

Special Report

EU Support to tourism

Need for a fresh strategic orientation and a better funding approach



EUROPEAN
COURT
OF AUDITORS

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Executive summary

I The EU is the world's most visited region with around 37 % of all international tourist arrivals in 2019. This makes tourism a key economic sector in the EU, accounting for 9.9 % of the gross domestic product and 11.6 % of all jobs in 2019. The COVID-19 pandemic has had a dramatic, and unprecedented impact on the tourism sector sharply reducing tourism flows and thus the revenues of tourism-related businesses. Beyond this immediate shock, the tourism sector is facing other, more long-term challenges related to its green and digital transformation, its competitiveness, its sustainability and its resilience.

II The EU has a complementary role in tourism policy, supporting and coordinating the actions taken by the Member States. There was no dedicated EU budget for tourism in the 2014-2020 period. The financial support to tourism could be provided through multiple EU programmes. This continues to be the case for the 2021-2027 period.

III Considering the relevance of the tourism industry in the EU, we decided to carry out an audit to assess whether the Commission made an effective contribution in supporting the EU's tourism industry and complementing Member States' actions in this sector during the 2014-2020 period. We reviewed whether the Commission's tourism strategy addressed the needs of the tourism sector effectively and was regularly updated to reflect changing priorities. We analysed whether the European Regional Development Fund (ERDF) financial support to public tourism investments has been consistent with existing EU, national and regional tourism strategies and whether it has been sustainable and focussed on investments that add value beyond the project itself. Finally, we examined whether the Commission has initiated action to mitigate the impact of the COVID-19 pandemic on the tourism sector.

IV This audit is meant to provide input for the Commission's work in defining a comprehensive 2030 tourism strategy with medium- and long-term objectives. We expect this audit to contribute also to a better design and implementation of the EU financial support to tourism investments in the period 2021-2027 with a view to achieving effective and sustainable results.

V Overall, we found that during the 2014–2020 period the Commission's actions in supporting the EU's tourism industry were partially effective:

- The Commission defined the EU's current tourism strategy back in 2010. Since 2015, and until the COVID-19 pandemic, the Commission has revised tourism priorities in the context of broader policy strategies, but it did not translate these priorities into a concrete action plan to support their implementation. As a reaction to the dramatic impact of the COVID-19 pandemic on the EU's tourism sector, the Commission initiated actions towards the definition of a tourism agenda for 2030. We consider this a step in the right direction, but certain elements have not yet materialised.
- Within the ERDF Operational Programmes, the priorities for tourism investments were set with reference to existing EU, national and regional tourism strategies. Our analysis of ERDF projects on tourism found mixed results: some projects were sustainable and contributed to fostering tourism activity in the region; others had only a limited impact. In several cases, shortcomings in the initial project planning and needs assessments as well as at the project selection stage resulted in reductions in the project scope, delays and cost overruns during project implementation. The ERDF legislation for the 2014-2020 period included one common output indicator for tourism investments funded by the ERDF. In addition, Member States could make use of programme-specific indicators. There were however no common results indicators used during the 2014-2020 period. The common output indicator does not allow to measure in all cases the intended achievements of the projects, even though they were stated in the project proposal. The Commission has to carry out an ex-post evaluation of the ERDF support for the 2014-2020 period by the end of 2024.
- The EU's tourism sector has suffered an unprecedented shock following the COVID-19 pandemic. The Commission has put forward measures and proposals to mitigate the impact of this crisis on the EU's tourism industry.

VI In this report, we recommend that the Commission should:

- set out a new strategy for the EU tourism ecosystem, which explicitly aims at supporting investments that contribute to a more sustainable form of tourism; and
- encourage Member States to apply selection procedures for ERDF-funded tourism investments to support this new strategic orientation.

Introduction

Relevance of tourism in the EU

01 “Tourism” refers to the activity of visitors taking a trip to a destination outside their usual residence, for less than a year. That can be for business or leisure¹. The tourism sector covers a broad group of economic activities providing goods and services demanded by visitors to support, directly or indirectly, their tourism activity. Those can be: transport services that facilitate the movement of people, travel agencies and tour operators; accommodation; restaurant and catering services; cultural, sport and recreational facilities; and local tourism goods and services².

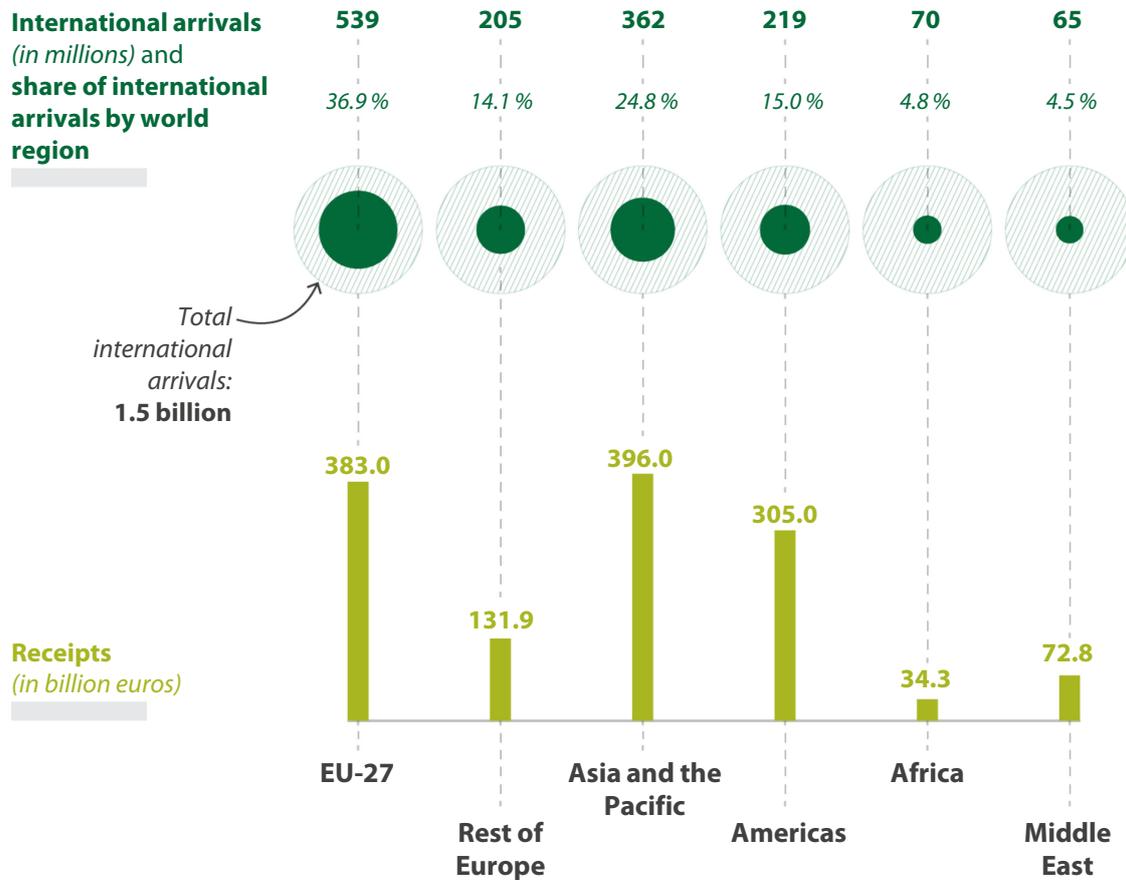
02 The European Union is the world’s most visited region (see [Figure 1](#)). In 2019, the EU-27 received around 539 million international tourist arrivals, almost 37 % of the global total. In the same year, the EU-27’s international tourism receipts were €383 billion, 28.9 % of global tourism receipts. Four EU Member States (France, Spain, Italy and Germany) are individually within the top ten countries in the world in terms of international tourist arrivals and tourism receipts³.

¹ Eurostat, [Tourism - Overview](#).

² UNWTO, Methodological notes to the Tourism Statistics Database.

³ UNWTO, International Tourism Highlights, 2020 Edition. Slides 8 and 17. Data as of November 2020.

Figure 1 – International arrivals and tourism receipts by region in 2019



Source: ECA, based on UNWTO, International Tourism Highlights, 2020 Edition.

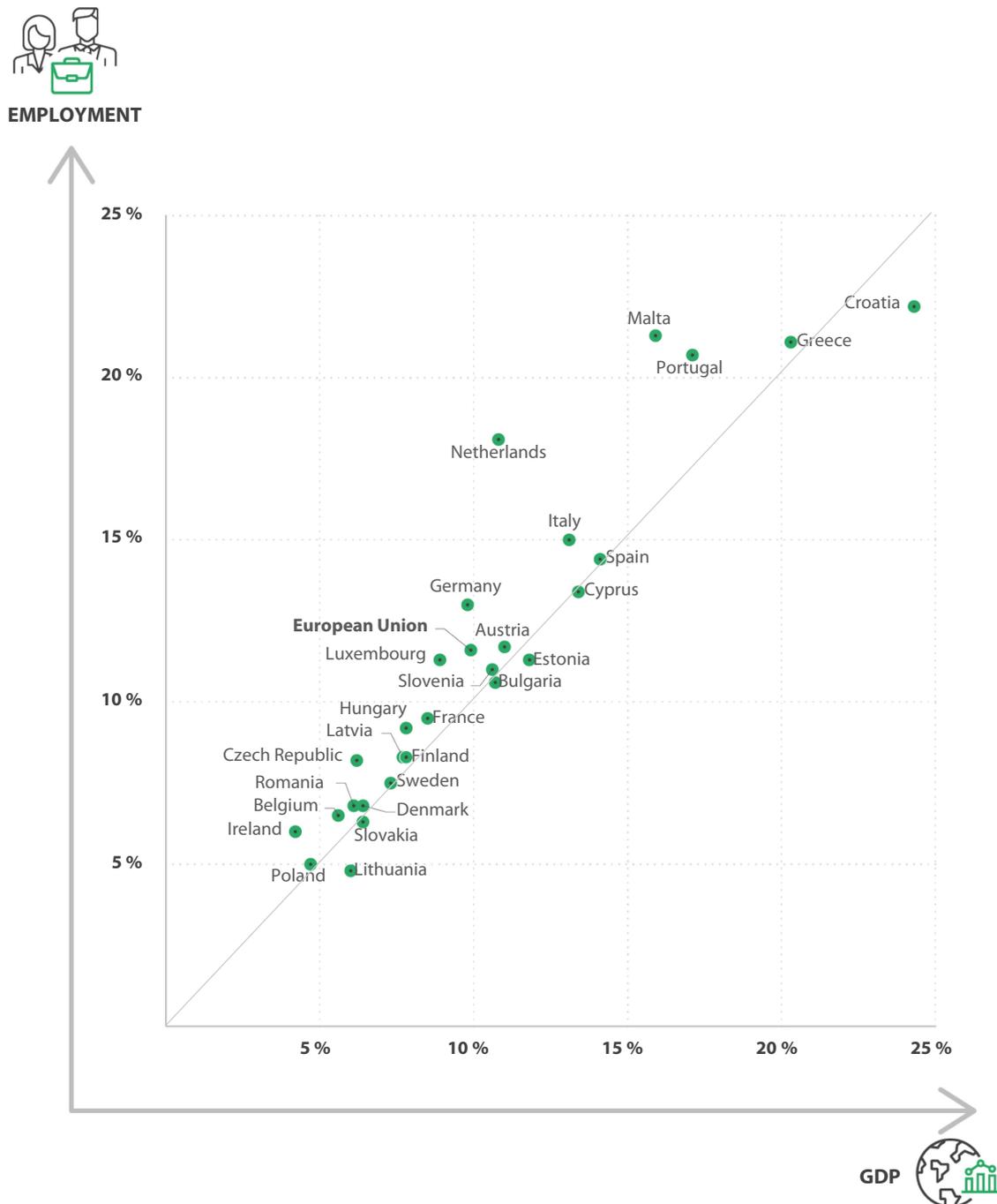
03 In 2019, the direct and indirect (spill-over effects) importance of the tourism sector to EU GDP was estimated at 9.9 %. Moreover, 11.6 % of the EU's total labour force work in tourism (representing around 23.5 million jobs)⁴. More than 99 % of the businesses in the EU tourism sector are small and medium enterprises (SMEs)⁵.

04 The economic importance of the tourism sector varies considerably between Member States, from 4 % to 6 % of GDP in Ireland, Poland, Belgium and Lithuania to over 20 % in Croatia and Greece (see [Figure 2](#)).

⁴ WTTC, Economic Impact Report 2021. European Union.

⁵ European Commission, Annual Single Market Report 2021, SWD(2021) 351 final.

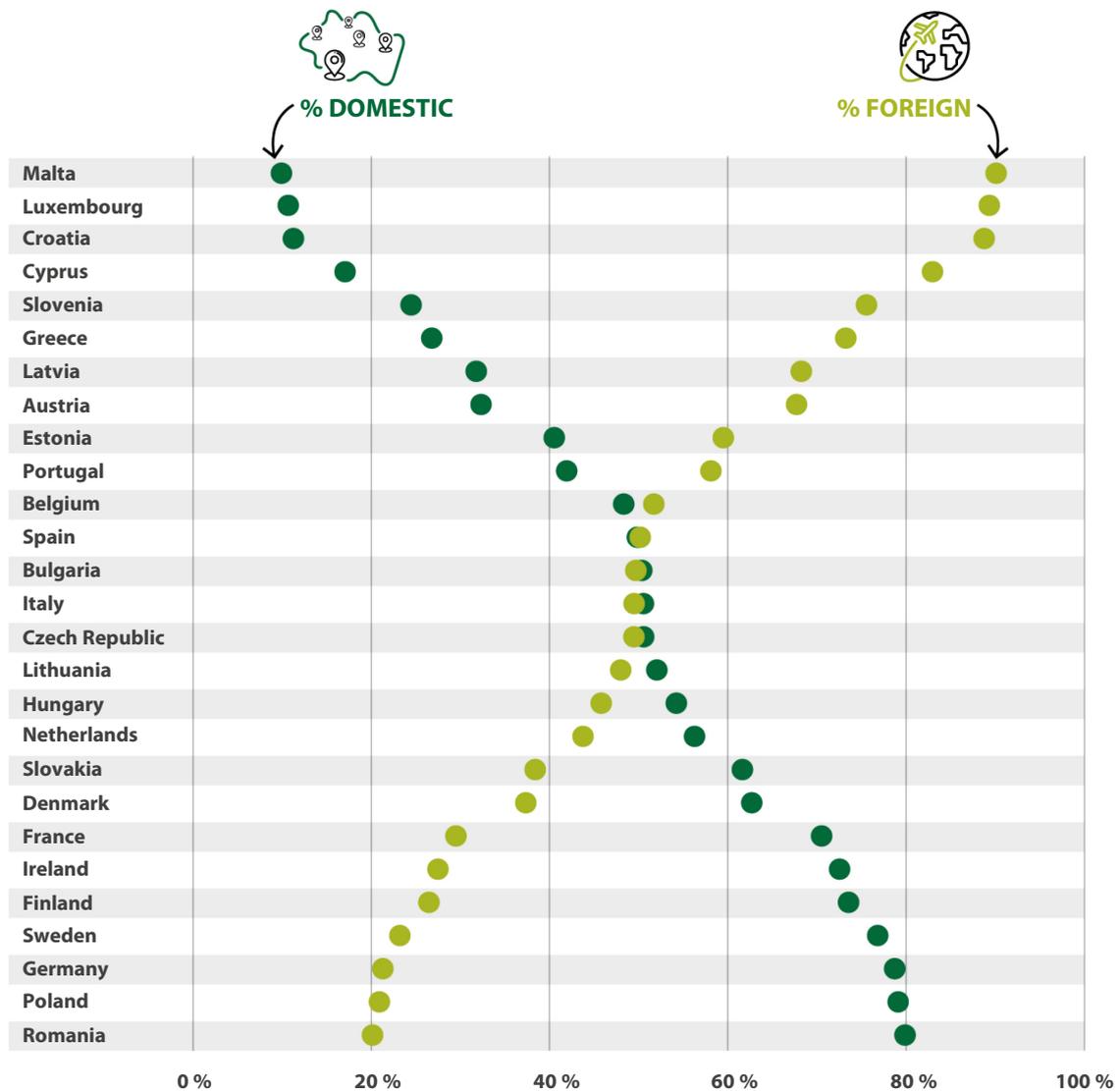
Figure 2 – Contribution of tourism to GDP and employment in 2019



Source: ECA, based on WTTC, Economic Impact Reports 2021.

05 The proportion between domestic and foreign visitors varies between Member States (see [Figure 3](#)). In Sweden, Poland, Romania and Germany more than 75 % of tourist arrivals are domestic visitors. Countries with a small population (Luxembourg and Malta) as well as Croatia have the highest proportion of foreign visitors (both around 90 %). In two of the EU's main tourism destinations, Italy and Spain, the distribution is more even.

Figure 3 – Domestic and foreign tourism by Member State - shares in 2019



Source: ECA, based on Eurostat, Arrivals at tourist accommodation establishments.

Legal and institutional framework

06 Tourism policy is primarily a Member State prerogative, with the EU complementing and supporting the actions of Member States. The EU's action broadly involves promoting the competitiveness and development of the undertakings in the sector and fostering cooperation between Member States. The EU Treaty also allows

establishing specific legislative measures to complement the actions of the Member States⁶.

07 With its tourism policy, the Commission aims to “maintain Europe's standing as a leading destination while maximising the industry's contribution to growth and employment and promoting cooperation between EU countries, particularly through the exchange of good practice”⁷. In 2020, the Commission has defined tourism as one of the 14 industrial ecosystems in its industrial policy⁸.

08 The main EU institutional stakeholders and bodies are:

- the European Parliament’s Committee on Transport and Tourism (TRAN), and its Task Force on Tourism;
- the Council of the European Union (where tourism topics are generally dealt with by the Competitiveness Council);
- the Tourism Advisory Committee (TAC)⁹, chaired by the Commission (DG GROW), which is a forum for consultation and coordination, where representatives of the Member States and the Commission exchange information and discuss issues related to tourism policy and to the provision of services for tourists.

09 While numerous Commission services work on topics with direct relevance to tourism, the two main Directorates-General dealing with tourism policy and EU funding for tourism are:

- the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), as the service within the Commission responsible for tourism policy; and

⁶ Article 195 of the [Treaty of the Functioning of the European Union](#). Moreover, some legislation of relevance to tourism has another legal basis, e.g. consumer protection, internal market or cohesion policy.

⁷ European Commission, DG GROW, [Overview of EU Tourism Policy](#).

⁸ Commission Communication, A New Industrial Strategy for Europe, COM(2020) 102 final of 10.3.2020.

⁹ Council Decision 86/664/EEC of 22 December 1986 establishing a consultation and cooperation procedure in the field of tourism.

- o the Directorate-General for Regional and Urban Policy (DG REGIO) managing the ERDF (which provides the bulk of the EU funding for tourism) together with Member States.

In addition, in the context of the COVID-19 pandemic, the Directorate-General for Health and Food Safety (DG SANTE) played a particular role as regards preparing the necessary conditions for re-establishing free travel within the Union.

10 Key international organisations in the field of tourism include the United Nations World Tourism Organisation (UNWTO), the OECD and the World Travel & Tourism Council (WTTC). The European Travel Commission (ETC), an association of national tourism organisations, also works to promote Europe as a tourism destination in third markets.

Impact of the COVID-19 pandemic on the EU tourism sector

11 The COVID-19 pandemic has had a dramatic and unprecedented impact on the tourism sector throughout the world, reducing sharply the tourism flows and thus the revenues of the tourism businesses. In the first three quarters of 2020, international arrivals in the EU were 67.5 % lower than in the same period in 2019. The drop ranged from 46 % to 84 %, depending on the Member State concerned (see [Figure 4](#)). Most of the tourism stakeholders we interviewed doubted that the tourism demand would return to pre-crisis levels before 2024.

Figure 4 – International arrivals in the EU, change from January to September 2019 compared to the same period in 2020



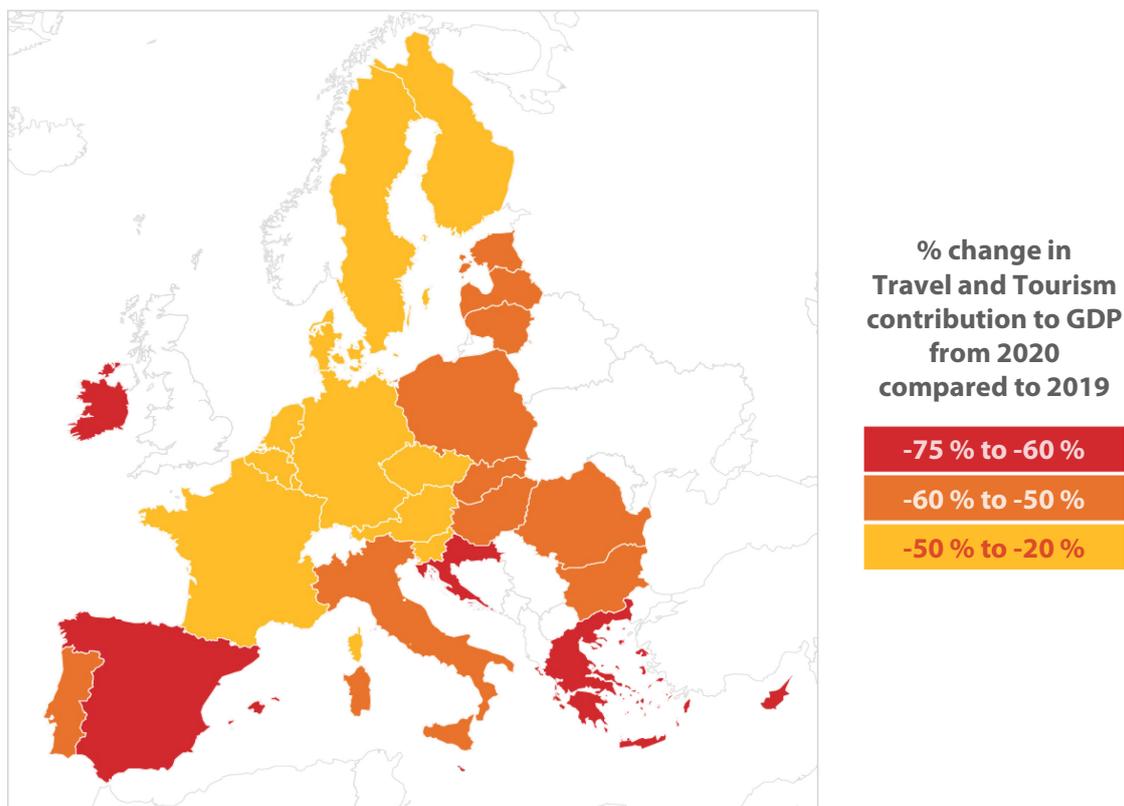
Notes: No data available for France, Ireland and Poland.

Source: ECA, based on UNWTO Barometer December 2020.

12 The fall in the visitor numbers due to the travel restrictions in place has led to a substantial drop in the contribution of the tourism sector to the economy. In 2020, the EU lost around two million jobs in the travel and tourism sector and its contribution to the GDP fell by half compared to 2019 (from around 10 % to 5 % of GDP)¹⁰. Traditional tourism destinations such as Croatia, Cyprus, Greece, Malta and Spain suffered the largest reductions (more than 60 %), together with Ireland (see [Figure 5](#)).

¹⁰ WTTC, Economic Impact Report 2021. European Union.

Figure 5 – Reduction of the contribution of travel & tourism to GDP in each Member State, from 2019 to 2020



Source: ECA, based on WTTC, Economic Impact Reports 2021.

13 The investment capacity of the tourism sector has also been deeply impacted. In the context of the Next Generation EU package proposed in May 2020, the Commission estimated that the tourism ecosystem would suffer from a drop in revenue of about €171 billion in the EU in 2020 and 2021, due to the consequences of the pandemic and travel restrictions¹¹. Of the 14 business ecosystems analysed by the Commission, tourism is the industry whose basic investment needs are estimated to be the highest and far beyond most of the others ecosystems' needs. The Commission estimated the basic investment needs for the recovery of the tourism ecosystem at €161 billion (not including investments needs relating to the green and digital transition).

¹¹ Commission Staff Working Document, Identifying Europe's recovery needs, accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Europe's moment: Repair and Prepare for the Next Generation, SWD(2020) 98 final of 27.5.2020.

EU financial support for tourism investments

14 There is no dedicated budget for tourism in the Multiannual Financial Framework (MFF). Several EU initiatives and programmes can provide funding for tourism investments. For the 2014-2020 period there are twelve programmes that could be used to finance actions in the tourism sector, both under direct and shared management. For the 2021-2027 period this number rises to 14 such programmes, including those created to mitigate the impact of the COVID pandemic. *Annex I* lists the tourism-related programmes in both periods and gives an overview of the types of actions supported by each of them. The 2021-2027 European Regional Development (ERDF) legislative framework includes a specific policy objective related to sustainable tourism¹². 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.

15 The ERDF provides the bulk of the EU's financial support for investments directly related to tourism: around €6.4 billion in the 2007-2013 period (see *Table 1*) and around €4.3 billion so far in the 2014-2020 period (see *Table 2*).

Table 1 – ERDF budget allocations to tourism (2007-2013)

Intervention Code	Description	Declared amount (in million euros)
55	Promotion of natural assets	844
56	Protection and development of natural heritage	765
57	Other assistance to improve tourism services	4 830
	TOTAL	6 439

Source: ECA, based on Commission's ESI Funds Open Data Platform.

¹² Article 3 (1) (d) (vi) of Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and the Cohesion Fund.

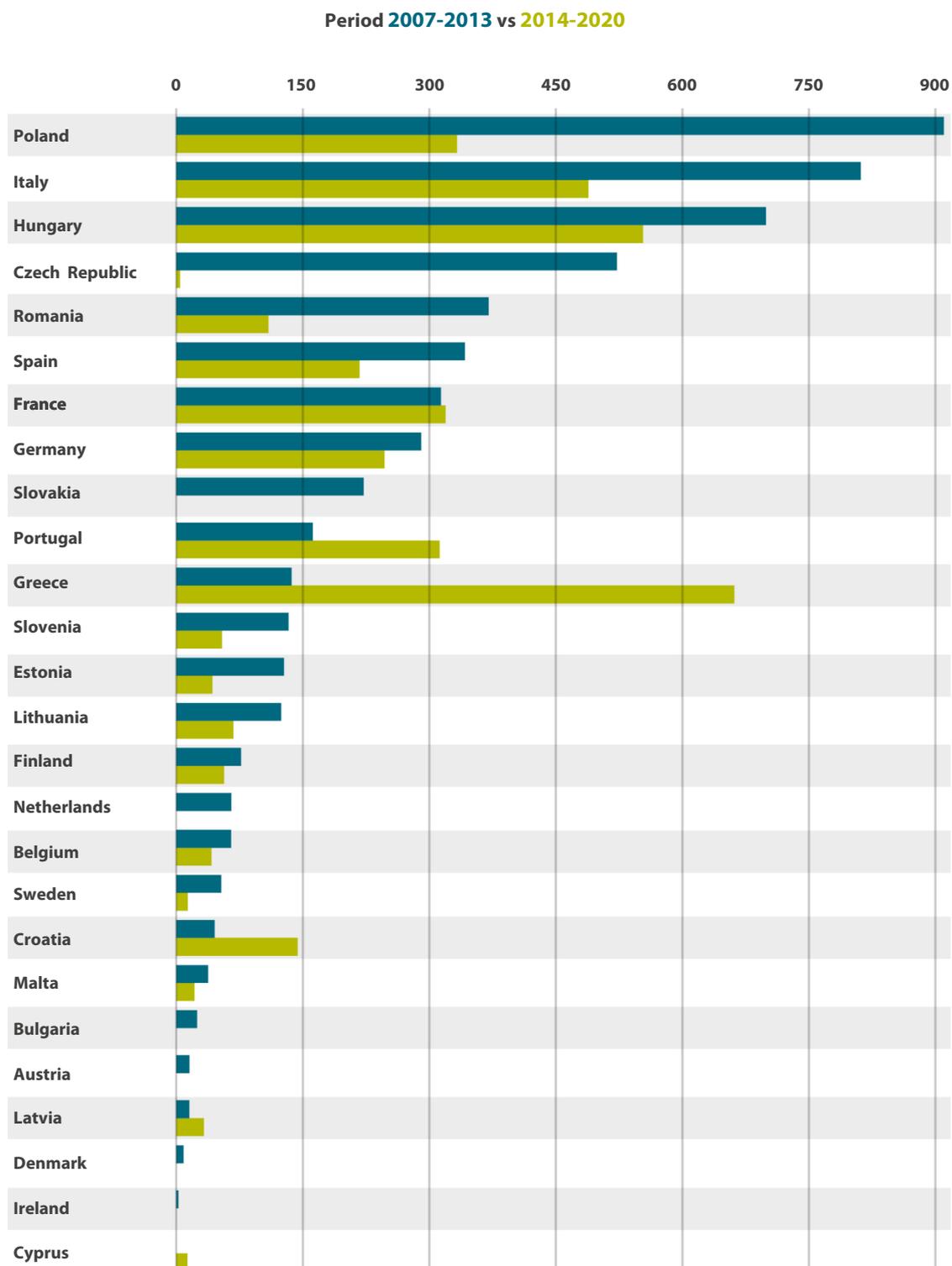
Table 2 – ERDF budget allocations to tourism (2014-2020)

Intervention Code	Description	Declared amount (in million euros)
74	Development and promotion of tourism assets in SMEs	561
75	Development and promotion of tourism services in or for SMEs	1 140
91	Development and promotion of natural areas	1 180
92	Protection, development and promotion of tourism assets	830
93	Development and promotion of public tourism services	546
	TOTAL	4 257

Source: Commission's ESI Funds Open Data Platform.

16 The public authorities in the Member States select projects to be financed through the operational programmes (OPs) and follow up on their implementation. Within its regulatory competences, the Commission supervises the implementation of the OPs to ensure that the money is spent effectively. *Figure 6* shows the allocation of ERDF funding to tourism intervention codes in each Member State in the last two programme periods.

Figure 6 – ERDF budget allocations to tourism by Member State (in million euros)



Notes: In Luxembourg, no budget was allocated to tourism intervention codes; tourism-related expenditure on cross-border OPs is not included.

Source: ECA, based on Commission's ESI Funds Open Data Platform.

17 The Recovery and Resilience Facility (RRF)¹³ 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 (NRRPs). As of October 2021, 26 out of 27 NRRPs have been submitted to the Commission and 19 have been adopted by the Council. The available funding from the RRF must be committed up to the end of 2023. The Commission has to provide an evaluation report on the implementation of the RRF by February 2024, and an ex post evaluation report by December 2028.

18 By the time of the audit, in the case of the four Member States covered, the Spanish NRRP was endorsed by the Commission in June 2021 and subsequently adopted by the Council in July 2021; the Romanian NRRP was endorsed by the Commission in September 2021; the NRRPs of the other two Member States remain at the Commission's assessment stage. Three of those four Member States (Poland, Spain and Romania) included specific support for investments in the tourism sector in their draft NRRPs (see [Table 3](#)).

¹³ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

Table 3 – Tourism support in the recovery and resilience plans of the Member States covered in the audit

Member State	Tourism support	Financial envelope (in million euros)
Poland	Support is provided under the component “Ensuring resilience of economy to crises, increasing productivity, and creation of high quality jobs”.	500
Spain	Under the priority of “modernising and digitising the ecosystem of our companies” there is a plan for the modernisation and competitiveness of the tourism sector.	3 400
Romania	Under the Tourism and cultural component of the 4 th pillar on “Social and territorial cohesion”, support is provided for encouraging bicycle, pedestrian and other non-motorised forms of transport and tourism as well as for implementing Romania's cultural tourism strategy.	449
Hungary	No specific measures related to tourism.	-

Source: ECA, based on the analysis of the RRP of the Member States covered in the audit.

Future challenges and patterns

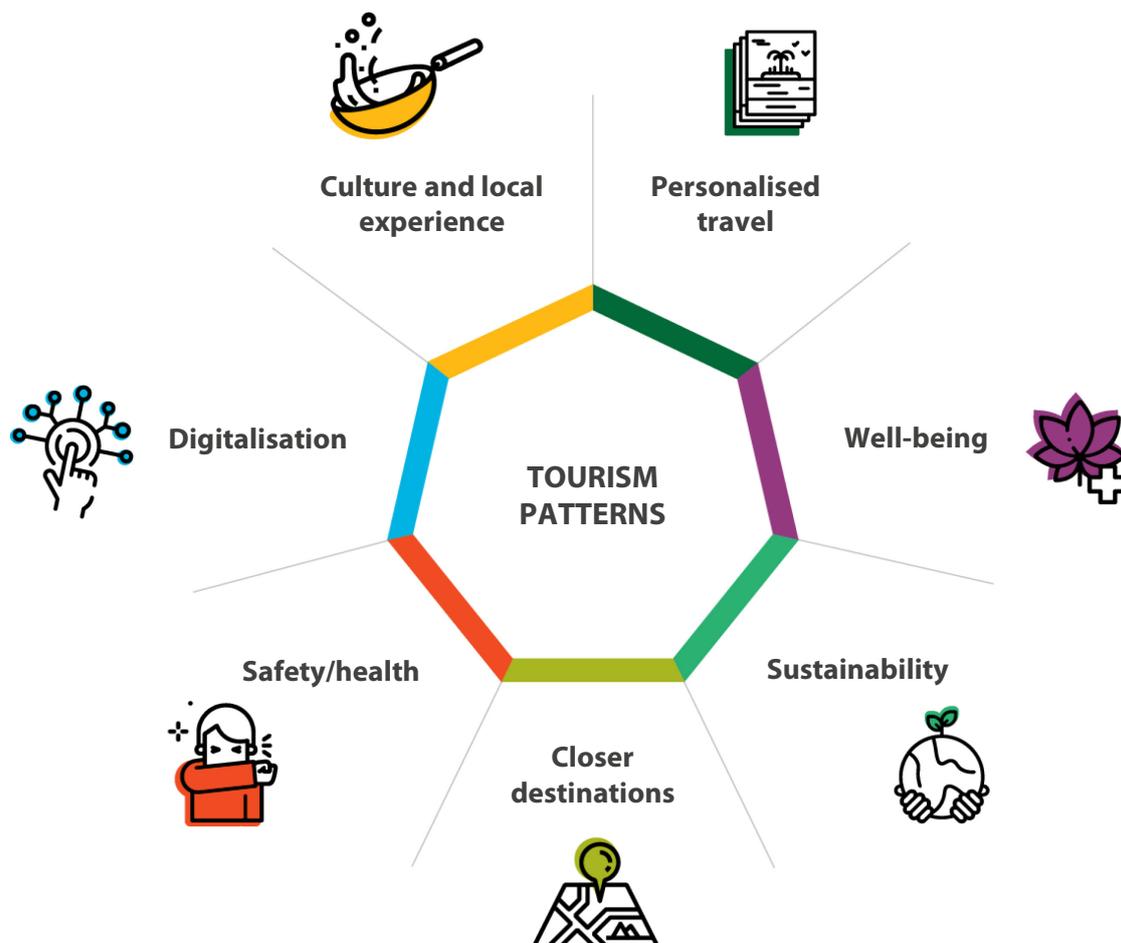
19 In the short term, most experts in the international organisations we interviewed believe that domestic and regional holidays and short trips will be predominant in tourism demand, once the immediate impact of the COVID-19 pandemic has been overcome. More importantly, however, the development of the EU tourism sector is facing major medium- and long-term challenges related in particular to its green transformation, digitalisation and the integration of new technologies, and competitiveness and resilience¹⁴.

20 Meanwhile, tourist behaviour is also evolving into new patterns, reflecting some of the above-mentioned challenges. Future tourism demand is likely to be driven by an

¹⁴ Commission Staff Working Document, Scenarios towards co-creation of transition pathway for tourism for a more resilient, innovative and sustainable ecosystem, SWD(2021) 164 final of 21.6.2021.

increasing environmental awareness, the extended use of digital services and new technologies, the shift to more personalised travel experiences, the well-being and better interaction with local communities and culture, and the rising concerns on safety and health protocols (see [Figure 7](#)).

Figure 7 – New tourism patterns



Source: ECA, based on the analysis of documents from UNWTO, OECD and WTTC.

21 In this regard, sustainable tourism is one of the most prominent concepts in tourism development. It involves balancing the environmental, economic, and socio-cultural aspects of tourism development to guarantee that tourism is sustainable in the long term¹⁵. This also concerns the question of how to address the impact of tourism on climate change. In the EU, the European Green Deal¹⁶ provides the overarching policy framework for pursuing sustainable tourism.

¹⁵ UNWTO, [Sustainable development](#).

¹⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal, COM(2019) 640 final of 11.12.2019.

Audit scope and approach

22 Our audit assessed whether the Commission's actions aimed at supporting the EU's tourism industry during the 2014-2020 period were effective. To do this, we looked at whether:

- the Commission's tourism strategy addressed the needs of the tourism sector effectively and was regularly updated to reflect changing priorities;
- ERDF financial support to public tourism investments has been consistent with existing EU, national and regional tourism strategies and whether it has been sustainable and focussed on investments that add value beyond the project itself;
- the Commission has initiated action to mitigate the effects of the COVID-19 pandemic on the tourism sector.

23 To answer these questions, we analysed the activities carried out by the Commission and the documentation available in connection with its tourism strategy, its cooperation with Member States, and the support and guidance it provided for funding tourism investments, in particular, through the ERDF. This covered the activities of DG GROW and DG REGIO.

24 We examined the most relevant ERDF operational programme in terms of tourism-related expenditure in four Member States (Hungary, Poland, Romania and Spain), to review the design of the OP in respect of tourism investments. We selected these Member States based on the amount of EU supported tourism investment financing they have received, on the significance of their tourism sectors for their GDP and on geographical diversity.

25 We examined a sample of 32 ERDF-funded public tourism projects implemented by public authorities in these four countries. We focused on these projects as they offered a potential to stimulate the development of the tourism industry in their region. The sample is composed of 17 projects from the 2014-2020 period to assess the project selection, implementation and monitoring of their results. To further assess project sustainability, we have also selected 15 completed projects from the 2007-2013 period in the same countries. [Annex II](#) lists the OPs we selected and the number of sampled projects for each OP. [Annex III](#) includes maps identifying the title and location of the projects reviewed for this audit.

26 We identified the key measures proposed by the Commission to respond to the impact of the COVID-19 pandemic on the European tourism sector. Finally, we covered the Commission's actions related to the design of the EU financial support to tourism for the 2021-2027 period.

27 We interviewed:

- o Commission staff, representatives from the competent authorities (e.g. the ministries in charge of tourism), the managing authorities of the selected OPs and beneficiaries of sampled projects in the four Member States;
- o experts from key international organisations in the field of tourism: the UN World Tourism Organization (UNWTO), OECD, the World Travel and Tourism Council (WTTC), the European Travel Commission (ETC), the European Travel Agents' and Tour Operators' Association (ECTAA) and NECSTour (European Regions for Sustainable and Competitive Tourism).

28 Due to the COVID-19 restrictions in place during the audit, we were unable to carry out on-the-spot visits in the four Member States covered by this audit. We did not, therefore, gather direct evidence related to the physical implementation of the selected projects. All our observations related to this aspect are based on documentary evidence.

29 This audit is meant to provide input for the Commission's work in defining a comprehensive 2030 tourism strategy with medium- and long-term objectives. We expect this audit to contribute also to a better design and implementation of the EU financial support to tourism investments in the period 2021-2027 with a view to achieving effective and sustainable results.

Observations

The EU's tourism strategy is not fit for the new challenges facing the sector

30 The Commission sets out its policy orientations and funding priorities, based on the objectives defined by the legislators, in strategies or similar documents. To be effective, a strategy should define specific priorities, identify supporting EU actions and timeline as well as describe the associated resources to implement it. It should also respond to the evolving needs and challenges of the sector and be updated accordingly. We reviewed the Commission's tourism strategy in place during the 2014-2020 period as well as those at national level in the four Member States covered by the audit. We also asked stakeholders about their views on the Commission's approach to tourism.

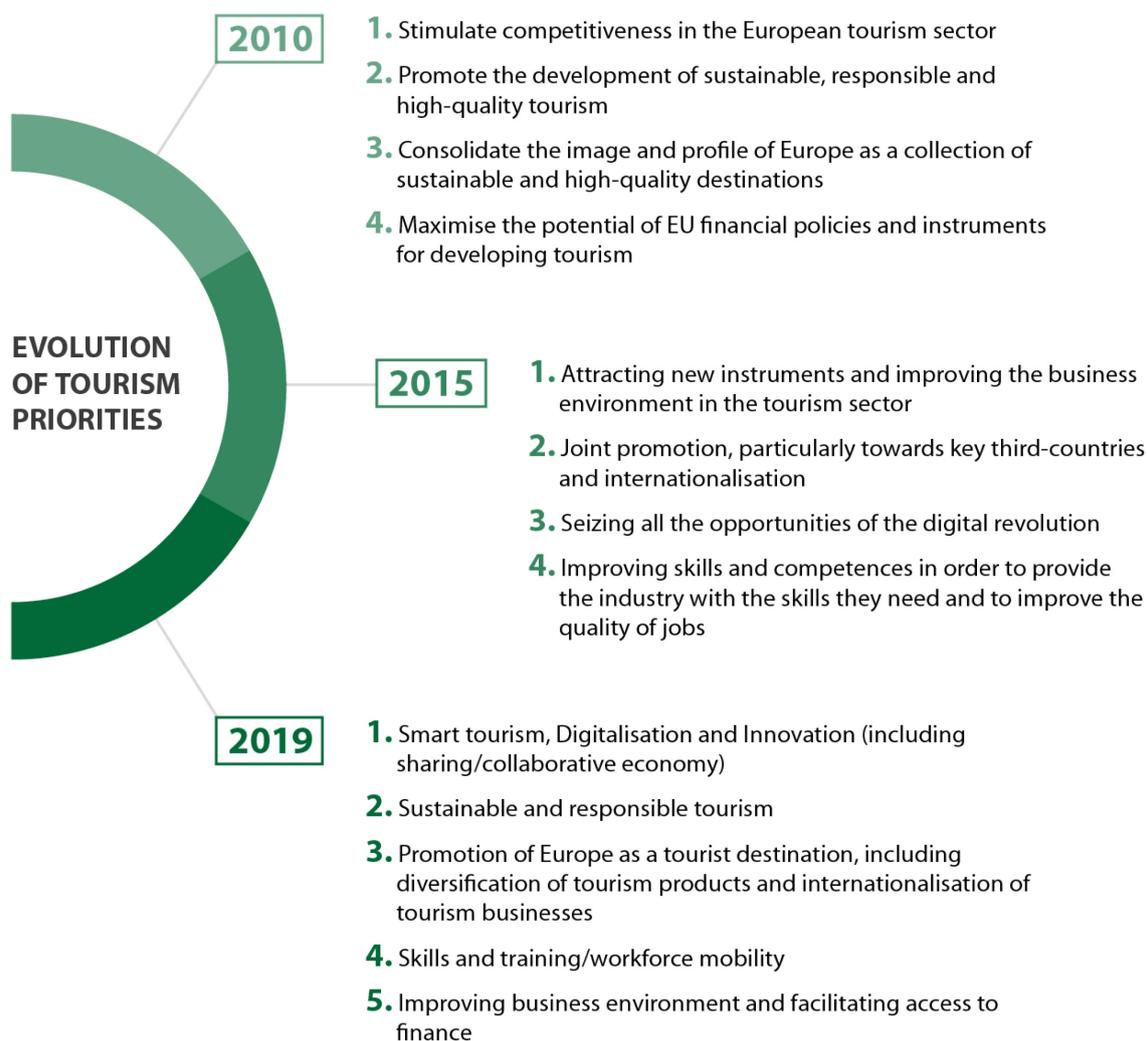
The Commission's EU tourism strategy dates back to 2010

The Commission has updated its tourism priorities twice during the 2014-2020 period, but without changing its strategy

31 In June 2010, the Commission issued a Communication setting up the latest EU tourism strategy¹⁷. It stated its intention "to encourage a coordinated approach for initiatives linked to tourism and define a new framework for action to increase its competitiveness and its capacity for sustainable growth". It identified four broad priorities for promoting tourism (see [Figure 8](#)) and a set of specific Commission actions attached to those priorities. However, it did not indicated any deadline for implementing them. Finally, the Commission strategy also did not specify how Member States and its own directorates-general should make use of the available EU funding to achieve these priorities.

¹⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe, COM(2010) 0352 final.

Figure 8 – Evolution of tourism priorities



Source: ECA, based on Commission Communication 2010/352 and on minutes of the TAC meetings.

32 Since then, the tourism priorities - though not the strategy itself - have been revised twice following the appointment of new Commissions, after consultation with the TAC:

- o In December 2015, the Commission announced a set of revised tourism priorities. This set of priorities reflected new elements relevant for the development of the tourism sector which had not been addressed in the 2010 Communication such as digitalisation and the improvement of tourism workers' skills and competences. However, the revised priorities were not accompanied by specific actions, though that had been initially proposed in the Commission's discussion paper addressed to the Member States¹⁸.

¹⁸ Exchange of views with Council COMPCRO Working Group, 21.4.2015.

- o In November 2019, the Commission adjusted the EU’s tourism priorities in line with the European Green Deal giving specific attention to sustainable and responsible tourism and widening the focus of the digital component with smart tourism and innovation. Again, these adjusted priorities were neither associated with specific actions nor with proposals on how to best use EU funding to achieve them.

33 The strategy formally in place is still the one defined in the 2010 Communication. Moreover, while the Commission has revised its tourism priorities during the 2014-2020 period in the context of broader policy strategies, it has not set out an action plan to support the implementation of its strategy and its revised priorities.

A significant reduction in the Commission’s staffing for tourism policy since 2014

34 The lack of ambition in defining a new tourism strategy is also reflected in the evolution of the number of staff members dealing directly with tourism policy within the Commission. Until 2014, there were two units dealing with tourism matters¹⁹ (one on general policy issues and another one focusing on cultural instruments for tourism) with about 40 staff members overall. In 2014, DG GROW was set up with one unit dealing with tourism, comprising the staff of the two previous existing units, but this unit was also made responsible for textiles and creative industries. Between 2014 and 2018, the overall staffing of this unit was reduced by half. The March 2021 reorganisation of DG GROW did not change the situation significantly: a unit now in charge of “Tourism and Textiles” was set up, but the number of staff directly dealing with tourism matters remains similar (12 people).

Member States covered in the audit set out their own tourism strategies addressing similar priorities to those in the EU’s strategy

35 Each Member State sets out its own tourism strategy. *Annex IV* lists the existing national tourism strategies in all Member States. We would expect that the EU and national strategies are compatible and developed in a coordinated manner. For the four Member States covered by this audit, we reviewed whether their tourism strategies take account of the Commission’s strategy (*Box 1* outlines these strategies).

¹⁹ The two units were part of the Directorate-General for Enterprises (DG ENTR). This DG was merged in 2014 with the Directorate-General for the Internal Market (DG MARKT) to create DG GROW.

Box 1 – Key aspects of the tourism strategies in the four Member States covered

Hungary

The current national tourism strategy is the “National Tourism Development Strategy 2030”²⁰. Its long-term objective is for tourism to become a leading sector of economic growth in the country. However, in the light of the COVID-19 pandemic, the strategy is currently under revision. The Hungarian authorities emphasised that sustainability, together with security and digitalisation, will be of primary importance in the new strategy.

Poland

The national tourism strategy in place is the “Tourism Development Programme until 2020”²¹. The main priority areas of the strategy include: modern tourism management systems; competent human resources for tourism; competitive tourism; and stimulate regional and local development and the quality of life of the citizens. Work on a new strategy is at a preliminary stage.

Romania

A Tourism Investment Master Plan is in place, together with two national sectoral strategies: one on Eco-Tourism, and another on Spa Tourism²². The Romanian government is working on an integrated national tourism strategy. The main objective of this strategy is for Romania to become a high-quality tourism destination by 2030, centred on its unique cultural and natural heritage. Due to the challenges of the COVID-19 pandemic, this work is on hold for the moment.

²⁰ Hungarian Tourism Agency, National Tourism Development Strategy 2030, October 2017.

²¹ Ministry of Sport and Tourism, Tourism Development Programme until 2020, September 2015.

²² Romanian Government: National Tourism Investment Master Plan, Decision 558 of 04/08/2017; National Spa Tourism Strategy, Decision 572 of 08/08/2019; National Eco-Tourism Strategy, Decision 358 of 30/05/2019.

Spain

The current national tourism strategy is the Spanish Tourism Plan Horizon 2020²³, which has been partially revised over time to include new elements and to update various actions and strategic lines. A new National Strategy for Sustainable Tourism 2030 is under development. It will consider the impact of the COVID-19 pandemic and set strategic guidelines for tourism policy in Spain, analysing the challenges faced by the tourist sector in the next decade.

36 Overall, our analysis showed that all four national strategies addressed similar priorities as those identified by the Commission's strategy, such as tourism sustainability and quality, digitalisation and competitiveness. None of them makes reference to the priorities of the 2010 Commission Communication or to any of their updates in 2015 and 2019.

37 The strategies of these four Member States are currently being revised to be relevant for the period up to 2030. As this work is carried out by each Member State independently, there is a risk that the cross border aspects of tourism are not adequately addressed. Meanwhile, the Commission is preparing the EU tourism agenda for 2030 (see paragraph [41](#)).

The impact of the COVID-19 pandemic pushes for a renewed EU strategy on tourism

National authorities give more positive assessment of the Commission strategy during the 2014-2020 period than the representatives of the tourism industry

38 The national authorities in charge of tourism policy in the four Member States covered in this audit gave a generally positive assessment of the EU's tourism priorities during the 2014-2020 period and of its supporting actions. However, they also pointed out that, in the light of the impact of the COVID-19 pandemic on the tourism sector, it would be relevant to update the EU's tourism strategy in response to changing circumstances and sketch out the road to a more resilient sector for the future.

39 Meanwhile, representatives of the EU tourism industry and international tourism organisations interviewed for this audit have told that, despite its world-leading position as a tourism destination, the EU is lacking a common tourism strategy and a

²³ Ministry of Industry, Tourism and Trade, Spanish Tourism Plan Horizon 2020, November 2007.

roadmap for the future of the sector. Moreover, they noted that the Commission should play a leading role both in developing such a strategy and in its implementation.

The Commission has taken first initiatives towards a new tourism strategy

40 In May 2020, in view of the deep impact of the COVID-19 pandemic on the tourism sector, the Commission published a Communication entitled “Tourism and transport in 2020 and beyond”²⁴. The Communication included short-term recommendations for dealing with the impact of the COVID-19 on the 2020 summer season (see paragraph 66). Regarding the forward-looking aspect, the Commission proposed to organise a European Tourism Convention to reflect about the tourism of tomorrow and start building a European Agenda for Tourism for 2050.

41 In May 2021, the Commission announced the launch of one specific action: “the co-creation of a green and digital transition pathway”²⁵. Subsequently, in June 2021 the Commission published a document on “Scenarios towards co-creation of transition pathway for tourism for a more resilient, innovative and sustainable ecosystem”²⁶, concerning the period up to 2030. It also initiated a public consultation to identify the most appropriate actions for achieving that goal.

The EU legislators call for a new post-COVID-19 EU tourism strategy

42 The European Parliament has been vocal in calling the Commission to update its tourism strategy²⁷. In March 2021, it adopted a resolution on “establishing an EU

²⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “=Tourism and transport in 2020 and beyond, COM(2020) 550 final of 13.5.2020.

²⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery”. COM(2021) 350 final of 5.5.2021.

²⁶ Commission Staff Working Document, Scenarios towards co-creation of transition pathway for tourism for a more resilient, innovative and sustainable ecosystem, SWD(2021) 164 final of 21.6.2021

²⁷ European Parliament Resolution of 29 October 2015 on “New Challenges and concepts for the promotion of tourism in Europe” (2014/2241(INI)) and European Parliament Resolution on “Transport and tourism in 2020 and beyond” of 19 June 2020 (2020/2649(RSP)).

strategy for sustainable tourism”²⁸, in which it called on the Commission to present an action plan in 2021 and to develop an updated EU strategy to replace the one set out in the 2010 communication for sustainable and strategic tourism.

43 In a similar vein, the Competitiveness Council held in May 2021²⁹ invited the Commission and the Member States to design a European Agenda for Tourism for 2030/2050. This should be carried out in cooperation with relevant stakeholders and address the key strategic challenges to drive the green and digital transitions of the tourism ecosystem and strengthen its competitiveness, its resilience, and its sustainability.

2014-2020 ERDF financial support for public tourism investments has addressed EU and national tourism objectives, but shortcomings in project selection limited its effectiveness

ERDF OP designs were consistent with EU, national and regional tourism strategies

44 We examined how the Commission had assessed the consistency of the partnership agreements and the OPs with its tourism strategy and priorities. We also reviewed whether the OPs investment priorities were in line with national or regional tourism strategies in place, which are defined independently outside the EU programming.

45 DG REGIO, in consultation with other Commission directorates-general, led the process for assessing the consistency of the thematic objectives and investment priorities of the OPs with the content of the partnership agreements. This assessment is part of the process leading to the OPs adoption.

46 The Commission’s assessment of the selected partnership agreements and ERDF OPs resulted in a number of remarks being sent to the Member States in the formal observations letters on the OPs. The tourism-related observations in these letters focused on consistency with overall regional development strategies. The Commission

²⁸ P9_TA(2021)0109 - European Parliament resolution of 25 March 2021 on establishing an EU strategy for sustainable tourism (2020/2038(INI)).

²⁹ Tourism in Europe for the next decade: sustainable, resilient, digital, global and social - Council conclusions (adopted on 27.5.2021).

requested clarifications and further information, and this triggered corrections in the OPs.

47 The ERDF's regulatory framework for the 2014-2020 period did not include any specific investment priority or any ex-ante conditionality for tourism investments. As there was no legal obligation, the Commission did not specifically check the consistency of OPs with the priorities of the EU's tourism strategy, or with existing national or regional tourism strategies.

48 Overall, our analysis showed that the financial support for tourism investments under the ERDF OPs examined for this audit was targeted in a way which was consistent with the ex-ante assessment performed by managing authorities and with the provisions of the corresponding partnership agreement. For the selected OPs, we identified the following four common broad priorities:

- the development of tourism infrastructures and products;
- stimulating the competitiveness of tourism undertakings;
- protecting and promoting natural and cultural sites as tourism resources; and
- fostering the development of local economies and jobs creation.

All these priorities were generally in line with the objectives of the existing regional development plans, and, where applicable, with specific national and regional tourism strategies.

Projects are selected using different procedures, but shortcomings in the initial planning and needs assessment entail risks for the effectiveness and sustainability of EU co-funded investments on tourism

49 We examined how a sample of projects submitted by public authorities in the four Member States had been selected and implemented. In particular, we examined whether the project selection criteria were in line with the OP investment priorities and national and regional tourism strategies; whether the selection process had ensured that only mature and well-planned projects were selected and whether the selected projects were effectively implemented, sustainable and had an impact that went beyond the individual project.

The Member States used different selection procedures

50 The Member States used different procedures to assess and select the tourism projects presented by public authorities: competitive calls for proposals, expressions of interest, a “first come – first served” procedure or pre-selected lists of tourism sites to be supported. All these procedures can be legitimate for these type of projects and it is a choice in the remit of the Member States to decide which to follow. Our analysis suggests that the selection procedures were generally in line with the applicable rules, the strategic orientations and the selection criteria approved in the corresponding OP.

Several projects lacked adequate initial planning and needs assessment

51 In several of the projects examined, we found that the project proposals lacked adequate initial planning and needs assessments, including demand analysis. This often led to delays, cost overruns and changes in the project scope during project implementation (see one such example in [Box 2](#)).

Box 2 – Example of a Spanish project which encountered a significant reduction in scope and delays

A project started in 2017 to build 368 km of three cycling paths, one of them being part of the Eurovelo Route 8, in the Spanish province of Cádiz. The initial budget was €13.1 million of which €10.5 million would be contributed by the EU. The project was aimed at contributing to the development of sustainable tourism in the region. However, during the implementation, the project’s scope was reduced significantly to a target length of 149 km due to various administrative and technical issues unforeseen in the planning phase of the project. By March 2021, only two kilometres of the cycling paths were in operation.

Despite this significant reduction in scope, the initial budget was increased by approximately 30 % to €17.3 million, of which €13.8 million would be provided by the EU. The budget increase was due to changes in design and construction details: for example, changes to improve the firmness of the paths with a view to minimising their future maintenance or the construction of longer paths to avoid roads or watercourses. The project, initially planned to be completed by end-2020, is now scheduled for termination by June 2023.

52 In particular, delays in project implementation were a frequent problem in the sampled projects. Of the 17 projects sampled for the 2014-2020 period, 11 were or are expected to be delayed by six months or more compared to the end date agreed in the original grant agreement. This includes four projects in Hungary, one in Poland, two in

Romania and four in Spain. A further project in Hungary was withdrawn during our audit field work. The main reasons explaining these delays are related to:

- o administrative problems: long or unsuccessful tendering procedures, delays in obtaining construction permits, difficulties with acquiring lands, changes in regional/local governments; and
- o work execution problems: technical or environmental issues requiring redesign of the project, temporary suspension of works due to weather conditions, restrictive measures related to the COVID-19 pandemic.

53 Another specific shortcoming in the project planning that can put at risk the project's effectiveness and sustainability is the funding of similar projects in nearby locations (see example in [Box 3](#)).

Box 3 – Example of a Polish project which received EU funding despite being located close to similar EU-funded project

A project aimed at renovating the historic public areas in the centre of a spa town was co-financed in Poland. The project fit well into the town's strategy of developing tourism, recreational and spa infrastructure and facilities, which included a number of additional co-funded projects.

However, we found another development plan in place in another nearby spa town (only 10 km away) benefiting from similar natural resources. This plan included EU co-funded projects with similar outputs. Instead of drawing up a common development plan to create a joint and complementary tourism offer, the two towns had drawn up their own individual plans and associated projects, with the potential risk of limiting the effectiveness and sustainability of the support by financing similar infrastructure in close-by locations.

Not all completed projects had a positive impact on the tourism activity in the region

54 We also reviewed a sample of 15 completed projects, with a particular focus on projects which had been completed for a number of years, most of them financed under the 2007-2013 period, to analyse their sustainability and impact on the overall tourism activity in the region.

55 Our analysis provided a mixed picture. We found several projects that had achieved (or even exceeded) their objectives and successfully contributed to fostering

the tourism activities in their region (see examples in [Box 4](#)). All these projects have in common that they are improving the quality of and the demand for tourism in the region beyond the project itself, thereby generating potential spill over effects in the local economies.

Box 4 – Examples of completed projects that were effective in fostering tourism in the region

- One project involved developing a cultural complex and other tourist facilities in a castle in north-east Hungary. After completion, the project has achieved its planned objectives to increase the number of visitors. The castle received two recognitions as a family-friendly destination and received a “Travellers’ Choice” award in 2020. Thanks to the boost in tourism demand, the beneficiary has also signed cooperation agreements with local partners such as accommodation providers and restaurants for information and promotion activities.
- Another project involved the construction of a section of a cycling path around a picturesque lake near mountains in southern Poland. The lake had been before little explored by tourists due to the lack of tourism infrastructure. The project has been completed successfully, and is operational. According to the municipality, the path is used intensively, and has been highly praised by cyclists, generating additional tourist flows. In addition, it can also function off-season: for example, as a cross-country ski path in winter. It won a recent competition for unique regional tourist attractions and is considered one of the most beautiful cycling paths in Poland.
- Another project involved renovating an existing old building in a World Heritage archaeological site in Andalusia (Spain). The project has been completed, and the renovated building is being used as a visitor centre and museum with permanent and temporary exhibitions to explain the relevance of the archaeological site. A governance and management model has been established to ensure the operational and financial sustainability of the site. Once the new facilities are fully operational after the COVID-19 restrictions end, a significant boost in the visitor numbers is expected.

56 Other projects only had a limited (or no) impact in stimulating tourism. The main reasons for having a limited impact on tourism were the following:

- the investments were isolated because they were not connected to other tourism infrastructure or because complementary projects had not been implemented;
- lack of effective marketing and tourist information; or

- o the supported infrastructure is used primarily by the local community (one example is described in [Box 5](#)).

Box 5 – Example of completed Polish project which was ineffective in fostering tourism in the region because it is used primarily by the local community

A project involved the construction of a recreation and leisure centre in a village, close to a recently created artificial lake in Poland. The centre was built around an existing football stadium, and the works included construction of a number of outdoor sports and leisure facilities, as well as renovation and extension work on an existing building, to include a recreational room, a reading room, a tourist information point and changing rooms for users of the sports facilities.

The project is a one-off, isolated investment: it was included in the development plan for the nearby lake, but almost no other projects set out in the plan have been implemented, and there is scarcely any tourism infrastructure around the lake. The project mostly benefits the local community, and has only limited impact in supporting tourism development. Its only clear tourism component – a tourist information point – does not operate actively: it does not run a website or publish any online information.

The Commission’ guidance included effectiveness and sustainability of tourism investments, but several aspects were not dealt with

57 We examined whether the Commission issued guidelines about the conditions for providing ERDF support for tourism investments and to help Member States in selecting and implementing tourism co-funded project which are effective and sustainable.

58 In 2014, DG REGIO issued specific thematic guidance³⁰ on the conditions under which ERDF investments in the tourism sector might be assessed during the 2014-2020 period. This guidance was made available to the managing authorities in the Member States. In particular, the guidance included:

- o examples of relevant investments for the tourism sector relating to:
 - diversification of the tourism offer and the extension of the tourism season;
 - development of high value added tourism products or targeted to specific groups;
 - innovative services and digitalisation;

³⁰ Thematic Guidance Fiche for Desk Officers on Tourism, Version 2, 19.3.2014.

- o negative examples that represent significant risks for the effectiveness of the tourism projects, such as one-off or isolated projects; tourism investments that could lead to duplication of facilities or displacement effect; co-financing of five-star hotels or professional sports organisations;
- o the need to take into account the financial sustainability of the projects, as well as the spill-over effects of the investments, notably in terms of employment, or the economic activity outside the tourism seasons.

59 The Commission’s thematic guidance indicates that EU-funded tourism infrastructure projects should be embedded in relevant growth and/or development strategies, sustainable and cost-effective. However, the guidance did not sufficiently address the risk that neighbouring areas with the same (or similar) tourism potential do not have compatible strategies; that projects selected for EU support are not overlapping with other EU-funded projects nearby (which then reduces their sustainability); and that projects are properly maintained in the years after their completion. Our audit showed that some of these risks have materialised in a number of cases (see example in [Box 3](#)).

Monitoring of results: limited use of the common tourism indicator and not comprehensively covering all types of project results

60 The results of EU co-funded projects should be monitored based on relevant indicators. We reviewed the monitoring framework for tourism and, in particular, the indicators set out for tourism interventions in the ERDF Regulation. We also examined the monitoring arrangements applicable to the sampled projects.

Only one common output indicator for tourism during the 2014-2020 period

61 The ERDF legislation for the 2014-2020 period included one common output indicator for tourism³¹: “Increase in expected number of visits to supported sites of cultural or natural heritage and attractions” (unit: visits/year). The Commission has provided further details on the definition and measurement of this indicator as described in [Box 6](#).

³¹ Annex I to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

Box 6 – Common indicator for tourism (period 2014-2020)

Increase in expected number of visits to supported sites of cultural or natural heritage and attractions (unit: visits/year)

This indicator measures the ex-ante estimated increase in number of visits to a site in the year following project completion. It is valid for site improvements that aim to attract and accept visitors for sustainable tourism. It includes sites with or without previous tourism activity (e.g. natural parks or buildings converted to museum).

Source: DG REGIO's Guidance Document on Monitoring and Evaluation. Indicator 9 in page 22.

62 The Commission collects information about the use of the tourism common output indicator at OP level. This information includes the target defined in the OPs and the cumulative values achieved according to the annual implementation reports submitted by the managing authorities. According to the Commission, 16 of the 27 Member States use this common indicator for at least one of their ERDF OPs. In addition, Member States could make use of programme-specific indicators. There were however no common result indicators used during the 2014-2020 period.

63 For the 2021-2027 period, the ERDF legislative framework includes two common indicators related to tourism³²: “Culture and tourism sites supported” (as an output indicator) and “Visitors of culture and tourism sites supported” (as a result indicator). The latter indicator is similar to the one used in the previous programme period but has now been classified more appropriately as a result indicator.

The common indicator for the 2014-2020 period did not allow to measure all types of project results

64 The common output indicator that focuses on the increase in the number of visitors does not allow to measure in all cases the intended achievements of the projects, even though they were stated in the project proposal. For instance, tourism projects may target the reduction of seasonality, the increase of tourism expenditure, the creation of new tourism business or the reduction of the environmental impact of tourism sites and facilities. Therefore, on the basis of the monitoring information alone, the results of the ERDF funding of tourism investments cannot be

³² Annex I, Table 1 of Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and the Cohesion Fund.

comprehensively assessed. We note that the ex-post evaluation of the ERDF support for the 2014-2020 period due by the end of 2024³³ should allow the Commission to evaluate the impact of its funding on the EU's tourism sector during that period. Moreover, a mid-term evaluation for the 2021-2027 period is planned also by the end of 2024³⁴.

The Commission has put in place actions to mitigate the impact of the COVID-19 pandemic on the EU's tourism sector

65 We analysed whether the Commission had put forward measures and proposals to mitigate the impact of the COVID-19 pandemic on the EU tourism sector and foster its recovery in time for the summer 2021.

66 In May 2020, the Commission proposed a set of guidelines and recommendations with a specific impact on tourism³⁵ (see also paragraph **40**). This included:

- a common approach to restoring free movement and lifting restrictions at EU internal borders;
- a framework to support the gradual restarting of transport services while ensuring the safety of passengers and personnel;
- criteria for restoring tourism activities safely and gradually and for developing health protocols for hospitality establishments such as hotels.

³³ Article 57 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Structural and Investment Funds.

³⁴ Article 45 of Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

³⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Tourism and transport in 2020 and beyond, COM(2020) 550 final of 13.5.2020.

67 In addition, in June 2020, the Commission launched the website “Re-open EU” which provides information about the travel restrictions and sanitary requirements in force in each Member State.

68 Since November 2020, the Commission already supported the work of Member States on certificates in the eHealth Network, a voluntary network connecting national authorities responsible for eHealth. The first guidelines were published in January 2021. At the end of May 2021, the Commission proposed³⁶ to update the Council Recommendation³⁷ on the coordination of free movement restrictions in the EU, setting out clear rules on the conditions to lift travel restrictions to persons who are holders of an EU Digital COVID Certificate.

69 In June 2021, the European Parliament and the Council reached an agreement about this certificate to be implemented from 1 July 2021 under the name “EU Digital COVID Certificate”. The Regulation will apply for 12 months, but its duration can be extended (see **Box 7**).

Box 7 – The EU Digital COVID Certificate – some background information

The EU Digital COVID Certificate system covers three different types of COVID-19 certificates: a vaccination certificate, a test certificate, and a certificate of recovery. All EU citizens and their family members, as well as non-EU nationals legally staying or residing in the Member States and who have the right to travel to other Member States, would be eligible to receive such certificates free of charge. The EU certificate only includes a minimum set of information necessary to confirm and verify the holder's vaccination, testing or recovery status. A common design template³⁸ was developed with Member States to facilitate the recognition of EU COVID Certificates issued in paper format. The certificate is issued by and can be used across all EU Member States as well as in Iceland, Switzerland, Liechtenstein and Norway.

³⁶ Proposal for a Council Recommendation amending Council Recommendation (EU) 2020/1475 of 13 October 2020 on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic. COM(2021) 294 final.

³⁷ Council Recommendation (EU) 2020/1475 of 13 October 2020 on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic.

³⁸ https://ec.europa.eu/health/sites/default/files/ehealth/docs/covid-certificate_paper_guidelines_en.pdf

70 By adopting this Regulation, Member States have agreed to refrain from imposing additional travel restrictions on the holders of an EU Digital COVID Certificate, unless they are necessary and proportionate to safeguard public health. In such a case, the Member State must inform the Commission and all other Member States in a timely manner and provide reasons for such new measures.

71 During the summer of 2021 this certificate has been used by EU citizens as documentary evidence to be granted free movement and access to, for instance, cultural and sport events, restaurants and recreational facilities. Until mid-October 2021 an estimated 591 million³⁹ certificates were issued.

72 These Commission's initiatives were essential to restore intra-EU travel and tourism activities during the summer of 2021. Representatives of the national authorities in the four Member States covered by this audit, the international tourism organisations and the tourism industry we consulted in the course of our audit were also positive about the Commission's proposals and the measures it implemented to mitigate the impact of the COVID-19 pandemic on the tourism sector.

³⁹ Report from the Commission to the European Parliament and to the Council pursuant to Article 16(1) of Regulation (EU) 2021/953 of the European Parliament and of the Council on a framework for the issuance, verification and acceptance of interoperable COVID-19 vaccination, test and recovery certificates (EU Digital COVID Certificate) to facilitate free movement during the COVID-19 pandemic, COM(2021) 649 final of 18.10.2021.

Conclusions and recommendations

73 Overall, our audit found that the Commission's actions in supporting the EU's tourism industry during the 2014-2020 period were partially effective.

74 The Commission set out the EU's current tourism strategy back in 2010. Since 2015, and until the COVID-19 pandemic, the Commission has revised the EU's tourism priorities in the context of broader policy strategies, but without setting out an action plan to support their implementation. Moreover, the Commission's strategy also did not specify how Member States and its own directorates-general should make use of the available EU funding to achieve these priorities. The Commission has initiated forward-looking actions towards defining a tourism agenda for 2030, which is a step in the right direction. Still, this has yet to be materialised into a post-COVID strategy and action plan with medium- and long-term objectives, as well as with effective governance arrangements and adequate resources (see paragraphs [30-43](#)).

Recommendation 1 – Set out a new strategy for the EU tourism ecosystem, which explicitly aims at supporting investments that contribute to a more sustainable form of tourism

In order to develop an effective tourism agenda for 2030, the Commission should set out a consolidated new strategy for the EU tourism ecosystem. This strategy, to be developed in cooperation with the Member States, should address the EU's objective of a greener and more sustainable tourism and how to address the consequences of the COVID-19 pandemic. The strategy should specify the necessary actions and timeline and take account of how the available EU funding (including through the Recovery and Resilience Facility) is being used for tourism investments that contribute to achieving these objectives.

Timeframe: By mid-2022.

75 The ERDF operational programmes took the existing EU, national and regional tourism strategies into account when designing and targeting investment priorities for tourism (see paragraphs [44-48](#)).

76 Our analysis of ERDF projects on tourism found mixed results: some projects were sustainable and contributed to fostering tourism activity in the region; others had only a limited impact. In several cases, shortcomings in the initial project planning and

needs assessments as well as at the project selection stage resulted in reductions in project scope, delays and cost overruns during project implementation. The Commission's guidance on how to use ERDF funding for tourism was useful but some relevant aspects had not been sufficiently addressed (see paragraphs [49-59](#)).

Recommendation 2 – Encourage Member States to apply selection procedures for ERDF-funded tourism investments to support this new strategic orientation

The Commission should encourage Member States to adopt project selection procedures that help steering the ERDF financial support to tourism projects which:

- are supported by adequate demand analysis and needs assessments to limit the risk of ineffectiveness;
- are coordinated with projects in neighbouring areas, avoiding overlap and competition;
- have an impact beyond the project itself on stimulating tourism activity in the region; and
- are sustainable and will be properly maintained in the years after their completion.

Timeframe: In time for the implementation of programmes in the 2021-2027 period and, by end-2022 at the latest upon the availability of the strategy.

77 The ERDF legislation for the 2014-2020 period included one common output indicator for tourism investments funded by the ERDF. In addition, Member States could make use of programme-specific indicators. There were however no common results indicators used during the 2014-2020 period. The common output indicator does not allow to measure in all cases the intended achievements of the projects, even though they were stated in the project proposal. The Commission has to carry out an ex-post evaluation of the ERDF support for the 2014-2020 period by the end of 2024 (see paragraphs [60-64](#)).

78 The EU's tourism sector has suffered an unprecedented shock following the COVID-19 pandemic. The Commission has put forward measures and proposals to mitigate the impact of this crisis on the EU's tourism industry. In particular, the EU Digital COVID Certificate has been essential in restoring intra-EU travel in time for the summer of 2021 (see paragraphs [65-72](#)).

This Report was adopted by Chamber II, headed by Mrs Iliana Ivanova, Member of the Court of Auditors, in Luxembourg on 10 November 2021.

For the Court of Auditors

Klaus-Heiner Lehne
President

Annexes

Annex I – EU funding sources for tourism

Overview of EU funding sources for tourism in the 2014-2020 and 2021-2027 periods and types of actions supported

2014-2020 period	2021-2027 period
<p>1. European Fund for Strategic Investments (EFSI)</p> <p>Travel infrastructures (regional airports, ports...); energy efficiency of hotels and tourism resorts; revitalisation of brown fields for recreational purposes; tourism SME financing agreements; “Investment platforms” dedicated to tourism.</p>	<p>1. Recovery and Resilience Facility (RFF)</p> <p>As defined in the National Recovery and Resilience Plans</p>
<p>2. European Regional Development Fund and Cohesion Fund (ERDF/CF)</p> <p>ERDF: Tourism-related RTD&I and ICT products; innovative tourism services; protection, promotion and development of natural and cultural tourism assets and related services; small-scale cultural and sustainable tourism infrastructure; vocational training, skills upgrading. CF: Depend on needs of each eligible MS, as defined in their OPs.</p>	<p>2. European Regional Development Fund and Cohesion Fund (ERDF/CF)</p> <p>ERDF: Investments to strengthen the environmental, socioeconomic sustainability and resilience of tourism in the long term, transforming the sector by learning from innovative solutions; CF: tourism-related investments in environment and in the trans-European transport networks, in particular in regions with an economy heavily dependent on tourism</p>
<p>3. European Social Fund (ESF)</p> <p>Training workers to help companies having to cope with restructuring or a lack of qualified workers; training people in difficulty and those from disadvantaged groups to get better skills and jobs; supporting mutual learning, establishing networks, and disseminating and promoting good practices and methodologies in the domain of social innovation</p>	<p>3. European Social Fund Plus (ESF+)</p> <p>Actions to support youth employment measures; accompanying the green and digital transitions by driving investment in jobs and skilling opportunities</p>

2014-2020 period	2021-2027 period
<p>4. European Agricultural Fund for Rural Development (EAFRD)</p>	<p>4. European Agricultural Fund for Rural Development (EAFRD)</p>
<p>Vocational training and skills acquisition, demonstration activities and information actions; advisory services to help farmers, forest holders, other land managers and SMEs in rural areas to improve their economic performance; business start-ups and investments for non-agricultural activities in rural areas; drawing-up and updating plans for the development of municipalities and villages in rural areas; investments for public use in recreational infrastructure, tourist information and small-scale tourism infrastructure; studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high natural value sites, and environmental awareness actions; creation of clusters and networks.</p>	<p>Tourism-related investments included in the national Common Agricultural Policy strategic plans</p>
<p>5. European Maritime, Fisheries and Aquaculture Fund (EMFF)</p>	<p>5. European Maritime, Fisheries and Aquaculture Fund (EMFF)</p>
<p>Studies; projects, including test projects and cooperation projects; conferences, seminars, workshops; public information and sharing best practice, awareness raising campaigns and associated communication and dissemination activities; professional training, life-long learning and the acquisition of new professional skills enabling professionals of the fisheries sector or their life partners to enter into tourism activities or to carry out complementary activities in the field of tourism</p>	<p>Tourism-related projects such as eco-tourism, pesca-tourism, local gastronomy (fish and seafood restaurants), accommodation, tourist trails, diving, as well as supporting local partnerships in coastal tourism</p>
<p>6. LIFE Programme</p>	<p>6. LIFE Programme</p>
<p>Grants for “traditional projects”: pilot projects, demonstration projects, best-practice projects and information, awareness and dissemination projects</p>	<p>Tourism-related environmentally sustainable projects, especially those mitigating CO2 emissions through energy efficiency or renewable energy; projects that “marry” climate adaptation measures with tourism</p>
<p>Natural Capital Financing Facility - loans and/or bank guarantees for green infrastructures and other types of upfront investment foreseen in revenue-generating or cost-saving pilot projects, e.g. payments for ecosystem services, pro-diversity and adaptation businesses</p>	
<p>Private Financing for Energy Efficiency instrument - loans and/or bank guarantees for small energy efficiency investments</p>	

2014-2020 period	2021-2027 period
7. Horizon 2020	7. Horizon Europe
Marie Curie Actions - Individual Fellowships; Innovative Training Networks; Research and Innovation Staff Exchange	The development of new approaches, concepts and practices for sustainable, accessible and inclusive cultural tourism (Cluster 2 research activities)
Leadership in Enabling and Industrial Technologies - Innovation Actions - innovative ICT products, tools, applications & services for the cultural and creative sectors; coordination and Support Actions - non-research activities such as disseminating results and promoting the use of ICT-driven innovation thanks to a sustainable network of 'multipliers'	
Reflective - Research & Innovation Actions, Innovation Actions, Coordination and Support Actions on transmission of European cultural heritage, the preservation of European coastal and maritime cultural landscapes, digital cultural assets and virtual museums, 3D modelling of cultural heritage and innovative models for re-use of cultural heritage	
SME instrument - Assessment of the technical and commercial feasibility of an innovative concept and development of a business plan; support of the development and demonstration phases; facilitating access to risk finance	
8. Creative Europe Programme	8. Creative Europe Programme
Transnational activities within and outside of the EU, aimed at developing, creating, producing, disseminating and preserving goods and services which embody cultural, artistic or other creative expressions	European Capitals of Culture scheme; cooperation projects or platforms, including cultural events in the form of music or performing arts festivals; film festivals and markets; city branding through culture; development of the creative aspects of sustainable cultural tourism, the design and fashion sectors, and the promotion and representation of those sectors outside the EU
9. Erasmus+	9. Erasmus+
Learning opportunities for individuals through Mobility Projects for Higher Education Students and Staff; loan guarantee scheme to help Master's degree students financing their studies abroad; Mobility Projects for VET Learners and Staff	Projects covering mobility, developing competence and employability of young people in tourism, digital skills in cultural heritage, learning hospitality, and tourism research innovation

2014-2020 period	2021-2027 period
Cooperation between educational institutions, businesses, local and regional authorities and NGOs, mainly through Joint Master Degrees	
Strategic Partnerships / Knowledge Alliances / Sector Skills Alliances; not-for profit European sport events encouraging participation in sport and physical activity	
10. Competitiveness of Small and Medium Enterprises (COSME)	10. Just Transition Fund
Access - Transactions or investments for the development of legitimate SME activities	
Tourism - Development and/or promotion of sustainable transnational thematic tourism products; development and/or promotion of niche products exploiting synergies between tourism and creative industries at European level; transnational public and private partnerships developing tourism products targeting specific age groups to increase tourism flows between European countries during the low and medium seasons; capacity building schemes for "accessible tourism"	Tourism SMEs: investments in fixed capital or immaterial assets. Supporting diversification of economic activity, creating new business opportunities and helping people adapt to a changing labour market
Exchange scheme for young entrepreneurs	
11. Employment and Social Innovation (EaSI)	11. Digital Europe Programme
Progress - Analytical work useful for policy-making, social innovation and social policy experimentation	
EURES - Supports workers' mobility and helps companies recruiting in another European country via targeted mobility schemes	
Financial support for setting up or development of small businesses / social enterprises	Creation of data spaces: the European Common Data Space for Cultural Heritage - support to the digital transformation of Europe's cultural heritage sector; creation of data spaces: mobility – support to inter-operability; Network of European Digital Innovation Hubs – support to tourism SMEs in digital transformation

2014-2020 period	2021-2027 period
12. Support from REACT-EU under the ERDF and ESF	12. Single Market Programme
Depending on the scope of support in each EU country or region. Examples include working capital and productive investments in SMEs, investments in green and digital transition or training of workers.	Improving the competitiveness of tourism sector enterprises, particularly SMEs, and supporting their access to markets.
	13. InvestEU
	Investments to strengthen tourism’s competitiveness, sustainability, and value chains; sustainable, innovative and digital measures, which could help reduce the sector’s climate and environmental footprint
	14. Support by European Bank for Reconstruction and Development (EBRD)
	Inclusive Tourism Framework – investments in hotels and tourism operators; Integrated Cultural Heritage Framework - projects located near or within a cultural heritage site, enhancing commercialisation, sustainable management and operation, connectivity and accessibility, quality and availability of amenities, of municipal infrastructure, as well as projects achieving backward linkages; Advice for Small Business programme – support to tourism SMEs through the EBRD’s network of advisers and consultants

Source: ECA, based on the Commission’s Guide on EU funding for the tourism sector (2014-2020) and the Commission’s Guide on EU funding for tourism for 2021-2027.

Annex II – OPs selected and number of sampled projects per OP

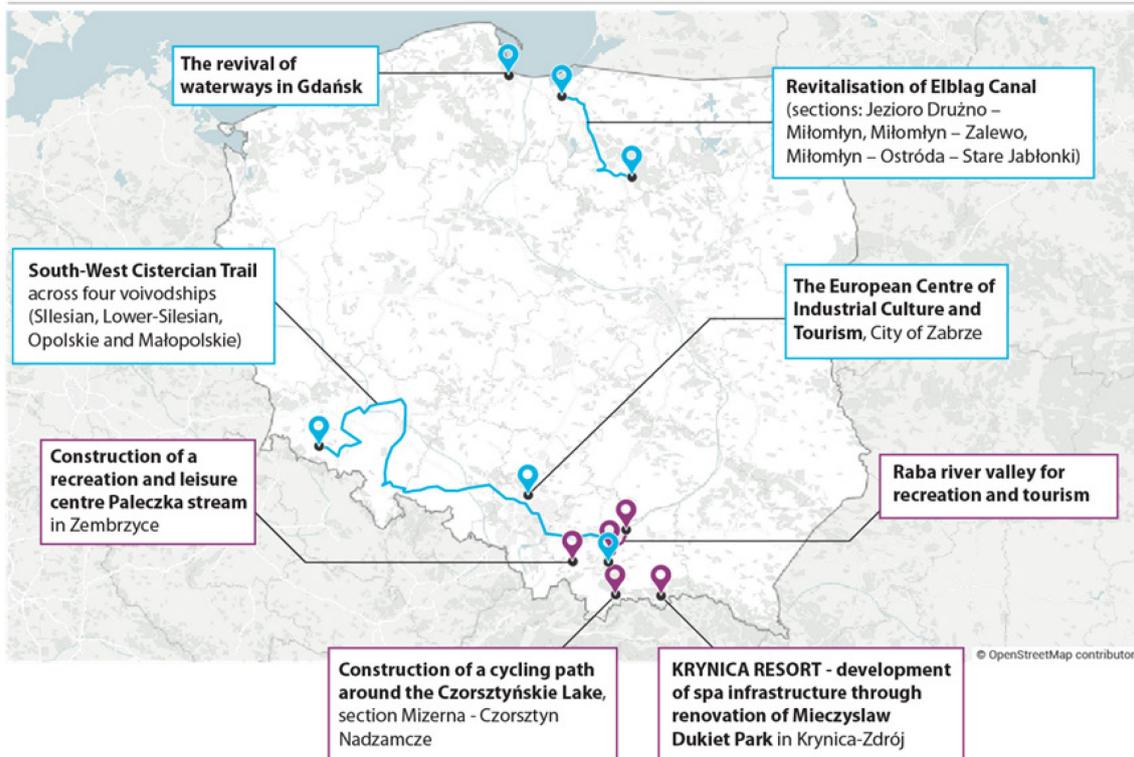
Member State	ERDF Operational Programme MFF 2014-2020	Number of sampled projects selected
Hungary	Economic Development and Innovation	5
Poland	Małopolskie Voivodeship	4
Spain	Andalucía	4
Romania	Integrated Regional Programme	4

Member State	ERDF Operational Programme MFF 2007-2013	Number of sampled completed projects selected
Hungary	North Hungary	3
Poland	Innovative Economy	4
Spain	Andalucía	4
Romania	Regional Operational Programme	4

Annex III – Projects reviewed for this audit

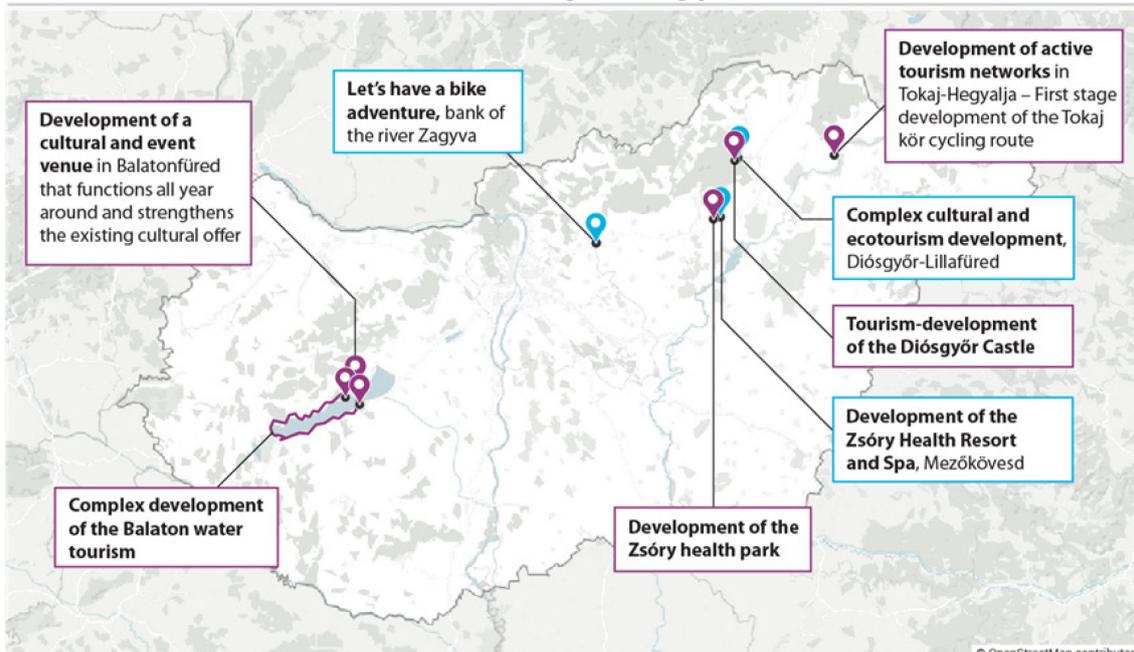
POLAND

Programming period: ● 2007-2013 ● 2014-2020



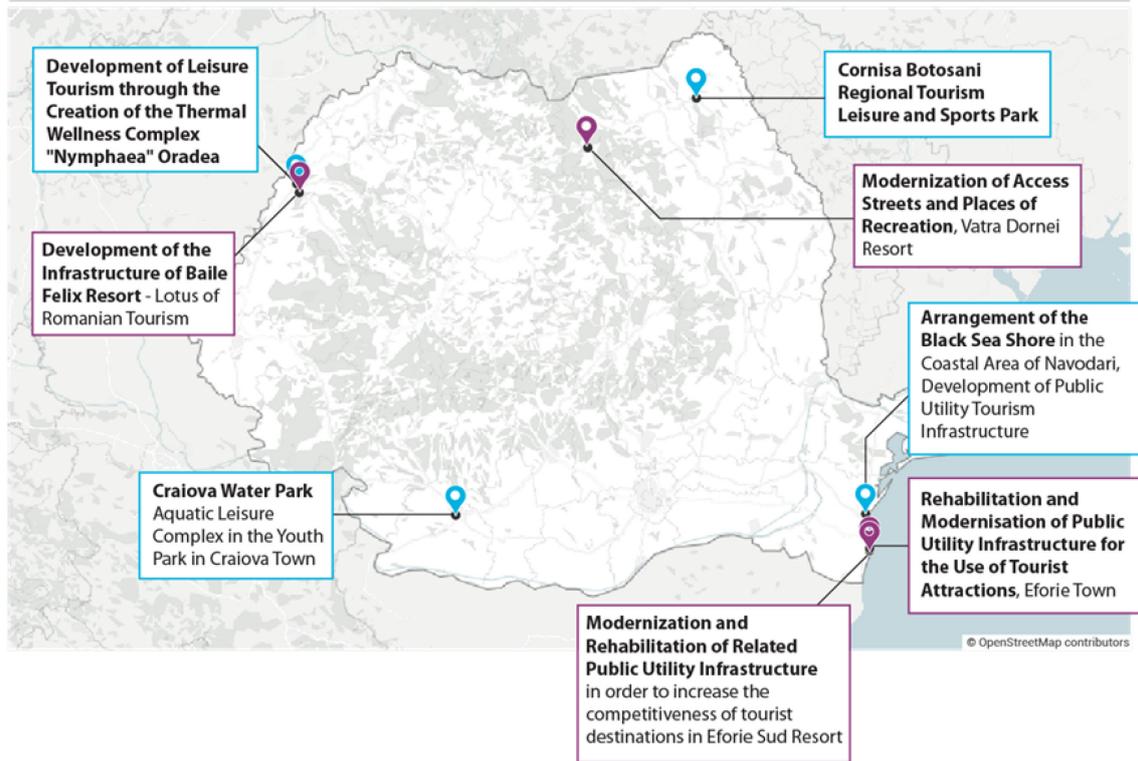
HUNGARY

Programming period: ● 2007-2013 ● 2014-2020



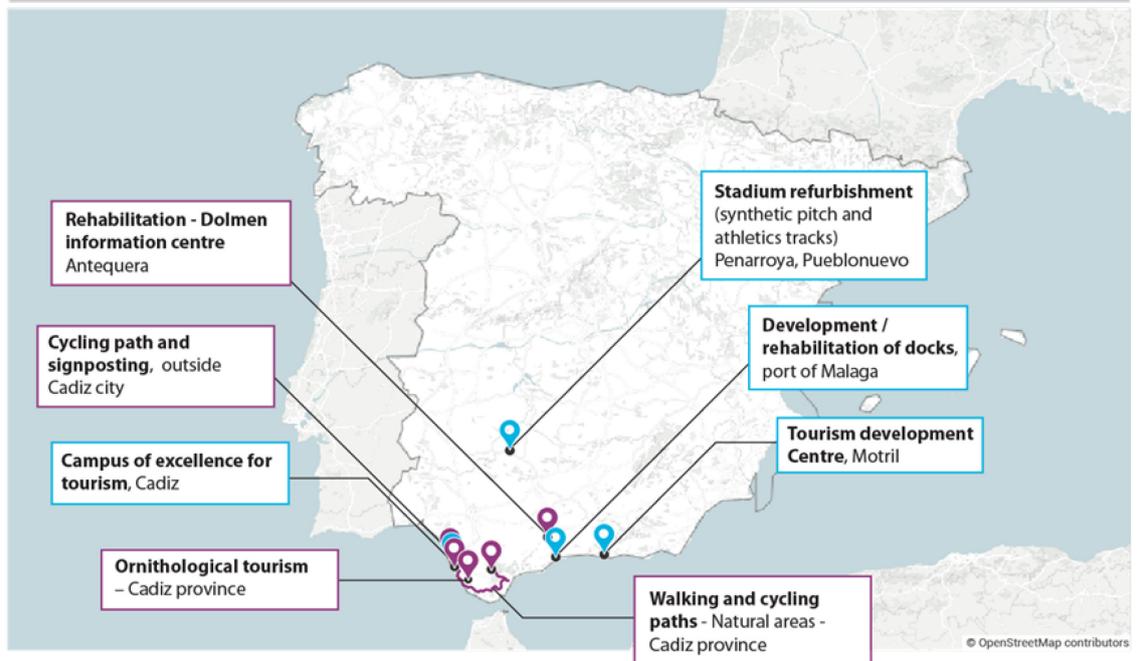
ROMANIA

Programming period: ● 2007-2013 ● 2014-2020



SPAIN

Programming period: ● 2007-2013 ● 2014-2020



Annex IV – Inventory of national tourism strategies

No.	Member State	National tourism strategies	Timeframe
1	Austria	Plan T – Master Plan for Tourism	2019-n/a ¹
2	Belgium	No national strategy exists. Tourism is managed at regional level (Flanders, Wallonia and Brussels)	n/a
3	Bulgaria	National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria to 2030	2018-2030
4	Croatia	Tourism Development Strategy 2020	2013-2020
5	Cyprus	National Tourism Strategy 2030	2020-2030
6	Czech Rep.	National Tourism Policy 2014-20	2014-2020
7	Denmark	National Tourism Strategy	2016-2025
8	Estonia	National Tourism Development Plan 2014-20	2014-2020
9	Finland	Tourism Strategy 2019-28	2019-2028
10	France	Inter-Ministerial Tourism Council, established in 2017, set a roadmap for tourism development around six priority areas. No formal strategy document exists	n/a
11	Germany	Principles for a national tourism strategy were adopted in 2019. An action plan has been adopted on 23.6.2021	n/a
12	Greece	National Strategic Reference Framework for the Tourism Sector	2014-2020
13	Hungary	National Tourism Development Strategy 2030	2016-2030
14	Ireland	People, Place and Policy: Growing Tourism to 2025	2015-2025
15	Italy	National Strategic Plan for Tourism 2017-2022	2017-2022
16	Lithuania	Tourism Development Programme 2014-20	2014-2020
17	Latvia	Tourism Development Guidelines for 2014-20	2014-2020
18	Luxembourg	Strategic Framework for the Development of the Tourism Sector 2018-22	2018-2022
19	Malta	National Tourism Policy for 2015-20	2015-2020
20	Netherlands	Perspective Destination Netherlands 2030	2019-2030
21	Poland	Tourism Development Programme until 2020	2015-2020
22	Portugal	Tourism Strategy 2027	2017-2027
23	Romania	Tourism Investment Master Plan and two sectorial strategies: the National Eco-Tourism Strategy and the National Spa Tourism Strategy. A national tourism strategy is under development	n/a
24	Slovakia	Tourism Development Strategy until 2020	2013-2020

No.	Member State	National tourism strategies	Timeframe
25	Slovenia	Strategy for the sustainable growth of Slovene tourism 2017-21	2017-2021
26	Spain	Plan del Turismo Español Horizonte 2020	2008-2020
27	Sweden	National tourism strategy is being developed	n/a

¹ Adopted in 2019. Timeframe not specified in the document.

Source: ECA, based on OECD Tourism Trends and Policies 2020 and own research.

Acronyms and abbreviations

CF: Cohesion Fund

DG GROW: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

DG REGIO: Directorate-General for Regional and Urban Policy

ECA: European Court of Auditors

ECTAA: European Travel Agents' and Tour Operators' Association

ERDF: European Regional Development Fund

ESIF: European Structural and Investment Funds

ETC: European Travel Commission

GDP: Gross Domestic Product

MFF: Multiannual Financial Framework

NECSTour: European Regions for Sustainable and Competitive Tourism

NRRP: National Recovery and Resilience Plan

OECD: Organisation for Economic Co-operation and Development

OP: Operational Programme

RRF: Recovery and Resilience Facility

SMEs: Small and medium-size enterprises

TAC: Tourism Advisory Committee

TFEU: Treaty on the Functioning of the European Union

UNWTO: The United Nations' World Tourism Organization

WTTC: The World Travel & Tourism Council

Glossary

Cohesion Fund (CF): An EU fund for reducing economic and social disparities in the EU by funding investments in Member States where the gross national income per inhabitant is less than 90 % of the EU average.

European Regional Development Fund (ERDF): An EU fund that strengthens economic and social cohesion in the EU by financing investments that reduce imbalances between regions.

Intervention code: The broad categories of interventions included in the ERDF legislation and used by the managing authorities of the operational programmes to identify the content of actions to be financed for achieving their thematic objectives.

Managing authority: The national, regional or local authority (public or private) designated by a Member State to manage an EU-funded programme.

Multiannual Financial Framework (MFF): The EU's spending plan setting priorities (based on policy objectives) and ceilings, under six main headings, generally for seven years. It provides the structure within which annual EU budgets are set, limiting spending for each category of expenditure. The current MFF covers the period 2021-2027.

Operational programme (OP): The basic framework for implementing EU-funded cohesion projects in a set period, reflecting the priorities and objectives laid down in partnership agreements between the Commission and individual Member States.

Partnership agreement (PA): An agreement between the Commission and a Member State in the context of an EU spending programme, setting out, for example, strategic plans, investment priorities or the terms of trade or development aid provision.

Recovery and Resilience Facility (RRF): The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and stimulate recovery in the mid-term, while promoting green and digital transformation. The RRF is implemented through the National Recovery and Resilience Plans.

Thematic objective (TO): The intended overall result of an investment priority, broken down into specific objectives for implementation purposes.

Tourism ecosystem: A globalised and interconnected value chain comprising off-line and on-line information and services providers (tourist offices, digital platforms, travel technology providers), travel agents and tour operators, accommodation suppliers, destination managing organisations, attractions and passenger transport activities.

Tourism sector: The tourism sector covers a broad group of economic activities: transport services that facilitate the movement of people, travel agencies and tour operators; accommodation; restaurant and catering services; cultural, sport and recreational facilities; local tourism goods and services.

Replies of the Commission

<https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=60287>

Timeline

<https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=60287>

Audit team

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This performance audit was carried out by Audit Chamber II Investment for cohesion, growth and inclusion spending areas, headed by ECA Member Iliana Ivanova. The audit was led by ECA Member Pietro Russo, supported by Chiara Cipriani, Head of Private Office and Benjamin Jakob, Private Office Attaché; Pietro Puricella, Principal Manager; Luis de la Fuente Layos, Head of Task; Luc T'Joen, Janka Nagy-Babos, Katarzyna Solarek, Andras Augustin Feher, and Francisco Carretero, Auditors.



Back row from left to right: Luc T'Joen, Chiara Cipriani, Francisco Carretero and Benjamin Jakob

Front row from left to right: Pietro Puricella, Pietro Russo, Luis de la Fuente Layos and Katarzyna Solarek

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Tourism is a key economic sector in the EU. The COVID-19 pandemic has had a dramatic, and unprecedented impact on the tourism sector sharply reducing tourism flows and thus the revenues of tourism-related businesses. Beyond this immediate shock, the tourism sector is facing other, more long-term challenges related to its green and digital transformation, its competitiveness, its sustainability and its resilience.

The Commission defined its current EU's tourism strategy back in 2010. Since 2015, and until the COVID-19 pandemic, the Commission has revised tourism priorities in the context of broader policy strategies, but it did not translate these priorities into a concrete action plan to support their implementation. As a reaction to the dramatic impact of the COVID-19 pandemic on the EU's tourism sector, the Commission initiated actions towards the definition of a tourism agenda for 2030. Our analysis of ERDF projects on tourism found mixed results: some projects were sustainable and contributed to fostering tourism activity in the region; others had only a limited impact. In several cases, shortcomings in the initial project planning and needs assessments as well as at the project selection stage resulted in reductions in the project scope, delays and cost overruns during project implementation. The Commission has put forward measures to mitigate the impact of the COVID-19 crisis on the EU's tourism industry.

We recommend that the Commission should set out a new EU tourism strategy. It should also encourage Member States to apply selection procedures for ERDF-funded tourism investments to support this new strategic orientation.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.



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