

# IMPACT OF TOURISM IN EUROPEAN ISLANDS

EFA policy proposals.

Prologue - 50 years after the Treaty of Lisbon  
Report on Islands and Mobility  
An 11-point plan to realise affordable housing on the Islands of Europe  
European Tourism Policy and Mediterranean Island Territories



## Prologue

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Joan David Janer

Almost fifteen years after the Treaty of Lisbon came into effect, involving the recognition in article 174 TFUE of islands regions as territories to which economic, social and territorial cohesion policy must pay “particular attention”, the truth is that today, even though the Union is aware that island-status is a factor that limits the development of the 26 regions that are classed as such, and of over 20 million people who inhabit them, no specific instruments have been designed to alleviate these problems. Not only cohesion policy must be an instrument to address the development problems of these regions, but sectoral policies must also serve to provide these territories with greater cohesion and development to the extent that they suffer the negative effects derived from territorial discontinuity.

The new legislature that will begin after the June elections should serve to place islands among the different priorities of the EU and of the European Parliament. For the Green/EFA Group, the definition and implementation of a European Insular Agenda with measures aimed at addressing the multiple problems derived from islands constitutes a priority for the 2024-2029 legislature. With the aim of defining the most relevant elements of this agenda, the Green/EFA Group has prepared three documents that refer to different issues that are of special relevance for island territories, particularly those located in the Mediterranean to the extent that they are territories that suffer greater human pressure linked to their greater economic dynamism. In this sense, it has been considered necessary to reflect on the measures that the EU can adopt with an impact on the tourism sector of the Mediterranean islands as it is the main economic activity and to propose actions aimed at addressing the negative impact this activity has on fragile territories such as the islands. The territorial discontinuity linked to island-status also poses important challenges for mobility both between islands and with the continent. For this reason, a series of proposals are presented to improve the issues that affect this area, taking also into account the European Green Deal. Finally, availability and affordability of housing is a common problem for all islands, particularly those in the Mediterranean because of the economic success linked to tourism. Therefore, it seems necessary to analyse the situation and to propose measures at the EU level directed to address a problem that many people suffer in those territories.

# Report on Islands and Mobility

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## Island Regions represented by EFA member parties

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### Introduction and Context

This document is framed within the analysis and sharing of issues and improvement proposals regarding mobility in different EU island territories, such as the Canary Islands, the island of Corsica, and the island of Menorca. They all have in common that they are EU island territories, and their geography gives them a limited character in natural resources, making them more vulnerable spaces facing the current challenges of climate crisis, housing crisis, and the exhaustion of an economic model based on tourism.

The European Parliament, in its “Report on EU islands and cohesion policy” determines that “islands’ physical disconnection and their remoteness from the mainland create additional constraints, including for the labour market, sustainable transport links and mobility, the importing of raw materials and consumer products, access for island products to neighbouring external markets, education, healthcare, business, access to water and sanitation, energy supply and waste management facilities”, as well as “this geographical disconnection makes the green transition of such territories towards a climate-neutral economy significantly more difficult”.

This limitation of resources and its consequent vulnerability lead to a greater environmental, territorial, economic, and social impact of activities in these territories. This is why there is an urgent need for special treatment and a global vision of the multiple factors affecting internal, inter-island, and mainland mobility.

Just as the outermost regions have been given a special treatment by the EU by defining specific policies, complying with Article 349 of the Treaty on the Functioning of the European Union (TFEU), in the rest of the European island territories, “...the Union has not articulated an «island policy» [...] but the various sectoral policies [...] have not taken into account the problems and particularities arising from the territorial disconnection...”

In addition, European island territories share another more global issue, which is the lack of strategic planning in human activities that generate an impact on mobility. Territorial plans, urban plans, plans for industrial activity, trade, tourism, etc., must analyse their impact on mobility and travel in the activities carried out in the territory.

Another added issue is the variation in population flows throughout the year. The tourist component of the island must be taken into account in the planning of mobility. A floating population during the summer season, which in some cases even doubles the resident population, adds a degree of complexity to the development of mobility policies on the islands.

All these factors must necessarily be taken into account when addressing the difficulties, challenges and solutions.

## 1. Common Mobility Issues in Island Territories

These difficulties are summarized in the following deficiencies:

- High dependence on air and maritime transport modes, without full management competencies or co-management by regional or island administrations.
- Insufficient discounts on inter-island routes, and between the island and the mainland, both for passengers and freight transport.
- Transport offer not adapted to the needs of the resident population, but tailored to tourist demand.
- Lack of planning or actions to transition towards sustainable and efficient mobility.
- Limited offer of terrestrial public collective transport.
- Low accessibility to multimodal transport.
- Low presence of zero-emission public and private transport vehicles.
- Excessive dependence on private vehicles with very high population motorization rates.
- Increasing levels of congestion on road infrastructures, with the subsequent air pollution.
- Limited development of cycling infrastructures and policies that favour active modes of transportation (by bicycle and on foot).
- Limitations on the development of rail transport due to orographic reasons or its impact as an environmental barrier.
- Lack of sustainable mobility planning policies.
- Lack of evaluation of the impact of human activities on mobility.

All these difficulties are present to greater or lesser extent in the analysed territories of the Canary Islands, Menorca, and Corsica. It can also be seen how variations in certain factors, such as the distance to the mainland, the geomorphology of each island, or policies regarding the transfer of competencies in mobility management, to name a few, can increase the degree of complexity and worsen the situation of the points mentioned..

## 2. Suggested improvements

The need for European directives to ensure sustainable, safe, and efficient mobility and connectivity in European island territories, and also to ensure equity in access conditions for the resident population of these islands compared to the rest of European citizens, is the fundamental challenge required to address the issue in a comprehensive way.

The European Green Deal, presented by the European Commission in December 2019 as a response to climate and environmental challenges, establishes the need to accelerate the transition to sustainable and intelligent mobility. Specifically, it indicates that “Achieving sustainable transport means putting users first and providing them with more affordable, accessible, healthier and cleaner alternatives to their current mobility habits.”

On the other hand, in Spain, “the Recovery, Transformation and Resilience Plan [PRTR] approved by the European Commission on June 16, 2021, establishes the approval of the Sustainable Mobility Law that regulates activities related to transportation and mobility, including issues related to the planning and financing of transport infrastructure and services, improving governance, alternative fuels, inclusive mobility, promoting innovation and digitalization, improving transparency and accountability.”

Therefore, the following measures are proposed:

- Recognition of islands in EU treaties and development of guidelines for compensating the island factor with specific measures on mobility and connectivity.
- Transfer and endowment of competencies in mobility to the regional and island governments for the management of air and maritime transport.
- Implementation of technological improvements in the air traffic sector to reduce carbon footprint.
- Conditioning PSO's route service contracts to improvements in energy efficiency and emissions reduction.
- Integration of sustainable development and innovation in favour of energy transition in all sectors related to maritime traffic.
- Approval of a regional mobility law as a tool to integrate mobility policies and the development of sustainable mobility plans.
- Approval of island sustainable mobility plans that include a diagnosis of the current mobility situation at different times of the year, proposing targets for sustainable mobility quota in the future.
- Creation of mobility agencies or commissions to evaluate the impact of mobility generated by activities carried out in the island territories that generate displacement of the resident or

tourist population (land use planning, urban planning, sectoral plans for economic development activity, urban projects, etc.).

- Transformation of public passenger and freight transport to a zero-emission activity.
- Development and implementation of low-emission zones.
- Expansion of the regular public transport offer.
- Digitalization for better provision of transport services and infrastructure management.
- Incorporation of emissions-free mobility into public tenders and contracts.
- Promotion of low-impact mobility in private transport, facilitating access to electric mobility and incentivizing non-motorized mobility.
- Introduction of tax measures to encourage the substitution of combustion vehicles with electric or zero-emission vehicles.
- Application of measures to restrict private vehicle circulation, setting vehicle entry quotas for the islands, and limitations on access to vulnerable or saturated natural spaces.
- Possibility of creating a tax to charge rental vehicle transportation.
- Regulation of rental vehicle circulation, with the aim of reducing vehicle traffic on roads during the summer months or when their capacity is compromised to saturation levels. Possibility of implementing rental vehicle circulation restrictions based on license plates (alternating circulation by days of the week if the license plate ends in an even or odd number).
- Promotion of active mobility, with the development of policies to encourage bicycle use and walking, as well as the development of equipment and infrastructure for bicycle transport.
- Completion of the development of greenway networks, bicycle lanes, and lanes for personal mobility vehicles.
- Promoting multimodality.
- Ensuring air and maritime connectivity by establishing routes of PSOs with universal maximum fares.
- Managing air and port traffic under sovereign criteria of sustainability and the right to mobility of island residents, compensating for deviations and deficits caused by the oscillation of supply and demand for tourism.
- Limitation of the arrival of private jets and cruises to the islands.
- Prohibition of navigation of boats without nautical certification.
- Improvement of the treatment of maritime freight transport regarding the compensation system, ensuring accurate and agile management compensation.

In conclusion, the proposed actions can be applied to each of the analysed island territories, thus ensuring safe, effective, sustainable, and accessible mobility, which meets the needs of citizens in terms of mobility, especially everyday mobility. It is therefore necessary to call on public administrations to collaborate and coordinate their policies for the development of sustainable mobility. A global approach to mobility and coordinated action at all levels of decision-making and execution are presented as the major challenges for achieving the targets set in this report.

# An 11-point plan to realise affordable housing on the Islands of Europe

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## CHAPTER I – DIAGNOSIS

Article 25 of the Universal Declaration of Human Rights recognises housing as a fundamental right, and as such it must be safeguarded. Islands belong to 13 Member States and are recognised as distinct territories in EU legislation, as their insularity and remoteness pose specific development challenges. Article 174 of the Treaty of the Functioning of the European Union (TFEU) defines them to be territories with certain geographical specificities, as needing particular attention in terms of the EU's aim to reduce disparities in development levels between the various regions within and across Member States. Access to decent, affordable housing has become one of the major challenges and problems in Europe, with a particularly severe impact on the islands, which are going through a housing crisis without precedent.

The islands of the EU, although legally recognised as disadvantaged territories, do not always benefit from the specific aid that is provided for them in the relevant Treaties. Specifically, the matter of availability and affordability of housing on the European islands is characterized by a shortage of action at all levels of governance, and consequently by a shortage of actions and policies to protect residents and their right to housing. In Europe, between 2010 and 2021, house prices went up by 37% and rents have risen by 16%. The Islands, being physically disconnected from the mainland and having an economy that is prevalently based on tourism, suffer from a lack of basic stock of affordable and social rental housing. At the same time, the rise of the short-term rental market has aggravated the situation as regular housing is extracted from the market. The European Parliaments' Report calls for a better response to the main challenges faced by EU islands and, for the creation of an Islands Pact, modelled on the EU Urban Agenda. In the EU Urban Agenda, a dedicated "Action Plan for Affordable Housing" was endorsed by the actors from EU-commission, EU-council, cities and regions and key stakeholders. Together with the European Parliaments report "Housing for all", it sets a multi-level framework to overcome affordable housing policy gaps that can be specifically targeted at the main issues island residents face:

- 1) Lack of a basic stock of affordable and social rental housing.
- 2) Massive rent and price increases through sale of housing stock to non-residents, companies and foreign investors, real estate speculation.
- 3) Short term rentals extracting regular long-term rental housing from the market.
- 4) Proliferation of second homes, only occupied a few months by non-residents.



5] Displacement and eviction of island residents through weak security of tenure and rent stabilization mechanisms.

Many Member States are currently analysing ways out of the housing crisis with particular focus on their islands. Starting with the Global Financial Crisis, Greek islands have experienced high increases in real estate prices due to landlords taking properties off the long-term rental market to convert them in short-term rentals. Furthermore, the prevalence of short-term holiday rentals forces students to live in hotels, while island residents are struggling to find affordable housing .

On the other hand, the Balearic government´s emergency housing decree establishes the concept of limited-price housing (HPL) . The decree envisages a range of potential actions, primarily conversions. These can be of existing properties to make smaller apartments, of obsolete hotel accommodation, of commercial premises.

In Spain, politicians emphasised the importance of an “Island Filter” in all European regulations, including regulations specifically designed for housing affordability for residents.

In some EU member states, you cannot buy a second home as non-resident, unless you have domicile or have had residence for at least 5 years. These special provisions guaranteed by the EU treaty were part of the accession process to the EU.

## CHAPTER II – PROPOSALS

The EU islands face many challenges, like the extraction of long-term rentals from the housing market and their conversion into short terms rentals, and the growing purchase of real estates as second homes by foreigners. Moreover, the” Golden Visa” program present in several EU countries allows foreigners to obtain a permanent or long-term residence permit in exchange for a certain amount of investment in the state´s economy. These phenomena are related to the incompatibility between the rights provided by the EU treaties, such as freedom of established affirmed in Article 49 TFUE and freedom of movement and of residence established by Article 45 of the Charter of Fundamental Rights of the EU, and the need to safeguard the rights to housing of the European citizens as well. In general, there is a huge demand for real estate on islands, but the supply is extremely limited. Gentrification and displacement are the main results of the sale of homes on the islands, and the subsequent transformation that this causes to their neighbourhoods by expelling lifelong residents to make way for foreign investors. Speculation with land and real estate result in an increasing dedication of land plots to touristic, commercial and high price ownership housing and, in consequence, in a decrease in the availability of social and affordable rental housing for residents, key and seasonal workers.

1. To prevent the rise of social inequalities in the European insular territories the EU must provide a new strategy framework on Housing on Islands, as an instrument aiming to facilitate legislation in the Member States. This strategy must:

- a. Emphasize the necessity to safeguard the fundamental right to housing and propose adequate policies at regional, national and EU level.
- b. Consider the phenomenon of financialization, which must be counteracted through the regulation of access of corporate finance to European Markets to prevent monopoly and the sale of affordable housing stock.
- c. Stress the importance of revising the Services of General Economic Interest (SGEI) decision. Since EU state aid rules on SGEI force member states to limit access to social and affordable housing. Housing policy and the correlated mission of social housing are national competences, that need actions taking place at the local and regional level.

2. The proliferation of second homes in the European coastal areas and especially in the islands represents another challenge for residents, seasonal and key workers. In some places, the ratio of second homes is as high as 60% and 80% of the housing capacity . The case of islands, which are by their nature limited and enclosed, illustrates the tensions generated by this phenomenon on both the environment and the population. In response to this emerging issue there have been some propositions and actions at national and local level:

- a. The officials of Spain´s Balearic Islands want to ban non-residents from buying property as soaring prices drive local people out and create “ghost villages” of empty homes. This proposal follows a similar scheme in Canada , which introduced a two-year ban on property purchase by non-residents;
- b. In Corsica, measures to privilege residents in the access to housing have been recently locally implemented ;
- c. In Italy, higher taxes for owners of multiple short-term-rental properties have been imposed ;
- d. At EU treaties level, in Denmark, Finland, Malta, and Croatia there are limits on buying real estate and property by non-residents.

## Chapter III : CONCLUSIONS

1. We demand an 'Islands Pact' in the European Union. In the same way that in 2016 the Amsterdam Pact was adopted for the development of the Urban Agenda in all EU territories, we affirm the need and urgency for this new Pact, which must be the basis for the development of a European island strategy that defines priorities and necessary actions, based on up-to-date statistical data from EU, national and regional level. The goal must be the specific recognition of insularity as a differential feature in the EU Treaties and the design

of specific sectoral policies for compensating island inequality, with special focus on the unaffordability and unavailability of housing on islands.

2. We urge the current trio-presidency of the European Union (Spain, Belgium, Hungary), to immediately promote this 'Islands Pact,' convening a first European meeting before the European Elections 2024, in which the urgent need to limit the purchase of homes on the islands by non-residents should be addressed as a means to curb speculation and price and rent increases and establish the roadmap for progress toward the island resident status, without prejudice to establishing a similar status for other regions where housing access is strained. The overwhelming and legitimate public interest to prevent a selling out of island's properties and land should be considered when proposing new regulations.

3. Housing costs (including energy and utilities) should be a maximum of 25% of the disposable income of households, which can be reached by an effective rent regulation including rent decreases and adapted higher housing allowances for island residents and seasonal workers.

4. Housing should be for the common good and not a financial asset. We demand de-financialization in the housing sector. Access of corporate finance and profit-oriented real estate investors to the EU must be regulated through a legal framework between EU, national and regional level to stop residential real estate speculation and to enforce the fundamental right to housing.

5. To combat the housing crisis and establish a stable, price-controlled rental housing segment, the European Parliament should incentivise setting minimum quota for social and affordable housing in every Member State and in every single municipality in EU of at least 30% by 2030. An EU fund for public social and affordable housing, complemented by national and regional laws and regulations, direct investments, cost subsidies and substantial tax reliefs support this initiative.

6. Short term rental housing is extracting existing housing from the regular housing market, at the expense of residents. The misuse of international short-term rental platforms for profit maximizing can jeopardize tenant rights and disrupt local communities, causing problems like displacement, touristification and gentrification. Urban planning, legislation, prosecution of illegal offers and respective national tax regimes should address these concerns and prioritize the rights of residents and their access to affordable housing.

7. Public housing policies must be based on sustainable urban planning anchoring the environmental, economic, and social dimension. Rather than focusing solely on homeownership, housing policy should prioritize housing for all. Citizen participation in the design of affordable and social housing projects is indispensable to improve the quality of public services and facilities, green areas, mobility.

8. Land use must have the least impact on the environment and consumes the least possible amount of resources and energy, while reducing waste emissions.
9. Zoning law should give preference to main residences, not to second homes. Areas of severe housing stress should be defined to implement effective measures against speculation with real estate.
10. Unnecessary housing price and rent price hikes must be avoided. Any new affordable and social project must be realized by cost-efficient construction. A reduction of VAT for affordable and social rental housing construction as well as leasehold building ground models should be implemented.
11. The rehabilitation and recuperation of unused buildings should be promoted. Public authorities must fine owners leaving properties deliberately empty. Penalties should be at least 50% of the property value. In case of non-compliance, public authorities can implement pre-emption rights and/or right of use of the vacant building to exercise the allocation rights for islands' residents in need of affordable rental housing.

We commit to prioritizing in our political programs, especially where we have government responsibilities, the promotion of public, social, affordable and protected housing, the regulation of rental markets by rent stabilization mechanisms like rent caps and rent freezes of maximum rental prices, the regulation of short-term rentals to ensure availability of housing for residents, public-private collaboration through housing cooperatives in the form of use transfer, and we will always work to prevent urban speculation, the creation of ghettos, evictions and gentrification.

Finally, we express our commitment to continue working together within the framework for the European recognition of insularity. Taking on the challenge of advancing multi-level governance throughout the European Union, promote the necessary conditions and establish the relevant rules to make effective the right of all citizens to enjoy decent, affordable, and adequate housing.

# EUROPEAN TOURISM POLICY AND MEDITERRANEAN ISLAND TERRITORIES

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## The economic relevance of tourism in the EU and the negative effects of over-tourism on the Mediterranean islands

The European Union, with 595 million tourists, is the world's leading tourist destination in terms of international arrivals. Likewise, Europe is the main tourist issuer in the world and the Mediterranean basin, its main recipient. Tourism is the third most important economic activity in the European Union, preceded by trade and distribution and construction, and represents around 10% of GDP and almost 16% of total employment. The tourism sector in the European Union, understood in the strict sense [traditional providers of travel and tourist services], encompasses 2.3 million companies, mostly small and medium-sized companies, and employs about 20 million people. Tourism is essentially a horizontal activity that depends on and influences several sectors, and the success of the tourism industry lies in the synergies and sound interaction between them.

In 2022, global income derived from tourism in Europe, according to the International Tourism Organization, was 520 billion euros. Tourism therefore plays a fundamental role in the economic development of many countries, regions and cities of the Union and, particularly, of the territories of the Mediterranean basin to the extent that they attract close to 20% of world tourism. For various reasons, certain Mediterranean islands such as the Balearic Islands, Sardinia, Sicily, Malta, Cyprus and the Greek islands of the Aegean Sea attract a very high number of tourists every year, which, although it has important positive effects from the point of view of economic activity and job creation also has important negative effects linked to the strong human pressure on territories that, as a consequence of their island nature, are limited and fragile. The Balearic Islands constitute a clear example of the great human pressure linked to tourist activity. In 2023, with a stable population of 1.2 million people, the three airports on the islands received, according to the Spanish airport operator AENA, a total of 44 million passengers, the vast majority of them tourists.

Tourism is a cross-cutting economic and social activity with a wide-ranging impact on regions' economic growth, employment and social and environmentally sustainable development. However, the increase in tourist activity throughout the Union, and especially in the Mediterranean, represents an important challenge for public administrations to the extent that more and more citizens living in these territories have the perception that the negative effects of tourism [increased housing prices, saturation of the coastline, water consumption or uncontrolled waste generation] are greater than the benefits that this economic activity generates. Islands also face common major challenges such

as the production and storage of renewable energy sources, water management and preservation of natural resources and sustainable mobility of tourists.

A significant number of Mediterranean islands suffer, particularly after the recovery of tourism activity following the COVID-19 pandemic, from what has been called “overtourism.” which describes the situation in which the impact of tourism, at certain times and in certain locations, exceeds physical, ecological, social, economic, psychological and/or political capacity thresholds. Uncontrolled tourism development can cause significant damage to landscapes, seascapes, air, and water quality, as well as the living conditions of residents, causing economic inequalities and social exclusion, amongst many other issues. Overtourism causes might be driven by factors such as the accessibility and affordability of travel, the traditional tourism policy focused on promoting volume, an increase in international arrival, the urbanization pressure, the gentrification and increasing prices in city centres and new neighbourhoods, the proliferation of unregulated tourist accommodations and the concentration of large groups of tourists. Overtourism has very negative effects on the natural resources and environment of the Mediterranean island territories, which gives greater fragility to these territories to the extent that, according to scientific studies, it will be in the Mediterranean where the negative effects of climate change will be greatest. It must also be taken into account that the Mediterranean island territories receive a large number of tourists in a very limited period of time, mostly during summer and sometimes ten times more than during other periods of the year.

EU policies in the field of tourism should necessarily face the negative effects derived from overtourism in fragile territories such as the islands of the Mediterranean and also in certain cities on the mainland. Within the definition of the new “European Island Agenda” and the adoption by the EU of an “Islands Pact” specific measures in the field of tourism should be taken allowing also public authorities to take measures to impose, it is necessary, certain restrictions to this activity in order find a proper balance for the well-being of the permanent inhabitants of those territories.

## Tourism as a complementary competence of the EU: areas of action

Despite the relevance of the tourism sector throughout the EU, the EU had no competence in the field of tourism until the entry into force, on December 1, 2009, of the Treaty of Lisbon. The competence of the Union to adopt policies that affect tourism is rather secondary to the extent that Article 6 of the TEU indicates that the EU's action in this area will aim to support, coordinate, or complement the action of Member States in this field. Despite the multiple aspects that have a direct impact on tourism policy, article 195 of the TFEU, specifically dedicated to tourism as a field of action of the EU, states that “the Union will complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of Union companies in this sector” and, therefore, the Union will promote the creation of a favourable environment for the development of companies in this sector and will promote the exchange of good practices between Member States. The European Parliament and the Council will adopt, through the ordinary legislative procedure, specific measures intended to complement the actions carried out by the Member States.

Although the current multiannual framework for the period 2021–2027 does not provide for a specific budget line for policy in the tourism sector, the various measures adopted by the EU in this area are basically aimed at maintaining Europe's position as a top tourist destination and, at the same time, maximize the contribution of this sector to growth and employment, as well as promote cooperation between the countries of the Union, in particular through the exchange of good practices. The negative impacts linked to this successful economic sector are seemingly not taken into account.

Despite the absence of a direct EU competence in tourism, through other areas in which the EU has shared competence, it can adopt measures that also affect the field of tourism. Thus, in accordance with Article 4 of the TFEU, the EU may, in the context of the freedoms of movement derived from the completion of the internal market, adopt measures in the field of the environment, social policy, employment, protection of consumers and transport. Since 2001, the Commission has published communications in various areas setting out its general policy guidelines for the development of the tourism sector (2007 Communication on an Agenda for Sustainable and Competitive European Tourism, 2010 Communication on a New Policy Framework for European Tourism, 2012 Communication on the implementation and development of a common visa policy to stimulate growth in the EU or 2014 Communication on a European strategy for further growth and employment in coastal and maritime tourism) and through recommendations of the Council and also of directives, specific measures have been adopted in favour of tourists (travellers or vacationers) and responsible tourism measures in favour of the tourism sector and tourist regions. In 2020, the Commission has defined tourism as one of the 14 industrial ecosystems in its industrial policy.

The European Parliament has also adopted resolutions on the Commission's guidelines or initiatives in the field of tourism. In 2015, this institution participated in the adoption of the new directive 90/314 on package travel; in 2019 it adopted a resolution on the negative consequences of the bankruptcy of Thomas Cook for tourism in the Union; in 2021, it adopted a resolution on defining a Union strategy on sustainable tourism and, in 2022, it supported a resolution on the impact of the illegal Russian war of aggression against Ukraine on the EU's tourism and transport sectors.

On December 1, 2022, the EU Competitiveness Council approved the adoption of a European Tourism Agenda 2030 that includes a future vision of the European tourism ecosystem in the direction of making it greener, more digital, more resilient and responding to the challenges of the next decade. The EU sets five priority areas: a) creating an enabling governance framework that ensures the collaborative management of destinations with reliable national, regional and local indicators and statistics; b) promoting the green transition aimed at reducing the carbon footprint of tourism by promoting circularity and the efficient use of resources; c) promote the digitalization of companies operating in the tourism sector; d) promote resilience and inclusion by increasing the accessibility of tourism services; and, e) enhance human capital to adapt workers' skills to the future needs of the tourism sector.

The main EU institutional stakeholders in the definition of the EU policy on tourism are the European Parliament's Committee on Transport and Tourism (TRAN) and its Task Force on Tourism, the Competitiveness Council of the Union, the Tourism Advisory Committee chaired by the Commission

[DG Growth] with the participation of representatives of the Member States, the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs [DG Growth] as the service within the Commission responsible for tourism policy and the Directorate-General for Regional and Urban policy [DG Regio] managing the European Regional Development Fund [ERDF].

## Measures to be adopted by the EU during the 2024-2029 legislature with an impact on the tourism sector of the Mediterranean island territories

Taking into account that, as a general rule, the European Parliament acts as co-legislator with the Council on the basis of the legislative initiative presented by the Commission, the European Parliament may present different proposals to the European Commission so that, during the 2024-2029, the EU adopts different regulations and programs aimed at guaranteeing the sustainability of tourism activity in Mediterranean island territories. The essential objective of the initiatives presented by the European Parliament should be to make tourist activity compatible with the well-being of the local population and the preservation of the environment and natural resources, particularly in those territories such as the Mediterranean islands affected by overtourism.

## BUDGET MEASURES

The multiannual budget framework for the period 2021-2027 does not provide for any specific item for tourism. During the period 2014-2020, EU financial support in the tourism sector came from various European programmes. Taking into account the demands of the Tourism Working Group of the Transport and Tourism Committee of the European Parliament (TRAN), there should be a specific and separate item for the design of policies by the EU specifically focused on tourism. Although it is a complementary competence that serves to support the measures adopted by the Member States, the existence of a specific budget item dedicated to tourism would offer greater visibility to the measures that the EU could adopt in this area. So far, the European Regional Development Fund [ERDF] provides the bulk of EU funding for tourism. Anyway, the 2021-2027 ERDF legislative framework includes a specific policy objective related to sustainable tourism. Article 3.1 [d] of the regulation 2021/1058 refers to “enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation”. Besides this specific objective, sustainable tourism can be supported through any other policy objective as long as the investments contribute to achieving the corresponding objective and comply with applicable enabling conditions or requirements. Therefore, it would be positive to update regularly the “Guide on EU funding for tourism”.

ERDF has been useful for financing Member States' initiatives in various fields such as the development and promotion of tourism assets in SMEs, the development and promotion of tourism



services in or for SMEs, the development and promotion of natural areas, the protection, development and promotion of tourism assets and the development and promotion of public tourism services. The public authorities in the Member States select projects to be financed through the operational programmes (Ops) and follow upon their implementation.

The Recovery and Resilience Facility (RRF) set up by regulation 2021/241 also provides Member States with the possibility to finance investments and reforms, including in the tourism sector, as part of their national recovery and resilience plans. Although there is European funding to carry out actions in the field of tourism, especially focused on the development of sustainable tourism, the main problem, as highlighted by the European Court of Auditors in its conclusions on the Special Report 27/2021 of 3 March 2022, is that the Commission has updated its tourism priorities since the adoption in 2010 of its tourism strategy but has not changed it. It identified four broad priorities for promoting tourism and a set of specific Commission actions attached to those priorities. However, the Commission did not indicate any deadline for implementing them. This strategy also did not specify how Member States and their own directorates-general should make use of the available EU funding to achieve these priorities.

The current tourism priorities for the Commission updated in 2019 are: promotion of smart tourism, digitalization and innovation; sustainable and responsible tourism; promotion of Europe as a tourist destination, including diversification of tourism products; promotion of skills and training in this sector and improvement of business environment and access to finance. In order to develop a more efficient policy in this field, the Commission should, for the current Multiannual Financial Framework, set out an action plan to support the implementation of its strategy and its revised priorities. The inexistence of a new European tourism strategy seems to reflect a lack of ambition by the Commission in this field. The EP has been vocal in calling the Commission to update its tourism strategy. In 2021 adopted a resolution calling on the Commission to present an action plan in 2021 and to develop an updated EU strategy to replace the one set out in 2010.

## **SPECIFIC MEASURES BY THE UNION AIMED AT IMPROVING THE POLICIES DEVELOPED BY STATES REGARDING TOURISM**

- The EU should revise the EU's tourism priorities in the context of broader policy strategies and set out an action plan to support its implementation. This strategy should specify how Member States should make use of the available EU funding to achieve these priorities. EU funding should tackle the negative effects of those territories affected by overtourism and contribute to the development of a sustainable activity.
- The EU should define, in line with the Council's conclusions on the European Agenda for Tourism 2030, a new and consolidated strategy for the EU tourism ecosystem. This strategy, to be developed in cooperation with Member States and particularly with those where the tourist industry is strong such as Mediterranean countries, should address the EU's objective of greener and more sustainable tourism. It should also specify the necessary actions and

timeline and take into account of how the available EU funding (ERDF and RRF) is being used for tourism investments that contribute to achieving these objectives.

- The EU should encourage Member States to adopt selection procedures that help steer the ERDF financial support to tourism projects which are supported by adequate demand analysis and needs assessments to limit the risk of ineffectiveness; which are coordinated with projects in neighbouring areas, avoiding overlap competition: which have an impact beyond the project itself on stimulating tourism activity in the region and which are sustainable and will be properly maintained in the years after their completion.

- The EU should address the needs and potential of tourism SMEs and microenterprises as they are drivers for social and economic convergence that contribute to balanced regional development and job creation.

- The EU should promote a Pact for Skills in Tourism as a way to improve the acquisition of competencies and digital skills by tourism professionals.

- The EU should promote the economic, social and environmental dimensions of tourism sustainability. Measures should include the transition towards climate neutrality by improving resource efficiency, waste and water management to minimize the environmental impact, respecting cultural heritage, new employment opportunities, sustainable construction and modernization of tourism and public infrastructure, transport, digital transformation, telecommunication as well as innovative financial products and services. The green transition has to be at the centre of the EU policies in the field of tourism, particularly those measures concerning the decarbonization of mobility and the increase of sustainable modes of transport for passengers in the islands of the Mediterranean. The EU should also create the conditions and incentives to improve the circularity of tourism services and support sustainable measures in the field of tourism.

- The EU should support those national measures which develop a sustainable, responsible and resilient tourism policy.

- The EU should take legal measures in order to allow those territories (specially in the Mediterranean) which suffer from the negative effects of (over)tourism to adopt legislation which could have a negative impact on the internal market such as limiting the number of visitors, cars or motorbikes or access to housing by non-residents. The EU has to assess and be sensitive towards national and regional measures adopted to face the negative impact on the territory of overtourism. The adoption by the EU of a “European Islands Agenda” and an “Islands Pact” should contain special treatment for the island regions of the Mediterranean as regards tourism activity and the adoption of measures by public authorities with the aim of protecting and promoting the well-being of the residents of those territories.

- The EU should apply its industrial ecosystem approach to tourism and develop together with Member States a specific approach within the existing framework that supports the tourism ecosystem, in particular SMEs, and destinations in their green and digital transitions.

