*
Expanding the 'Adriatic-Ionian Sustainable Tourism Financing' to develop innovative financing instruments to facilitate access to seed and venture capital.



Cross cutting aspects

'Strengthening R&D, Innovation and SMEs' and 'Capacity Building, including communication' are two cross-cutting aspects relevant to the pillars of Blue Growth, Connecting the Region, Environmental quality, and Sustainable tourism. Key aspects are present in each pillar.

In addition to these cross-cutting aspects, mitigating and adapting to climate change effects as well as managing disaster risks were also recognised as horizontal principles for all four pillars.

Blue Growth

- Actions under 'maritime and marine governance and services' require enhanced administrative and institutional capacities for public sector support.

- Actions under 'fisheries and aquaculture' include strengthening management, surveillance and monitoring skills.
- Actions under 'blue technology' and 'fisheries and aquaculture' can benefit from a stronger focus on research and innovation.

Connecting the Region

- Improving the institutional and administrative capacities of national and regional bodies responsible for transport will accelerate modernisation.
- Communication and awareness raising is important for active participation in the decision making process.
- Effective investment in transport and energy networks requires innovative approaches, linked to up-to-date research.

Environmental quality

- Capacity building and communication are required for effective environmental action.
- Better research and innovation is needed for reliable data for baseline situations and hence for monitoring progress.
- There is also a clear need for sharing existing knowledge and scientific assets.

Sustainable tourism

- SME development, and capacity building can benefit private actors and public bodies, who also need to work together closely.
- Good communication and awareness raising are essential to promote sustainable and responsible tourism and to help tackle seasonality.



The Adriatic and Ionian Region

3

What's next? Making it work on the ground

Aligning existing EU and national funding

The EUSAIR will mobilise and align existing EU and national funding instruments for each of the topics identified under the four pillars.

In particular, the European Structural and Investment Funds (ESIF) for 2014-2020, as well as the Instrument for Pre-accession Assistance (IPA) for non-EU countries, provide significant financial resources.

The macro-regional approach has already been embedded in the new Regulations for the programming period 2014-2020. Partnership Agreements and Operational Programmes for EU countries (Croatia, Greece, Italy and Slovenia) are taking the forthcoming EUSAIR into account. In addition, Country Strategy Papers for non-EU countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia) also explicitly refer to the Strategy.

Other funding sources can be harnessed as well, increasing funding possibilities in support of cooperation activities throughout the macro-region.

The Western Balkan Investment Framework (WBIF) provides finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. The European Investment Bank (EIB) and other international financial institutions can also mobilise financing and expertise in support of suitable projects.

Funds of relevance for the specific pillars are also available:

- The European Maritime and Fisheries Fund and Horizon 2020, which targets Blue Growth as one of its focus areas for RTD, can lend key support to the implementation of actions and projects under Pillar 1.
- 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.
- As for Pillar 3, funds under the LIFE programme are also open to non-EU Member States.
- Pillar 4 can benefit from the COSME programme for SMEs.

Better governance

Experience with existing macro-regional strategies shows that good and stable governance mechanisms are crucial for effective implementation.

In fact the European Commission's Report on governance of May 2014 identifies two main needs:

- stronger political leadership and effective decision-making;
- greater clarity and better organisation for day-to-day actions.

The Report stresses that governance must have both a political and operational dimension, with line ministries and implementing bodies setting strategic objectives and deciding together how to reach them, and then organising themselves to make sure the work is strictly followed up. This will give clearer results and greater impact.

Further information

EU Macro-Regional Strategies:
http://ec.europa.eu/regional_policy/cooperate/macro_region_strategy/index_en.cfm

EU Strategy for the Adriatic and Ionian Region:
http://ec.europa.eu/regional_policy/cooperate/adriat_ionian/index_en.cfm

Stakeholder Conference on the EU Strategy for the Adriatic and Ionian Region (Athens, 6-7 February 2014):
http://ec.europa.eu/regional_policy/conferences/adriat_ionian/index_en.cfm

INTERACT website:
http://www.interact-eu.net/macro_regional_strategies/macro_regional_strategies/283/14370

Adriatic and Ionian Sea Basin:
http://ec.europa.eu/maritimeaffairs/policy/sea_basins/adriatic_ionian/index_en.htm

Study on the Adriatic and Ionian sea basin cooperation:
Executive summary:
https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/Exec%20sum%20Adr-Ion_31-3-2013.pdf
Full report:
https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/Report%202_21_03_2014.pdf

Brochure on Blue Growth (data by country and sea basin):
http://ec.europa.eu/maritimeaffairs/policy/blue_growth/infographics

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