EU Strategy for the Adriatic and Ionian region (EUSAIR)

SUMMARY

The EU Strategy for the Adriatic and Ionian Region (EUSAIR) is the third EU macro-regional strategy, following the EU Strategy for the Baltic Sea Region (2009) and the EU Strategy for the Danube Region (2011). On a mandate from the European Council, the EUSAIR was developed jointly by the Commission with the Adriatic-Ionian region countries and stakeholders. The EUSAIR launch conference took place in Brussels on 18 November 2014.

The Adriatic and Ionian region faces a number of challenges, such as environmental degradation, inefficient transport connections and a lack of strong trans-border cooperation. The EUSAIR aims to tackle these challenges by promoting economic growth and prosperity in the Adriatic-Ionian region through improving its attractiveness, competitiveness and connectivity. It also aims to protect sea, coastal and inland environments and ecosystems. In addition, as the EUSAIR also includes non-EU countries, it should play an important role in promoting the Western Balkans’ EU integration.

The aims of the strategy will be pursued through four main pillars: 'blue growth', connecting the region, environmental quality and sustainable tourism. Each participating country will be in charge of coordinating and monitoring the implementation of the strategy. As with all EU macro-regional strategies, the EUSAIR does not rely on new funds but rather exploits existing financial instruments, such as the European Structural and Investment Funds (ESIF), as well as the Instrument for Pre-accession Assistance (IPA) for non-EU countries. Participating countries are also encouraged to seek alternative sources of finance, including private funds.

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Background

The EU Strategy for the Adriatic and Ionian Region (EUSAIR) is a macro-regional strategy which builds upon the Adriatic-Ionian Initiative established in 2000, and develops the idea of a macro-region for the Adriatic Ionian region. The EUSAIR includes eight countries—four EU Member States (Slovenia, Croatia, Italy and Greece) and four non-EU countries (Bosnia and Herzegovina, Albania, Serbia and Montenegro). Other forums such as the Adriatic Ionian Euroregion (2006), which includes 26 regional and local authorities from the region, the Adriatic Ionian Chambers of Commerce, the Forum of Adriatic and Ionian Cities and UniAdriion (the Adriatic Ionian network of universities) demonstrate the enthusiasm of civil society bodies for regional cooperation.

The European Council of 13-14 December 2012 requested that the European Commission present a new EU Strategy for the Adriatic and Ionian Region (EUSAIR) before the end of 2014. From September 2013 to February 2014, a stakeholder consultation was held across the region on the content of the strategy's future Action Plan, with the aim of reflecting the real needs of the inhabitants of the area. Building on the lessons learnt and experience gained from the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region, the European Commission adopted a Communication on the EUSAIR, accompanied by an Action Plan, on 17 June 2014.

The EUSAIR was endorsed by the General Affairs Council on 29 September 2014 (see Council Conclusions) and subsequently by the European Council on 24 October 2014.

The macro-regional concept

According to the European Commission, a 'macro-regional strategy' is 'an integrated framework endorsed by the European Council, which may be supported by the European Structural and Investment Funds, among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area, which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion'.

The 2014 Council Conclusions on macro-regional strategies stress that macro-regional strategies are of interest to all EU Member States and contribute, inter alia, to further promoting economic, social and territorial cohesion and integration of the internal market; to the stability of certain areas; to foster cooperation between EU and non-EU countries; and to assist participating candidate and potential candidate countries on their path towards EU membership.

Usually, a macro-regional strategy is defined by common geographical features (in this case, a shared maritime space). A macro-region includes a territory which faces common cross-border challenges and opportunities requiring collective action. Participating countries may tackle these challenges by pooling resources, closer cooperation, and promoting common projects. Whilst the EUSAIR is a relatively new strategy, positive outcomes of other macro-regional strategies have been documented.

Guiding principles

Macro-regional strategies operate on the basis of three main rules:

- No new EU funds,
- No additional EU structures,
- No new EU legislation.

The idea is to better align existing funds and policies at EU, national and regional level and to rely on existing bodies for implementation.
The EU Strategy for the Adriatic-Ionian: a four pillar strategy

Figure 1 – EUSAIR participating countries

The EUSAIR is based on four main pillars: blue growth, connecting the region, environmental quality and sustainable tourism. Each pillar has specific objectives. For each pillar, two participating EU countries take the lead.

Table 2 – EUSAIR pillar themes

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<th>Main pillars</th>
<th>Blue Growth</th>
<th>Connecting the Region</th>
<th>Environmental Quality</th>
<th>Sustainable Tourism</th>
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<td>Slovenia, and Bosnia and Herzegovina</td>
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<td>• Maritime transport</td>
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<td>• Transnational terrestrial habitats and biodiversity</td>
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Pillar 1: Blue growth – Coordinators: Greece and Montenegro
The main areas of coordination include blue technologies, fisheries and aquaculture, maritime and marine governance, and services.
According to a EUNETMAR study, more than 75% of stocks in the Adriatic are overfished. In the Ionian, this percentage is certainly lower (50%), but remains alarming. Blue growth may provide a valuable asset for the region in, for example, providing additional fish stocks through aquaculture; thus alleviating environmental pressure on the region. Blue growth may also spur employment and provide a boost to local economies. The specific objectives for this pillar are the promotion of research, innovation and business opportunities in blue economy sectors, such as aquaculture, coastal tourism, marine biotechnology, ocean energy and seabed mining, by facilitating circulation of expertise between research and business communities and by increasing their networking and clustering capacity. Another priority of this pillar is developing common standards and approaches for strengthening sustainable seafood production and consumption, and by providing a level playing field in the macro-region. The improvement of sea basin governance, through the enhancement of administrative and institutional capacities in the area of maritime governance and services is also part of the agenda.

**Blue Growth** is the long-term strategy to support sustainable growth in the marine and maritime sectors as a whole. Seas and oceans are drivers for the European economy and have great potential for innovation and growth. It is seen as the maritime contribution to achieving the goals of the Europe 2020 strategy for smart, sustainable and inclusive growth.

**Pillar 2: Connecting the Region – Coordinators: Italy and Serbia**
The main areas of coordination include maritime transport, intermodal connections to the hinterland, and energy networks.

Two types of improvement to infrastructure are needed in the region, according to EUNETMAR: investment in modernising northern Adriatic infrastructure, and investment in basic infrastructures in the southern Adriatic and the Ionian. Overall improvement of transport connections is also important, and the need to establish reliable connection links with the region's island areas should also be taken into account. The specific objectives for this pillar are strengthening maritime safety and security and development of a competitive regional intermodal port system. The development of reliable transport networks and intermodal connections with the hinterland, for both freight and passengers is also a priority. Furthermore, the region lacks a competitive, integrated energy market, so the achievement of a well-interconnected and well-functioning internal energy market supporting the three energy policy objectives of the EU – competitiveness, security of supply and sustainability – also forms part of the pillar priorities.

**Pillar 3: environmental quality – Coordinators: Slovenia and Bosnia and Herzegovina**
The main areas of coordination include the marine environment, and transnational terrestrial habitats and biodiversity.

Public environmental protection of marine and coastal areas is not currently priority expenditure for the region's central governments. However, reducing marine litter and better waste-water management are both areas requiring attention. Environmental indicators demonstrate that only 6% of the environmental expenditure of Adriatic and Ionian countries is spent on coastal protection. In addition, Natura 2000 coastal sites in the region form only a small part of the total European network. One of the objectives of the pillar is the development of a 'good' environmental and ecological status for the marine and coastal environment by 2020, in line with the relevant EU acquis and the Barcelona Convention ecosystem approach. The second objective is to contribute to the EU Biodiversity Strategy goals, in order to halt the loss of biodiversity, the degradation of ecosystem services, and ecosystem restoration. The improvement of waste management
by reducing waste flows to the sea and the reduction of nutrient flows and other pollutants to rivers and the sea also constitute objectives under this pillar.

**Pillar 4: Sustainable tourism – Coordinators: Croatia and Albania**
The main areas of coordination include a diversified tourism offer (products and services), and sustainable and responsible tourism management (innovation and quality).

Tourism is a major and fast-growing activity in the Adriatic-Ionian area. Eurostat data illustrate that the region is amongst the most popular destinations for tourists in the EU. In the years 2014-2015, the number of tourists in the region increased considerably, as did the average number of nights’ stay per tourist. The specific objectives for this pillar are: firstly, the diversification of the macro-region’s tourism products and services, along with tackling the seasonality of inland, coastal and maritime tourism; and, secondly, improvement of quality and innovation in tourism and enhancing sustainable and responsible tourism capacities across the region.

**EUSAIR governance**
The main guidelines regarding EUSAIR multi-level governance were agreed by the participating states in a joint statement on 18 November 2014. The governing structure involves two main levels: the coordinating level represented by a Governing Board (GB) and the implementation level represented by Thematic Steering Groups (TSGs).

**The role of the Governing Board**
The Governing Board coordinates the work of the Thematic Steering Groups, which are in charge of implementation, through strategic guidance concerning the management and implementation of the EUSAIR and its Action Plan. The GB acts as an interface between the operational/managerial level (Thematic Steering Groups) and the political/ministerial level. It prepares meetings at ministerial level. It may also propose possible revisions of the EUSAIR and/or its Action Plan.

Within the GB, each participating country is represented by two delegates, one from the Ministries of Foreign Affairs, the other from the national authorities responsible for the coordination of EU funds (or, in non-EU countries, the national IPA Coordinators). The GB structure also includes Pillar Coordinators and officials from the European Commission (DG REGIO, DG MARE and DG NEAR). Representatives of other Commission directorates-general may also be invited, especially those relating to the pillars which are covered by the strategy. Further representatives come from the permanent Secretariat of the Adriatic-Ionian Initiative, the EU Committee of the Regions’ Adriatic-Ionian Interregional Group, the European Economic and Social Committee, the Managing Authority of the ADRION programme and the authority responsible for the EUSAIR Facility Point. A representative of the European Parliament will also be invited to join the GB.

**Thematic Steering Groups (TSGs)**
A Thematic Steering Group (TSG) has been established for each pillar. The TSGs will be chaired for an initial period of three years by a tandem of countries, on a rotating basis, starting with those that acted as Coordinators for the pillar of their choice during the consultation process. These arrangements may be reconsidered in due course by the GB.

The TSGs develop specific criteria for selecting actions or projects in each pillar, based on broad criteria included in the Action Plan, as further developed or complemented by the Governing Board. They will identify actions or projects to be included in the Action Plan, ensuring that they comply with the pillar objectives. The TSGs report to the GB.
Members of the TSGs are representatives of the relevant administrations within the participating countries. Sub-national (regional) representatives should participate, when appropriate, dependent on each country's institutional structure. Members also include representatives of relevant European Commission DGs, and representatives of regional cooperation organisations and of international financial institutions. The pillar Coordinators may also invite other participants.

Implementation of the Action Plan is the responsibility of all participating countries, at country, regional, and local/municipal level. The Commission acts as a facilitator to the process of developing and implementing a coherent strategy for the region. This entails offering strategic support by identifying shortcomings needing addressed at political level, as well as suggesting resolutions to unblock implementation problems. However, it is up to the participating states to ensure that the EUSAIR develops further.

**EUSAIR Funding**

Macro-regional strategies do not involve any additional EU funding. One of the main challenges for the countries in the EUSAIR is thus to find ways to use existing financial resources and to search for new ones in order to achieve the aims of the strategy.

EUSAIR priorities should be integrated in the country and multi-country strategy papers for the participating candidate/potential candidate countries and the Operational Programmes for EU countries. The new regulatory framework for European Structural and Investment Funds (ESIF) 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.

Funds for the specific pillars are also available. The European Maritime and Fisheries Fund as well as Horizon 2020, may be used to implement projects under the blue growth pillar. For the pillar on connecting the region, the Connecting Europe Facility (CEF) 2014-2020 supports the development of trans-European networks in the field of transport, energy and digital services. The Commission has proposed that European Structural and Investment Funds for 2014-2020 be dedicated to projects related to energy, transport and ICT infrastructure. The LIFE programme is available to finance projects under the environmental quality pillar. The sustainable tourism pillar may benefit from, among others, the COSME programme for SMEs. The European Fund for Strategic Investment may also provide additional funding in the future. The EU Regional Development Fund’s ADRION programme will include a Priority Axis: 'Supporting the governance of the EUSAIR'; to support actors involved in the implementation of the strategy. 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) may also use its own financial tools.

**The European Parliament’s contribution**

The report of the Committee on Regional Development on an EU Strategy for the Adriatic and Ionian Region (rapporteur: Ivan Jakovčić, ALDE, Croatia – 2014/2214(INI)) offers a positive assessment of the EUSAIR and provides recommendations on the four main pillars of the strategy. It encourages a multi-level governance approach through the inclusion of local, regional government and civil society.

Regarding the blue growth pillar, the report stresses the importance of creating blue jobs, and clustering cooperation between public/private enterprises and other relevant stakeholders. It addresses the problem of stock depletion and places the preservation of
fish stocks as a major objective. It urges strong support for the shipbuilding sector, and underlines the importance of supporting sport and family fishing on the region's islands.

When it comes to the 'Connecting the Region' pillar, the report underlines the importance of improving transport and energy connectivity among the participating countries. It underlines the need to connect maritime transport routes/ports with other parts of Europe, and mentions the relevance of interconnections with TEN-T corridors. The report also calls on participating countries to improve their maritime, rail and air transport infrastructure and to develop motorways of the sea, and emphasis is placed on the lack of effective connection with the islands. In addition, the finalisation of the Adriatic-Ionian highway is seen as a priority. In the field of energy, the EUSAIR countries are urged to continue their efforts to diversify energy supply sources and to exploit available renewable sources such as solar and wind energy.

Regarding the pillar for environmental quality, the report prioritises preservation of the marine environment and recommends implementation of maritime spatial planning and integrated coastal management. Waste management and wastewater treatment solutions are also highlighted. Finally, the prevention of natural disasters and the tackling of trans-border pollution are mentioned as a priority.

Under the pillar for sustainable tourism, the report urges more support for the financing of tourism projects from the ESIF, calls for the development of sustainable tourism strategies, and for a more diversified tourism offer.

The report was adopted in the Committee on Regional Development with a wide majority (31 votes in favour, 3 against, and 3 abstentions) and should come to plenary in October.

Input from stakeholders

In a 2014 working document on the EUSAIR, the Committee of the Regions calls for a bottom-up, multi-level governance approach and for local and regional authorities to play a stronger role in the implementation phase. It welcomes the fact that all structural funds are available to support the strategy's aims. The document underlines the fact that technical assistance was an asset for the EU Strategy for the Baltic Sea Region and should be extended to the EUSAIR. Finally, it also calls for a 'three yes' rule: more complementary funding, more inter-institutional cooperation and more new projects.

The 2014 Exploratory Opinion of the European Economic and Social Committee agrees with the four main pillars of the EUSAIR, but also calls for the inclusion of migration issues in the strategy. It also calls for a shorter, more manageable list of policy priorities.

The European Investment Bank has also contributed to the debate, suggesting possible funding opportunities and good practices for the implementation of the EUSAIR.

Outlook

The Adriatic-Ionian region is quite varied, including geographically diverse entities, EU and non-EU countries, wealthy and poor regions. The region has considerable assets but faces considerable challenges. It is characterised by poor transport accessibility, socio-economic disparities, fragile ecosystems and the lack of an integrated energy market. In addition, the economic crisis has severely affected the whole region and resulted in high levels of unemployment and poverty.

The EUSAIR provides an opportunity to address these challenges in a spirit of regional cooperation. Furthermore, the EUSAIR provides an additional opportunity for the
EU-candidate and potential candidate countries to get closer to EU Member States and to adopt the EU acquis.

However, setting up a vibrant macro-regional strategy is not an easy task. As European Commission reports illustrate (2013, 2014), lack of political commitment, problematic coordination, insufficient financial/human resources, and lack of concrete indicators hindered the development of other macro-regional strategies. EUSAIR will face similar challenges. The successful implementation of a macro-regional strategy requires considerable dedication and careful planning. The setting up of an effective network of trans-border governance in the Adriatic-Ionian region is imperative if the strategy is to succeed. Capacities at national, regional and local level must be reinforced to ensure that structures are fit for cross-policy coordination as well as working with cross-border counterparts. Good cooperation and interaction at all levels of governance is necessary in order to implement the EUSAIR, as well as implementing a 'bottom-up' approach that involves civil society actors. Equally, lack of funding may pose a challenge for the EUSAIR. The ESIF may provide a promising opportunity to address the investment gap in the region, however, careful preparation is required to ensure that the regional projects are eligible for ESIF funding. Finally, although the EUSAIR attracts considerable interest due to its economic potential, policy-makers should not neglect its considerable social and environmental aspects.

Main references
Website of the EUSAIR: www.adriatic-ionian.eu.

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