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REPORT ON

COMMUNITY MEASURES AFFECTING TOURISM (2000)

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I. INTRODUCTION

Although not providing a legal basis for a specific Community tourism policy, Article 3(1)(u) of the current Treaty establishing the European Community refers to 'measures in the sphere of tourism' as part of the Community activities. This report, presented in accordance with Article 5 of Council Decision 92/421/EEC of 13 July 1992 on Community actions to assist tourism¹, presents an overview of Community measures affecting tourism undertaken in the year 2000. It should be seen as a continuation of the previous reports of this kind².

In the year 2000, there was a major emphasis on the subject of Tourism and Employment (see in particular Chapter 2.1). This process was marked by the follow-up given to the Conclusions adopted by the Council of (Internal Market) Ministers of 21 June 1999, in co-operation of the European Commission and the Member States³. The work undertaken so far was endorsed at a special Seminar of Tourism Ministers organised by the French Council Presidency on 22 November 2000 at Lille and was presented to the Internal Market Council of 30 November 2000.

As for previous periods, most of the activities described in this report have been implemented within the framework of a wide range of Community policies and programmes which, while not specifically designed in terms of tourism objectives, have nevertheless an important influence on the development of the tourism industry, on the interests of tourists, and on the exploitation and preservation of the assets which are utilised by tourism.

Without going into excessive detail, this report tries to give a general overview in this respect. It is structured according to major fields of activity, i.e.

- Tourism and Community economic policies
- Enhancing Europe's Potential for tourism
- Economic and social cohesion linked to tourism development
- Tourists' interests
- International Dimension of Tourism

The report provides detailed information in addition to the data and trends in the Commission communication of 13 November 2001 *Working together for the future of European tourism*⁴. It is also a tool for measuring the integration of the concerns of all tourism stakeholders in Community policies and initiatives affecting the sector. Furthermore, one of the conclusions of the Commission's report on the severe impact of the events of 11 September 2001 on the tourism sector⁵ is the confirmed need to ensure that the effects of policy measures in the relevant Community policy areas on tourism, are to be taken into account during their

¹ OJ L 231 of 13.8.1992, p. 26.

² COM(1994) 74 final of 6.4.1994, COM(1996) 29 final of 5.2.1996, COM(1997) 332 final of 2.7.1997, COM(2001) 171 final of 28.3.2001.

³ See: Progress report on the follow-up to the conclusions of the Council on Tourism and Employment, COM(2000) 696 final of 7.11.2000.

⁴ COM(2001) 665 final, in particular its Chapter II.1.

⁵ *Follow-up of the European Council of 21 September: the situation in the European tourism sector*, COM(2001) 668 final of 13.11.2001.

development.

Tourism facts and figures for 2000

Strong global economy and special events held to commemorate the new millennium caused world tourism to grow by an estimated more than 7 % in 2000, its highest growth rate in nearly a decade and almost double the increase of 1999. European tourism, which accounts for nearly 60 % of international tourism, recorded a more than 6 % growth, resulting in about 400 million cross-border arrivals⁶.

The seasonal trends over the period 1998 and 1999 indicated continued growth in tourism in the EU countries, both in terms of guest flows in hotels and similar establishments and travel receipts and expenditures. Figures for the first six months of year 2000 indicate that this is likely to continue. When compared with the seasonal trends of 1999 in terms of nights spent in hotels and similar establishments, the figures for the first six months of 2000 indicate positive growth rates in many EU countries⁷.

When travelling, Europeans tend to remain within the continent, or even within their part of Europe. Less than 20 % of trips made by citizens of northern Europe⁸ had other continents as their destination. About one-third of all outbound trips of Western Europeans⁹ in 2000 were in the same part of Europe while a further 40 % of trips involved travel to the Mediterranean region. The share of other continents was just 12 %. As regards Mediterranean Europe, 36 % travelled within the region in 2000 and a further 38 % took a trip to a Western European destination. The share of long haul outbound travel was 13 %.

Holiday related trips and other leisure trips by Europeans counted for about 80 % in 2000, with business trips having generated the remaining 20 %. Comparing the year 2000 with 1999, a strong movement towards holidays involving no pre-bookings was registered, reaching nearly one-quarter of the total volume. Non-paid accommodation is estimated for more than 20 % of the accommodation used in all outbound trips during 2000.

For all cross-border trips, flying and road transport (cars and coach/bus) are the most popular modes of transport (together about 90 %), whereas railways transported only less than 10 % of all European cross-border tourists.

II. SUMMARY

The new strategic goal set by the spring 2000 Lisbon European Council, to make the European Union the most competitive and dynamic economy in the world is of particular importance for enterprise policy and for the tourism sector. To this end, the Commission has set out guidelines for a coherent framework, called 'Challenges for enterprise policy in the knowledge-driven economy'. The European Charter for Small Enterprises has also formed an important part of this policy, as has the multiannual programme for enterprise and entrepreneurship (2001-2005), and the scoreboard projects in the field of enterprise and innovation recommended by the Commission.

⁶ World Tourism Organisation, *Faits saillants 2001*.

⁷ Eurostat, *Statistics in Focus*, Theme 4, no.16/2001.

⁸ also including Ireland and the UK.

⁹ also including Germany and Austria.

The follow-up of the Council Conclusions of 21 June 1999 on **Tourism and Employment** constituted the main sector specific activity during the year 2000. The Commission and the Member States set up four working groups, each dealing with one of the four issues mentioned in the Council conclusions. These groups started working in February 2000 and delivered an interim report by summer. On 7 November 2000 the Commission adopted a progress report (COM(2000) 696 final) on the follow-up given to the conclusions of the Council on Tourism and Employment. Summarising the approach undertaken so far, this report considered the direction of future work which, in November 2001, led to the adoption of the Commission Communication on *Working together for the future of European tourism*.

To enhance Europe's potential for tourism, a number of activities, in addition to the work undertaken in the framework of the working groups, were carried out by different Commission services in the year 2000. Thus, for improved **exchange and dissemination of information**, Eurostat has, in co-operation with the World Tourism Organisation and OECD, drawn up a joint methodological reference for Tourism Satellite Accounts (TSA), which was adopted by the UN Statistical Committee in March 2000.

In the field of **training, up-grading skills and work force**, beside continuing the activities within programmes such as SOCRATES and LEONARDO which also benefit tourism relevant actions, the issue of social inequalities has been addressed at European level since 2000 in the framework of the open method of co-ordination to combat social exclusion and poverty. Building on the Lisbon European Council commitments, the Nice European Council adopted appropriate objectives on combating social exclusion and eliminating poverty.

As far as **improving the quality of tourist products** is concerned, the Commission published the results of three studies, which identify and promote best practice in the field of IQM (Integrated Quality Management) in tourist destinations, focussing on urban, rural and coastal areas. These three publications provide a practical tool for destination managers who want to develop an IQM approach for their areas

In the field of **environment and sustainable development**, work continued on specific projects to promote eco-efficiency techniques and to develop tools and indicators for evaluating the impact of policy measures and environmental projects on competitiveness and innovation. A specific study was launched to define indicators for assessing the degree to which sustainable development has been incorporated into enterprise policy.

Relating to **innovation and tourism**, tourism is one of the application areas addressed in the Key Action 1 "Systems and Services for the Citizen" of the Information Society Technologies (IST) research and development programme. In the year 2000 ten new RTD projects were launched in the tourism sector of Key Action 1, and seven projects closely related to tourism were launched in other parts of the IST programme.

The year 2000 saw the start of implementation of the **Structural Funds** for the new period 2000-2006. The guidelines recognise tourism as a leading growth industry, in terms of both output and employment creation, thus representing an important economic asset for a large number of regions, rural communities and cities in the Union. A balanced and sustainable development of tourism should be supported in particular through:

- the modernisation of tourism-related infrastructures and the improvement of their efficiency,
- upgrading skills and professional profiles in order to respond better to the expectations of tourists and the needs of the industry,

- encouraging business-to-business partnerships, public- private cooperation and networking in order to improve the integration of the different services involved in the 'tourism chain'.

This report mentions concrete examples of programmes launched in different Member States.

Business support activities were mainly based on the **Euro Info Centres (EIC)**. Particularly for the tourism sector, the Commission published online an Internet guide "EU Support for Tourism – An Internet Roadmap for the Tourism Sector"¹⁰ identifying relevant Community programmes, funds, initiatives, actions and instruments.

As regards **merger issues**, tourism market concentration continued in 2000. Several mergers affecting the markets for foreign package holidays, both short-haul and long-haul, were **notified under the EU regulation**.

Concerning actions directly affecting **tourists' interests**, in the year 2000, the Commission continued campaigning about the introduction of the euro and the preparations required for the final changeover to the euro at the beginning of 2002. Furthermore, the Commission's promotion of food safety and the protection of air passengers is of direct interest for tourists. The Commission also continued, during 2000, with its actions to fight against child sex tourism.

As regards **enlargement**, in the preparation for accession the Candidate countries are, among other things, transposing the *acquis* on tourism statistics into their national legislation. In the context of pre-accession instruments, tourism related projects were also financed.

Negotiations under the World Trade Organisation **General Agreement on Trade in Services (GATS)** also cover trade in tourism services. Since most WTO Members liberalised trade in tourism services, the level of commitments undertaken in this sector is particularly high. This recognises the positive impact of trade liberalisation in the tourism sector on national economies.

Regarding **EU development policy**, measures to support the tourism sector in the African, Caribbean and Pacific (ACP) countries were also included in the ACP-EU Partnership Agreement signed in Cotonou, on 23 June 2000, that covers relationships for the next twenty years.

1. TOURISM AND COMMUNITY ECONOMIC POLICIES

1.1. Enterprise policy favouring tourism business

The European Council, held on 23-24 March 2000 in Lisbon, set a new important strategic goal for the next decade: the Union should become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion.

This new strategic goal is of particular importance for enterprise policy. In its communication *Challenges for enterprise policy in the knowledge-driven economy*¹¹ the Commission has set out guidelines for a coherent framework to this end. Drawing up a charter for small businesses

¹⁰ http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/eu_schemes.htm.

¹¹ COM(2000) 256 of 16.4.2000.

has also formed an important part of this policy, as has the multiannual programme for enterprise and entrepreneurship (2001-2005), and the creation of the first innovation scoreboard and of an enterprise policy scoreboard¹².

The Feira European Council of 19 and 20 June approved the drafting of a European Charter for Small Enterprises¹³ and set out guidelines for aspects such as education in entrepreneurship, the need for better regulation and the reform of tax systems and financial services. Since tourism is a sector dominated by small and, in particular, micro-enterprises these guidelines are important steps.

On 5 December, the Council adopted conclusions on innovation as a factor of competitiveness, based on a set of documents prepared by the Commission¹⁴, and welcomed the European scoreboard projects in the field of innovation and enterprise recommended by the Commission¹⁵. The enterprise policy scoreboard comprises a set of performance indicators serving as a quantitative and qualitative benchmark for evaluating progress made with this policy.

On 20 December, the Council adopted a multiannual programme for enterprise and entrepreneurship, particularly SMEs (2001-2005)¹⁶ featuring a rigorous selection of actions based on an evaluation of the execution of former programmes, the budget being focused on business funding initiatives. Still in 2000, under the outgoing 3rd multiannual programme for SMEs, the Commission has contracted out three tourism-related studies¹⁷.

A new enterprise policy group¹⁸ was also set up, bringing together representatives of the business community and Member States. This enterprise policy group also includes a manager from the tourism sector.

Business support measures

On 18 May, the Council welcomed the Commission's report on concerted action on good practice in the field of business policy and support services with Member States¹⁹.

In 2000, the 273 Euro Info Centres (EIC) dealt with more than 450 000 requests for information and advice, and organised over 4 100 events (seminars, conferences, etc.), particularly on the subject of co-operation between businesses²⁰. The 230 EICs in the European Economic Area completed a euro awareness campaign among businesses that had started in early 1999. The end of the year saw all EICs participating in the launch of an awareness and information campaign on electronic commerce. Co-operation with the Commission's departments continued, with the EICs giving added value to the "Dialogue with business" website²¹ that gives businesses advice on how to certify their products or services,

¹² Further information under http://europa.eu.int/comm/enterprise/index_en.htm.

¹³ http://europa.eu.int/comm/enterprise/enterprise_policy/charter.htm.

¹⁴ SEC(2000) 1942; SEC(2000) 1823; SEC(2000) 1824; SEC(2000) 1825.

¹⁵ SEC(2000) 1841.

¹⁶ OJ L 333, 29.12.2000, p. 84.

¹⁷ Further information under

<http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/studies.htm>.

¹⁸ Decision 2000/690/EC (OJ L 285, 10.11.2000).

¹⁹ COM(1999) 569.

²⁰ <http://europa.eu.int/comm/enterprise/networks/eic/eic.html>.

²¹ <http://europa.eu.int/business>.

on bidding for public contracts or on EU funding opportunities. The website can also help to do business in the European Internal Market or to look for a business partner in the EU.

Concerning the other business support measures the Commission decided not to continue Community funding for "Europartenariat", "Interprise", "IBEX", the "Bureau de Rapprochement des Entreprises (BRE)" and the "Business Co-operation Network (BC-Net)".

Still with the support of the Commission, in September 2000 a "Sustainable Tourism Interprise 2000" took place in Oulu, Finland, which was highly valued by the participating enterprises. The main conclusions of this event confirm that quality management is the key to success on the international tourism market and, as a tool for the development of sustainable tourism, must be permanent, integrated and address environmental, economic, and socio-cultural issues together.

In May 2000, the Commission published on-line an Internet guide "EU Support for Tourism – An Internet Roadmap for the Tourism Sector"²² intended to help stakeholders in tourism to identify "horizontal", i.e. not sector-based, Community programmes, funds, initiatives, actions and instruments that are of potential relevance to tourism.

The Commission also launched an action to identify and promote external support services for small enterprises, micro-enterprises and sole proprietorships. In addition, it awarded four European prizes for "best young entrepreneur", collaborated in networks of so-called target group entrepreneurs (women, young people, minorities), joined forces with 20 EICs in organising a number of initiatives to help small businesses use the Internet ("SCREEN" project) and monitored the progress of the pilot projects launched since 1997.

Access to finance²³

The Commission continued with its Joint European venture (JEV) programme which, as part of the 'growth and employment' initiative, backs the founding of joint ventures bringing together enterprises from at least two Member States. This programme funds projects in all the Member States and in the EFTA members of the European Economic Area. After two years, over 100 projects have been approved, involving more than 200 SMEs. All sectors have been represented, from high technology through waste management to, notably, tourism.

In 2000, the Commission expanded the CREA operation (seed capital). It also continued to assist with the creation of networks of "business angels" and to co-operate with the European business angels network (EBAN). Operations to raise awareness of mutual guarantee companies and information how to set them up were stepped up.

On 19 June, the third round table of bankers and SMEs adopted its final report, which included a wealth of experience in the field of SME funding and recommendations to the European institutions. The fourth round table, devoted to SME access to financing in the 13 applicant countries, was launched on 30 November²⁴.

²² http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/eu_schemes.htm.

²³ <http://europa.eu.int/comm/enterprise/entrepreneurship/financing/index.htm>.

²⁴ http://europa.eu.int/comm/enterprise/entrepreneurship/financing/round_table.htm.

E-commerce

In order to encourage the adoption of electronic commerce and information and communication technologies by businesses, the Commission backed the initiatives launched by the European standardisation bodies (CEN/ISSS and ETSI) to create open and interoperable platforms, as well as the general initiatives launched pursuant to the directives on electronic signatures²⁵, the protection of personal data²⁶ or electronic commerce.

1.2. Other Community policies in the sphere of the economy

1.2.1 Competition issues and mergers

Competition policy is essential for the completion of the internal market. It prohibits company mergers leading to the creation or the strengthening of a dominant position and prevents firms from abusing a dominant position and from engaging in restrictive practices or agreements.

Market concentration continued in the tourism sector in 2000, and several mergers affecting the markets for foreign package holidays, both short-haul and long-haul, were notified under the EU Regulation .

The German company *Preussag (TUI)* notified three transactions to the Commission. Its acquisition of the UK based, vertically integrated *Thomson Travel Group* was cleared on condition that Preussag divested its interests in the British travel group *Thomas Cook Holdings Ltd*. This was necessary in order to resolve serious doubts as to the creation of a collective dominant position on the British market for short-haul foreign package holidays. Preussag's acquisitions of joint control of the French travel company *Nouvelles Frontières*, and of full control of the Austrian tour operator *GTT Holdings* were cleared because they did not cause competition problems on the national or regional markets involved. The acquisition of full control over the German tour operator *FTI* by the UK based tour operator *Airtours* was also cleared since its competitive impact on the markets concerned was not significant.

As far as procurement markets for accommodation are concerned, the Commission investigated, as appropriate to the particular characteristics of a notified case, the combined buying power of merging tour operators. In doing so the Commission paid particular attention to the combined share of accommodation purchased at individual holiday destinations, and to the views of the suppliers of hotel accommodation themselves. In the cases examined the Commission did not find evidence of dominance by merging tour operators in such accommodation procurement markets. But there is the clear tendency that package tour operators' purchasing power drives down the prices paid to the service providers in the destinations; this limits the possibilities of improving the quality of services offered.

²⁵ Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures, OJ L 13, 19.1.2000, p. 12.

²⁶ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. OJ L 281, 23.11.1995, p. 31.

1.2.2. State Aid

A list of Tourism state aid cases approved in the year 2000 is given in the Annex. Most new aid schemes containing measures in favour of tourism were assessed under the SMEs Guidelines²⁷.

In 2000 there were two decisions concerning large investment projects where SMEs received aid that was granted under an existing scheme and notified pursuant to the Multi-sectoral Framework on regional aid for large investment projects (MSF)²⁸ as the proposed aid exceeded EUR 50 million in non-reimbursable grants.

The two projects were developed by local investors under the aegis of the so-called "*contratti d'area*" (territorial contracts underpinned by a partnership between the public, the employers and the trade unions) with the purpose of injecting public aid into (a) a marina development project (aid to "Marina di Stabia SpA") and (b) hotel facilities (aid to *Villa Romana srl*).

The sea marina project of *Marina di Stabia* is being developed in the neighbourhood of Castellammare di Stabia (Gulf of Naples). The project also includes a three-star hotel with 220 double rooms, a dry dock for 161 craft and an area destined for services, commercial and leisure activities. The new marina will eventually have a capacity of 1 292 moorings and create around 515 new jobs, both directly (141) and indirectly (374). In financial terms, the project should pay off, as the promoter will have the direct management of the marina (moorings) and the hotel and lease the other facilities.

The hotel facilities of *Villa Romana* will be built near the archaeological site of Pompei-Ercolano (Naples). The four star hotel will have a capacity of 438 bedrooms (838 bed-places) and create around 480 new jobs, both directly (219) and indirectly (262).

In both cases, the development areas have partly encompassed disused industrial premises, with the objective of rescuing them from definitive decay and rehabilitating a deteriorated urban area. Both projects were deemed to be sufficiently labour-intensive and to have a positive regional impact (medium to high degree of indirect job creation for each job created by the aid recipient) in a sector characterised by a growing, often unsatisfied demand.

Based on Article 87(3)(a) of the EC Treaty, in both cases the Commission decided not to raise objections to the proposed aid as (a) the aid intensity was within the applicable regional ceiling for SMEs and (b) the impact on the EU market was deemed to be limited to the local basin.

On 4 August 2000, the Commission initiated proceedings under Article 88(2) for aid not notified by the province of Bolzano. The scheme, adopted under a provincial law of 4 March 1996, provided for aid of an intensity of 30 % to 90 %. In its decision to initiate proceedings, the Commission commented that as a general rule investment aid for mechanical lift firms constituted state aid within the meaning of Article 87(1) of the EC Treaty. Since commercial activities are involved, the Italian authorities maintained that the activity of mechanical lifts met the needs of transport coordination and the discharge of the obligations of a public service referred to in Article 73 of the Treaty. This point and, more generally, the question of the compatibility of the aid will be decided at the end of the procedure²⁹.

On 14 December 2000 the Commission took the decision not to raise objections to the aid notified by the region of Piemonte (IT). The region had allocated a budget the equivalent of around EUR 6 million, with interest-free loans over seven years, to help finance the

²⁷ Community guidelines on State aid for small and medium-sized enterprises, OJ C 213, 23.7.1996, p. 4.

²⁸ Multisectoral framework on regional aid for large investment projects, OJ C 107, 7.4.1998, p. 7.

²⁹ See 30th Report on competition policy 2000.

investments of small mechanical lift firms. Since the intensity of the aid was a maximum of 15 %, the scheme was deemed compatible with the Community framework of aid for SMEs by virtue of the derogation laid down in Article 87(3)(c) of the EC Treaty.

1.2.3. Internal Market and tourism

The measures adopted to ensure the functioning of the Internal Market that are most likely to have an impact on the tourism sector are those aiming to guarantee the free provision of services in general.

As a response to a specific request from the Lisbon European Council, in the context of making the EU the most competitive economy in the world, the Commission has launched a new strategy to improve the functioning of the Internal Market in services³⁰. The strategy sets out a two-stage approach to allow services to move across national borders as easily as within a Member State.

In June 2000, the Directive on electronic-commerce was adopted³¹. The Directive will ensure that Information Society services benefit from the Internal Market principles of free movement of services and freedom of establishment. It establishes a general legal framework for on-line services, such as those in the tourism sector, aiming to ensure that businesses and citizens can supply and receive Information Society services throughout the EU, irrespective of frontiers.

1.2.4. Fiscal policies and tourism

VAT

On 7 June 2000, the Commission adopted the communication on a strategy to improve the operation of VAT within the context of the Internal Market³².

According to Article 26 of the 6th VAT Directive³³ travel agents and tour operators are subject to a special taxation scheme. Due to reported technical problems the Commission envisages proposing some changes to the system in the near future (end 2001 - beginning 2002). The objective is to further harmonise the application of this special scheme in all Member States and to avoid tax evasion through inserting branches established in third countries in the supply of travel packages.

In principle the standard VAT rate is applicable in the tourism sector. However for services mentioned in Annex H of the 6th VAT Directive, such as passenger transport and hotel accommodation, Member States have the possibility of using a reduced rate.

With regards to domestic passenger transport, Article 9(2)(b) of the 6th VAT Directive determines that VAT is applicable having regard to the distances covered in the Member State. Some Member States may, however, continue to exempt passenger transport. The VAT application in Member States therefore shows strong deviations. The Commission intends to

³⁰ COM(2000) 888 final of 29.12.2000.

³¹ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

³² COM(2000) 348 final.

³³ Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax. OJ L 145, 13.6.1977, p. 1. See also OJ L 316, 31.10.1992, p. 12.

tackle some of these problems in the framework of its New VAT Strategy. This will be done in the coming years as part of an overall revision of the rules for the taxation of services and a rationalisation of the derogations and VAT rates.

The 1998 proposal for a Directive on the right to deduct VAT³⁴ continued to be discussed in the Council. This provides for VAT paid on expenditure for hotel and restaurant services when incurred for business reasons being deductible at a rate of 50 %.

Taxation of aircraft fuel

According to Article 8(1)(b) of Council Directive 92/81/EEC³⁵, on the harmonisation of the structures of excise duties on mineral oils, a compulsory exemption from the harmonised excise duty is granted for commercial aviation fuel. The Commission report of 1996 recommended extending to aviation kerosene the excise duties on mineral oil, as soon as the international legal situation allowed the Community to do so. A specific provision has been inserted in Article 13(1)(c) of the subsequent Commission proposal, providing for the continuation of the existing compulsory exemption from excise duty of energy products supplied for use as fuels for the purpose of commercial air navigation, for as long as such products are obliged to be exempted under international obligations. However, the proposed Directive, restructuring the Community framework for the taxation of Energy products would give Member States the possibility of limiting the scope of this exemption to international transport, making provision, under its Article 13(2), for optional taxation of national flights and, by bilateral agreements, of intra-Community flights. The proposal is still under discussion at Council level.

In June 2000, the Council endorsed the Commission communication "Taxation of aircraft fuel"³⁶, recommending that Member States should, in close co-operation with the Commission, intensify the work within the International Civil Aviation Organisation (ICAO) framework, to introduce taxation of aviation fuel and instruments with similar effects.

The European Parliament resolution of 13 January 2000 asked for an end to the preferential tax treatment enjoyed so far by air transport. It called on the Council to, inter alia, on one hand prepare the re-negotiation of the bilateral agreements governing the treatment of aviation fuel, and on the other hand to work energetically to ensure that a compromise is reached on the treatment of aviation fuel at the ICAO's 33rd Assembly in September 2001.

1.2.5. Employment and social policy

In the employment field, four key areas were identified at the Lisbon European Council:

- improving employability and reducing the skills gap;
- giving higher priority to lifelong learning as a basic component of the European social model, including by encouraging agreements between the social partners on innovation and lifelong learning;
- increasing employment in services;

³⁴ COM (1998) 377 final, OJ C 219, 15.7.1998, p. 16.

³⁵ OJ L 316, 31.10.1992, p. 12.

³⁶ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of Regions, "Taxation of aircraft fuel", COM(2000) 110 final, 2.3.2000, http://europa.eu.int/comm/taxation_customs/publications/official_doc/com/com.htm.

- furthering all aspects of equal opportunities, including reducing occupational segregation, and making it easier to reconcile working life and family life, in particular by setting a new benchmark for improved childcare provisions.

Overall targets of the Lisbon conclusions are modernising the European social model by investing in people, modernising social protection, and promoting social inclusion (by developing priority actions addressed to specific target groups, e.g. minority groups, children, the elderly and disabled people).

The European Social Agenda adopted at the Nice European Council (7-9 December 2000) is largely based on the Lisbon targets. The 2000-2005 Social Agenda Programme introduces quality as a central theme in the development of European employment and social policy. It sets out how to ensure the positive and dynamic interaction of economic, employment and social policy and the political agreement to mobilise all key actors to work jointly towards the new strategic goal. To successfully confront technological and societal changes, the modernisation and improvement of the European social model is required to underpin economic dynamism and pursue employment-generating reforms.

The new Social Policy Agenda does not seek to harmonise social policies, but to work towards common European objectives and increase co-ordination of social policies in the context of the internal market and the single currency. Quality of work includes better jobs and more balanced ways of combining working life with personal life. This is to the advantage of the individual, the economy and society. It implies better employment policies, fair remuneration, an organisation of work adapted to the needs of both companies and individuals. It is based on high skills, fair labour standards and decent levels of occupational health and safety and includes facilitating occupational and geographical mobility.

2. ENHANCING EUROPE'S POTENTIAL FOR TOURISM

2.1. The "Tourism and Employment" process

This process began in November 1997 with a European Conference on Tourism and Employment³⁷, the Luxembourg European Council on Employment³⁸ and the Council of Tourism Ministers³⁹, followed by the report of the High Level Group on Tourism and Employment⁴⁰. Following the Commission communication *Enhancing tourism's potential for employment*⁴¹ of 28 April 1999, the Council of Ministers (Internal Market) invited the Commission and the Member States on 21 June 1999 to cooperate closely in order to maximise the contribution that tourism might make to growth and employment, mentioning four subjects in particular:

- A. facilitating the exchange and dissemination of information, notably through new technologies;
- B. improving training in order to upgrade skills in the tourism industry;

³⁷ Luxembourg Conference on Employment and Tourism: guidelines for action, 4-5.11.1997.

³⁸ European Council of Luxembourg, 21-22.11.1997.

³⁹ Conclusions of the Tourism Council of 26.11.1997.

⁴⁰ European Tourism – New partnerships for employment: Conclusions and recommendations of the High Level Group on tourism and employment, European Commission, October 1998.

⁴¹ COM(1999) 205 final, OJ C 178-03 of 23.6.1999.

- C. improving the quality of tourist products;
- D. promoting environmental protection and sustainable development in tourism.

Subsequently, the Commission and the Member States, working together in the Advisory Committee on Tourism⁴², agreed to set up a working party for each of these subjects under the guidance of the Advisory Committee and with a specific remit for each group.

The working parties' remits were based on three additional areas for consideration:

- identification of the framework, needs and basic knowledge related to the subject concerned;
- improvement of information and knowledge regarding the approaches and strategies developed under existing policies and measures at national and Community levels, and identification of weaknesses and potential;
- proposal of most important measures likely to improve the environment of the European tourism sector and to overcome existing barriers, including the possibility of increased cooperation and better use of existing instruments.

The Member States nominated the members of the working parties according to their areas of expertise. The Commission departments responsible for the areas covered also participated. A Member State volunteered to provide a rapporteur for each of the working parties.

In addition to this, opinions were delivered on 18 January⁴³ by the Economic and Social Committee, on 18 February⁴⁴ by the European Parliament and on 15 June⁴⁵ by the Committee of the Regions on the Commission's communication of 28 April 1999⁴⁶, which was received favourably overall.

After three meetings of each of the four working parties between the end of February and the end of August 2000, and on the basis of an interim paper by each rapporteur, on 7 November 2000 the Commission adopted a progress report on the follow-up to the conclusions of the Council of 21 June 1999⁴⁷, which was discussed widely with the Member States and the other parties involved in tourism.

Following on from the discussions between government tourism authorities at the Vilamoura Conference, which was held by the Portuguese presidency on 11 May 2000, the proposals contained in the progress report were widely discussed at the seminar held by the French presidency on 22 November 2000 in Lille. Participants included the ministers from the EU Member States and those from the candidate countries who wished to attend, along with many other representatives of tourism activity in Europe.

⁴² Council Decision 86/664/EEC of 22 December 1986 establishing a consultation and cooperation procedure in the field of tourism, OJ L 384 of 31.12.1986, p. 52.

⁴³ OJ C 75, 15.3.2000.

⁴⁴ OJ C 309, 27.10.2000.

⁴⁵ OJ C 317, 6.11.2000.

⁴⁶ OJ C 178, 23.6.1999.

⁴⁷ Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions "Progress report on the follow-up to the conclusions of the Council on Tourism and Employment", COM(2000) 696 final.

The results of the discussions, which advocated continuing and consolidating the work undertaken, were submitted by the French Presidency to the Internal Market/Consumers/Tourism Council of 30 November 2000⁴⁸. The discussions led to two important developments for the work of the working parties:

- first, a fifth working party was set up to examine topic E "the impact and use of services based on information and communication technologies in the tourism sector";
- in addition, the five working parties were opened up to representatives of tourism trade associations and civil society organisations affected by tourism⁴⁹. They were invited to work with experts on the priorities related to their activities.

2.2. Exchange and dissemination of information

Implementation of Council Directive 95/57/EC⁵⁰ on the collection of statistical information in the field of tourism

Council Directive 95/57/EC aims at establishing a harmonised information system for EU tourism. The data collected in the EU Member States is divided into three main sections:

- Capacity of collective tourist accommodation, including territorial units
- Occupancy in collective accommodation establishments: domestic and inbound tourism
- Tourism demand: domestic and outbound tourism (excluding day-trips)

Data collection started in 1997 (covering the first reference period 1996). In accordance with Article 8 of Council Directive 95/57/EC⁵¹, a progress report was drafted in 2000⁵². It showed that many Member States still had work to do to provide timely data as required by the Directive. Eurostat and the Member States are following up ways of improving the situation.

On the methodological side, work was completed in 2000 on methodological guidelines concerning business tourism as well as on a technical manual on data collection relating to private tourist accommodation.

⁴⁸ Briefing by the Presidency, Council of the European Union, 24.11.2000, doc. 13832/00.

⁴⁹ Unions, regional authority associations, tourist associations and environmental non-governmental organisations.

⁵⁰ Council Directive 95/57/EC of 23 November 1995 on the collection of statistical information in the field of tourism, OJ L 291, 6.12.1995, p. 32. See also Commission Decision 1999/35/EC of 9 December 1998 (OJ L 9, 15.1.1999, p. 23) on the procedures for implementing Council Directive 95/57/EC.

⁵¹ Parallel to the implementation of the directive, Eurostat has designed and established a new information system for tourism related statistics ("TOUR" - database). Tourism statistics arriving from Member States are processed rapidly, and are available to the general public via the New Cronos dissemination database.

⁵² Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the implementation of Council Directive 95/57/EC on the collection of statistical information in the field of tourism, COM(2000) 826 final of 17.1.2001.

Establishment of satellite accounts for tourism

The idea of tourism satellite accounts (TSA) is to analyse in detail all demand for goods and services which might be associated with tourism within the economy, to observe the operational interface with the supply of such goods and services within the same economy of reference, and to describe how this supply interacts with other economic activities. A joint Methodological Reference of TSA was drawn up by Eurostat, OECD and the World Tourism Organisation and adopted by the UN Statistical Committee in March 2000.

Eurostat started on the development of a practical implementation guide for EU countries starting a TSA exercise, based on the experience of those Member States already well advanced in the domain. A first draft will be ready at the end of 2001. Working Group A, created as a follow-up to the Council conclusions of 21 June 1999 on Tourism and Employment highly recommends the introduction of TSAs in the EU Member States.

2.3. Training, up-grading skills and work force

*2.3.1. Education and vocational training*⁵³

Education and vocational training crucial for the development of quality and employability in the tourism sector and the preparation of its future actors in terms of competencies.

The LEONARDO DA VINCI programme⁵⁴ promoting a European policy for vocational training assisted six multiannual pilot projects aimed at improving training and employability in the tourism sector. The issues covered by the projects were: ecological tourism; virtual training; transnational cooperation in training in the travel sector; forestry and recreational activities; distance learning for tourism technicians and rural tourism development through ICT. The programme also supported the creation of a transnational network in training and tourism which will act as a centre of expertise on the issue of tourism and disability. Furthermore two projects aimed at developing linguistic competencies in the field of tourism were selected in 2000. Sixteen different European countries are involved in these projects, six of them pre-accession countries. The total amount of the cofinancing was about EUR 3.2 million.

In the year 2000, the SOCRATES programme⁵⁵, which supports European education policy, cofinanced at national level many projects carried out by educational establishments in the field of tourism. These were mainly aimed at improving linguistic competencies of students or catering studies. Furthermore, YOUTH⁵⁶, the European programme at the service of cooperation in the field of youth, cofinanced 45 different projects affecting tourism.

The Commission also funded two projects targeting tourism, after a call for proposals published in September 2000 in preparation for the European Year of Languages 2001⁵⁷. The aim of the projects was to encourage tourists to learn Spanish and Greek at their holiday resorts.

⁵³ See also 2.3.2.

⁵⁴ http://europa.eu.int/comm/education/leonardo_en.html.

⁵⁵ <http://europa.eu.int/comm/education/socrates.html>.

⁵⁶ <http://europa.eu.int/comm/education/youth.html>.

⁵⁷ <http://www.eurolang2001.org>.

2.3.2. *Qualifications, employability and lifelong learning*⁵⁸

In the field of professional recognition, the operation of the General System for the recognition of professional qualifications (Directive 89/48/ECC and Directive 92/51/EEC) has been improved by the adoption in February 2001 of the SLIM Directive⁵⁹. This directive has introduced the obligation for the host Member State (that is the State in which the recognition is sought) to take into consideration, during the examination of the request for recognition, the experience which the individual has gained after obtaining a diploma. The General System applies across a wide range of professions requiring various levels of qualifications, including tourist guides.

The employment guidelines for 2000 pursued the four-pillar approach of the 1998/1999 guidelines, promoting employability, developing entrepreneurship, encouraging adaptability of businesses and their employees, strengthening equal opportunities for women and men. In particular, they promoted a labour market open to all, exploiting new opportunities for job creation, e.g. by measures to exploit fully the possibilities offered by job creation at local level and in the social economy as well as in the services sector. Moreover, each Member State will set a target for gradually reducing the fiscal pressure on labour and non-wage labour costs, in particular on relatively unskilled and low-paid labour. The proposal for a Council decision on guidelines for Member States' employment policies for the year 2001, presented by the Commission to the Nice Council in December 2000, took account of the Lisbon Summit conclusions and the mid-term Review of the Luxembourg process, in particular the issue of lifelong learning. The previous guideline on older workers was widened from the tax-benefit aspect to a more comprehensive set of policies in support of active ageing. Specific attention was also given to the issue of shortages in the labour market and skills gaps.

2.3.3. *Social rights, social protection, social integration and equality*

The issue of social inequalities regarding access to leisure and culture is addressed at European level since 2000 in the framework of the open method of co-ordination to combat social exclusion and poverty. Building on the Lisbon European Council commitments, the Nice European Council adopted appropriate objectives in combating social exclusion and eliminating poverty. These objectives centre around the following four themes:

- promoting participation in employment and access for all to resources, rights, goods and services;
- preventing the risks of exclusion;
- taking action to help the most vulnerable;
- mobilising all the players involved.

⁵⁸ See also 3.2.1, Objective 3.

⁵⁹ Directive 2001/19/EC of the European Parliament and of the Council of the 14 May 2001 amending Council Directives 89/48/EEC and 92/51/EEC on the general system for the recognition of professional qualifications and Council Directives 77/452/EEC, 77/453/EEC, 78/686/EEC, 78/687/EEC, 78/1026/EEC, 78/1027/EEC 80/154/EEC, 80/155/EEC, 85/384/EEC, 85/432/EEC, 85/433/EEC and 93/16/EEC concerning the professions of nurse responsible for general care, dental practitioner, veterinary surgeon, midwife, architect, pharmacist and doctor.

Among the first set of objectives, one is “to develop, for the benefit of people at risk of exclusion, services and accompanying measures which will allow them effective access to education, justice and other public and private services, such as culture, sport and leisure”.

On the basis of these common objectives, the Nice European Council invited Member States to determine their priorities and present by June 2001 a two-year national action plan to combat social exclusion and poverty.⁶⁰

A first appraisal of the plans shows that the issue of tourism does not emerge prominently and is only dealt with indirectly as a component of the wider issue of access to culture. From the point of view of the Commission, it is thus disappointing that in general the plans do not present coherent plans for fostering the participation of those who are excluded in the creation of culture and in cultural activities.

Following the EU MEANS⁶¹ programme, preparation of the policy should consider the following issues, *in advance*:

- whether the announced objectives take into account the interests and specific needs of women;
- that the resources allocated to promoting equal opportunities are coherent with stated objectives;
- whether the strategy and choice of policy approaches have relied upon a prior assessment of women’s needs and potentialities;
- whether the policy provides qualitative and quantitative criteria and precise indicators for assessing the consideration given to equal opportunities;
- the proportion of women in relevant decision-making bodies;
- whether groups of women and/or authorities responsible for equal opportunities at national and regional level are been involved.

2.3.4. *Social dialogue*

The Social Dialogue Committee in the Horeca/Tourism sector set up in February 1999 has continued its activities. During the year 2000, the social partners discussed the validation of qualifications, began a study to identify the main medium term trends in the hospitality sector and their impact on enterprises and labour market and also began an analysis of national experiences in employment and vocational training within the industry.

⁶⁰ These plans were evaluated by DG Employment and they were presented to the Laeken Summit in the form of joint inclusion report.

⁶¹ European Commission, Evaluating Socio-Economic Programmes: Transversal Evaluation of Impacts on the Environment, Employment and other Intervention Priorities, MEANS Collection (Volume 5), Office for Official Publications of the European Communities, 1999, pages 32 to 35.

2.4. Improving the quality of tourist products

2.4.1. *Quality in tourist destinations*

Tourism is a highly competitive industry, and European tourism can no longer compete in the global market on the basis of cost alone. The quality of the tourism offer is therefore seen as a key element for both the competitiveness and the future sustainability of the sector.

Many different elements of the tourism product all affect the tourist's perception of a destination (such as transport, accommodation, information, attractions etc.) which need to be managed in an integrated way to ensure that no one element detracts from the overall experience. Integrated Quality Management (IQM) must take into account the interests of both tourists and stakeholders involved in tourism, and have a positive impact on all of them.

During 2000, the Commission published the results of three studies, which identify and promote best practice in the field of IQM in tourist destinations, focussing on urban, rural and coastal areas. These three publications provide a practical tool for destination managers who want to develop an IQM approach for their areas. IQM focuses on improving visitor satisfaction while seeking to improve the local economy, the environment and the quality of life for the local community. Summary recommendations of all three studies were produced in all EU languages. The publications have been widely disseminated, in particular among those people responsible for tourism development in tourist destinations.

The year 2000 also saw the establishment by the Tourism Advisory Committee of an Expert Working Group whose specific mandate was to consider how the quality of tourist products could be improved, in the interests of maximising tourism's contribution to employment creation in the EU. The Group comprised tourism experts from all countries of the EU, and produced preliminary recommendations in August 2000. Recommendations included the need to develop quality indicators for use by destinations, emphasised the need for non-financial support to tourism SMEs, the more intensive use of EU structural funds for quality improvements and certification actions, and the development of a European method for benchmarking within tourism. The work of the Quality Working Group continued into 2001.

2.4.2. *Safety of tourism installations, food safety, health*

Safety of tourism installations

The growth of tourism and business travel prompted the Council in 1986 to adopt a Recommendation defining minimum standards of safety against the risks of fire in hotels for all the Member States. In the light of the concerns expressed by the European Parliament and by certain organisations about the lack of information on the application of the Recommendation and its effectiveness in practice, in 2000 the Commission undertook to look into these aspects more fully in a report⁶², which deals with the application of Recommendation 86/666/EEC on fire safety in existing hotels.

The main aspects identified around which future work in this area will be organised relate to:

- the implementation of "alternative solutions" in cases where the guidelines set out in Recommendation 86/666/EEC cannot be applied;

⁶² COM(2001) 348 final of 27.6.2001.

- strengthening the provisions on checks and the dissemination of information;
- updating and improving the technical guidelines;
- identifying and disseminating best practice.

Health

Communicable diseases do not respect national frontiers and can spread rapidly if actions are not taken to combat them. They impact on individuals regardless of age, lifestyle, or socio-economic status. Not only do they cause illness and impose a heavy financial burden on society, they also contribute to about one third of all deaths occurring globally.

The identification, monitoring and control of communicable disease outbreaks are greatly facilitated through well-functioning surveillance systems. Not only do such systems provide information for early detection and rapid response to outbreaks or potential outbreaks, they also help in identifying disease trends, risk factors, and the need for interventions.

In responding to these various issues, the Commission adopted, in the year 2000, two decisions in order to further implement the Early Warning and Response System covering the widest range of infectious diseases, and to set priorities for epidemiological surveillance under the existing Network for the epidemiological surveillance and control of communicable diseases in the Community which was set up by the European Parliament and Council Decision 2119/98/EC⁶³:

Decision 2000/57/EC⁶⁴ identifies the “terms of action” that will be dealt with by the early warning and response system of the Community network. These are “events”, which by themselves or in association with other similar events, are or have the potential to become public health threats. The decision furthermore describes the procedures for information, consultation and co-operation under the early warning and response system.

Decision 2000/96/EC⁶⁵ identifies the communicable diseases and special health issues which have to be covered by epidemiological surveillance in the Community network. The network will progressively cover, amongst others, influenza, hepatitis A, B, C, malaria, other diseases preventable by vaccination - e.g. diphtheria, measles, mumps, sexually transmitted diseases, food and water-borne diseases and diseases of environmental origin, diseases transmitted by non-conventional agents (e.g. Creutzfeldt-Jakob-Disease) – air-borne diseases, zoonoses, serious imported diseases – e.g. cholera, plague. The growing resistance against antibiotic agents will also be observed attentively by means of the European network. This will contribute to ensure timely reaction on this major threat for human health through guidance to health professionals and the public and adaptation of legislation to scientific findings.

These tools allow the Network for the epidemiological surveillance and control of communicable diseases in the Community to become fully operational. The early exchange and analysis of data within the network will improve the rapid reaction to emergencies and as such the prevention of communicable disease outbreaks inside and outside the Community. On 7 September 2000, the Commission adopted a progress report on the network⁶⁶.

⁶³ OJ L 268, 3.10.1998, p. 1.

⁶⁴ OJ L 21, 26.1.2000, p. 32.

⁶⁵ OJ L 28, 3.2.2000, p. 50.

⁶⁶ COM(2000) 471 final.

2.5. Environment and sustainable development

In 2000, work continued on specific projects to promote eco-efficiency techniques and to develop tools and indicators for evaluating the impact of policy measures and environmental projects on competitiveness and innovation. A specific study was launched to define indicators for assessing the degree to which sustainable development has been incorporated into enterprise policy.

2.5.1. Environmental protection

The Eco-Management and Audit Scheme (EMAS)⁶⁷ is a voluntary instrument for organisations willing to commit themselves to evaluate and improve their environmental performance. The revision prepared in the year 2000 brought among others an extended scope for participation, including now all economic sectors and all organisations having an impact on the environment. Although the EMAS regulation in force until April 2001 was targeted at classical industries only (chemicals, automotive etc.), the registration of service businesses was already possible on an experimental basis in certain Member States. Several tourism businesses such as restaurants and hotels already participated on that basis and have now received full registration under the new scheme. For the year 2000, these included 11 hotels and campsites in Germany and 15 in Spain. Furthermore, the EU is currently financing a LIFE project on Eco-Camping with sites in Germany, Italy, Austria and Switzerland (7/1999-7/2001), which will be a cornerstone for including the camping sector into the EU EMAS and Eco-Label schemes.

On 24 September 2000 a new revised EU Eco-label Scheme entered into force⁶⁸. The Eco-label⁶⁹ is a voluntary tool for informing the consumer about the environmental performance of products and services based on life cycle considerations and environmental criteria. Under the new regulation the service sector is included for the first time. Services will now also be able to apply for the Eco-Label, among other things to improve the possibilities to green the purchasing policies for Eco-Label products. The first service "product group" to be dealt with is tourist accommodation. A feasibility and market study on this was carried out between January and August 2000.

The EU Strategy for Integrated Coastal Zone Management is also highly relevant to tourism – the problem of uncontrolled tourism is particularly severe in many parts of our coastal zones. This problem was examined in the context of the Commission's Demonstration Programme on Integrated Coastal Zone Management (ICZM). The EU Strategy for ICZM - adopted on September 2000⁷⁰ - aims to help resolve the problems in the coastal zone including tourism pressures, through a process of policy coordination and participative decision making.

Many tourist activities are either directly or indirectly linked to bathing and other recreational use of waters, rivers, lakes and coastal waters. A Community Directive on the quality of

⁶⁷ Council Regulation (EEC) No 1836/93 of 29 June 1993 allowing voluntary participation by companies in the industrial sector in a Community eco-management and audit scheme, OJ L 168, 10.7.1993, p. 1. A revision came into force through Regulation (EC) No 761/2001 of the European Parliament and the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) OJ L 114, 24.4.2001, p. 1.

⁶⁸ Regulation (EC) No 1980/2000 of the European Parliament and of the Council of 17 July 2000 on a revised Community eco-label award scheme, OJ L 237, 21.9.2000, p. 1.

⁶⁹ <http://europa.eu.int/comm/environment/ecolabel/index.htm>.

⁷⁰ COM(2000) 547 final.

bathing water⁷¹ provides for bathing water standards and a comprehensive monitoring system, thus ensuring information about the quality of beaches throughout the Community. The Commission's annual Bathing Water Report 2000⁷² listed more than 15 000 beaches in the Community. More than 95 % of the beaches in coastal zones and more than 90 % on freshwaters (rivers, lakes) complied with the standards.

Tourist activity is, beyond bathing water quality, frequently linked to the quality of rivers, lakes and coastal waters. Human activities, from sources such as urban and industrial waste water, as well as pollution from agriculture, and the tourism industry itself may have considerable impact on tourism. 2000 saw the adoption of the new EU Water Framework Directive⁷³, complementing already existing legislation on impacts from urban waste water and from agricultural pollution, with the following main objectives:

- protecting all our waters, rivers and lakes, groundwater and coastal waters, and ensuring good quality for all those waters within 15 years;
- water management to be based on river basins, not administrative borders, with mandatory involvement and participation of citizens and interested parties;
- tackling pollution at the source by emission controls, and setting quality standards for all waters.

This improvement of water quality and water management will benefit tourism as well. At the same time, wherever tourism uses and/or affects waters, it will have clear and predictable objectives for action, technical and financial planning. A mandatory system of public participation under the directive (including among others local or regional industries such as tourism), will promote not only involvement by interested parties, but also the choice of the best options to achieve the objective, given that the directive is strict on objectives. The region / river basin will, however, retain feasibility as to how to achieve those objectives.

The LIFE- Environment instrument finances innovative and demonstration projects aimed at improving environmental protection. For the period 2000-2004, the main environmental subjects covered by this instrument are defined by Regulation 1655/2000/EC⁷⁴ and outlined in the supporting documents⁷⁵. The promotion of sustainable tourism is included among these priorities, and in particular:

- evaluation of the impact of tourism on the environment;
- development and testing of environmental indicators to measure the performance of companies and destinations;
- experimental methods for the implementation of environmental management and Ecolabel;

⁷¹ Council Directive 76/160/EEC of 8 December 1975 concerning the quality of bathing water, OJ L 31, 5.2.1976, p. 1.

⁷² <http://europa.eu.int/water/water-bathing/report.html>.

⁷³ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327, 22.12.2000, p. 1.

⁷⁴ Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE), OJ L 192, 28.7.2000 p. 1.

⁷⁵ <http://europa.eu.int/comm/life/home.htm>.

- experimental implementation of economical instruments;
- innovative techniques and methods for the rehabilitation of large tourist sites in decline;
- reduction of pressures generated by tourist flows;
- innovative approaches for the implementation of benchmarking of the performances in companies and destinations.

Projects chosen are given Community support representing 50 % or 30 % of the costs of the project. Beneficiaries are required to widely disseminate the results of their projects.

For 2000, among the 116 projects (out of 898 applications received by the Commission) retained at the end of the selection process, 7 deal with sustainable tourism, for a total Community contribution of some more than EUR 2.7 million. The following two projects previously selected and relating to sustainable tourism were completed during 2000.

LIFE project 94 ENV/F/780 "**Manage Environment for sustainable tourism in the Archipelago of Glénan**" (duration 6/1995-6/2000, total cost: EUR 850 000): The archipelago of the Finistère coast receives many tourists during the summer and is faced with water, energy and waste treatment problems. A number of solutions were found under this LIFE project. With regard to water, sanitary facilities such as "dry toilets" were installed which reduced water consumption and restricted the problem of organic waste on the island. As far as waste is concerned, a sorting and compaction system was set up. A barge was also financed to transport solid and liquid waste from the archipelago area. Lastly, information campaigns aimed at raising public awareness of protecting a fragile natural inheritance were carried out.

LIFE project 96 ENV/DK/012 "**Integrated cooperation on sustainable tourism development and recreational use in the Wadden Sea Region**" (duration 1/1997-12/2000, total cost: EUR 660 000): The Wadden sea borders the Danish, Dutch and German coasts. It constitutes the greatest European wetland (135 000 km²) and is one of the greatest Natura 2000 sites. The LIFE-Environment project allowed for the preparation, testing and implementation of a communication and co-operation system between the concerned authorities and organisations by the Wadden sea. It also included the preparation of a common vision for the development of sustainable tourism in the region, and the elaboration of proposals for common sustainable tourism policies, in the fields of nature, culture, transport and housing.

2.5.2. *Natural and cultural heritage*

Natural heritage

As part of its activities to promote the implementation of the Natura 2000 network, the Commission stresses the opportunities for sustainable tourism created by the designation of Natura 2000 areas. A special article devoted to this issue was published in the December 2000 issue n° 13 of the Natura 2000 Newsletter under the title "Looking for New Opportunities"⁷⁶. The year 2000 also saw the finalisation of the report "Sustainable tourism and Natura 2000": Guidelines, initiatives and good practices in Europe". This brings together the results of a study into sustainable tourism projects in protected areas and a European seminar organised on the topic in December 1999. Furthermore, LIFE-Nature projects normally include conservation actions relating to tourism activities within Natura 2000 sites. Such actions aim both at preventing uncontrolled tourism activities and increasing awareness and recognition of the natural values of the areas.

⁷⁶ http://europa.eu.int/comm/environment/news/natura/index_en.htm.

In the year 2000 the Commission also supported the publication of the European Greenways Good Practice Guide ⁷⁷. This includes a section on “Economic impacts: leisure and tourism”, emphasising the role of greenways (routes dedicated to non-motorised traffic, making use of disused linear infrastructures such as railway lines and canal towpaths) as a resource for active tourism in Europe. It includes examples of cases where the availability of greenways has already had a favourable effect on the redistribution of mass tourism and the reduction of tourism pressures. This is linked to the EuroVelo project, also supported by the Commission, which aims to promote long-distance tourism by bicycle, amongst other things.

Cultural heritage ⁷⁸

Culture and cultural heritage play an important role in the development of the tourism sector in Europe. Culture represents a fundamental source of economic wealth for several areas in Europe working in the tourism sector.

The framework programme CULTURE 2000 ⁷⁹ supports the role of cultural cooperation in the socio-economic development of Europe and projects' results have consequently a positive effect on tourism, especially on the promotion of cultural tourism. In the year 2000, Culture 2000 cofinanced 219 projects in the field of cultural and artistic transnational cooperation for a total amount of more than EUR 32 million.

Similarly the Community initiative in favour of European capitals of culture enabled nine cities of Europe (Avignon, Bergen, Bologna, Brussels, Helsinki, Crakow, Prague, Reykjavik and Santiago de Compostela) to organise cultural activities and events which represented a great tourist attraction at the same time. The amount allocated was EUR 250 000 for each capital of culture.

2.5.3. Transport

Closely linked to tourism, the transport sector accounts altogether for over 10 % of gross domestic product and employs over ten million people. It is a fundamental element of the European economy. There are various challenges facing it, which are sometimes difficult to reconcile: rapid growth, the demand for ever greater mobility, congestion and chronic delays, safety requirements, sustainability and the enlargement of the Union.

Given the interdependence of the transport and tourism sectors, the common transport policy ⁸⁰ has an impact on the development of tourism both as regards the infrastructure of the various modes of transport (land, rail, sea and air), the trans-European networks and the opening of the markets, and as regards safety, passenger protection and congestion management.

Over the past ten years EU policy has successfully opened up national aviation markets and made it possible for new carriers to provide innovative services. This in turn has had an impact on the quality of air traffic services at peak times, and the number of delays due to air traffic problems has risen considerably. Against this background the Commission launched a

⁷⁷ http://europa.eu.int/comm/environment/cycling/greenways_en.htm.

⁷⁸ http://europa.eu.int/comm/culture/index_en.html.

⁷⁹ Decision No 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the Culture 2000 programme, OJ L 63 , 10.3.2000, p. 1.

⁸⁰ More information is available on Europa: http://europa.eu.int/comm/dgs/energy_transport/index_fr.html

new initiative in 2000 'The Single European Sky'⁸¹, which aims to prepare the reform of air traffic management in Europe including the development of an integrated management of Europe's airspace. The Commission initiated the GALILEO⁸² project, a navigation and satellite positioning system which should, by 2008, ensure world-wide service. Its application to air road, rail and maritime transport should offer a very wide range of positioning and navigation services, particularly useful for mobility and tourism.

Given the rapid development of air transport, international action is needed to reduce sound pollution near airports and the impact of aviation on climate change (in particular greenhouse gas emissions). This is why in December 2000 the Commission adopted⁸³ new proposals which it will submit to the International Civil Aviation Organisation in September 2001.

In addition, the recent measures taken in the field of maritime safety - usually referred to as the Erika package⁸⁴ - are designed to prevent disasters such as oil slicks polluting coastlines and beaches by laying down minimum safety standards for the maritime transport of oil products such as the control of ships and the double hull requirement. The proposals are undergoing the codecision procedure between the Council and the Parliament. Maritime safety has a direct impact on the development of tourism.

Regarding road transport, the new Commission Decision on equivalences between certain categories of driving licences⁸⁵ establishes the equivalences between the categories of licences issued before the implementation of Directive 91/439/EEC⁸⁶ on driving licences and those defined in Article 3 thereof. This Decision will contribute to the practical implementation of the principle of mutual recognition of all driving licences issued by Member States, especially in order to guarantee the rights of citizens with older driving licence models. This Decision should enhance mutual recognition e.g. of the old German grey driving licence model (to give just one example) which has regularly been reported to the Commission as not recognised by enforcement officers at roadside checks, and which regularly lead to criticism in the press and to complaints.

2.5.4. *Energy*

As regards the objective of EU energy policy to supply European citizens with safe, competitive energy compatible with environmental protection, and the challenge of getting the right balance between the social, economic and environmental dimensions, in November 2000 the Commission launched a broad debate in its Green Paper "Towards a European strategy for the security of energy supply"⁸⁷.

On the assumption that the European Union will become increasingly dependent on external energy supplies (50 % at the moment but 70 % in 2030, everything else being equal) and that urgent action is necessary to combat climate change, the Green Paper sets out guidelines for the debate and draws up lines of action. It advocates acting more on demand, to control its growth (particularly in construction and transport), rather than on supply, where the margin for manoeuvre is small, but where dependence must be managed.

⁸¹ Report from the High Level Group, November 2000, COM(1999) 614 final of 1.12.1999, see also COM(2001) 574 final of 10.10.2001.

⁸² COM(2000) 750 of 22.11.2000.

⁸³ COM(2000) 821 of 11.12.2000.

⁸⁴ ERIKA I, COM (2000) 142 final of 21.3.2000 and ERIKA II, COM (2000) 802 final of 6.12.2000.

⁸⁵ Decision 200/275/EC of 21 March 2000, OJ L 91, 12.4.2000, p. 1.

⁸⁶ Council Directive 91/439/EEC of 29 July 1991 on driving licences, OJ L 237, 24.08.1991, p. 1.

⁸⁷ COM(2000) 769 of 29.11.2000, http://europa.eu.int/comm/energy_transport/en/lpi_lv_en1.html.

Since security of energy supply is a condition *sine qua non* for the European economy, including tourism, to operate successfully and for the needs of industrial and private consumers to be met, climate protection is also one of the priorities of Community energy policy. The Community and the Member States have undertaken to reduce greenhouse gas emissions by 8 % in the period 2008-2012 compared with 1990 (Kyoto Protocol). To achieve this objective, the Commission will increase its efforts in the fields of energy performance and the decarbonisation of energy systems by changing fuels.

As regards promoting renewable energies, in May 2000 the Commission adopted a proposal for a directive on the promotion of electricity from renewable energy sources⁸⁸ which lays down indicative targets by Member State. Its overall objective is for 22 % of the electricity consumed in the EU to be produced from renewable sources by 2010.

The application of these measures will have an impact on tourism, particularly on the tourism infrastructure and tourist facilities (hotels, restaurants, etc.) by making energy savings and thus reducing the energy bill and contributing to the generation of green energy and sustainable development⁸⁹. Furthermore, the measures to combat climate change such as those to reduce greenhouse gas emissions will, in the medium term, have a direct effect on tourism by improving the quality of the environment.

2.5.5. *Spatial development*

In 2000, work was undertaken to implement the recommendations of the ESDP (European Spatial Development Perspective)⁹⁰ of 1999, particularly in preparation for the setting up of a European Spatial Planning Observatory Network (ESPON). The objectives of the Observatory are, on the one hand, to provide national and regional players with the tools they need for applying the ESDP policy options and, on the other, to better assess the regional consequences of Community and national sectoral policies. Three aspects have a direct or indirect effect on tourism:

- the assessment of trends regarding certain groups of vulnerable regions: outermost regions, coastal zones, island regions, mountain regions, sparsely populated areas, etc.;
- regional management of natural and technological dangers in general and in relation to climate change;

⁸⁸ COM(2000) 279 final of 10.5.2000.

⁸⁹ A panorama of the energy policy is given in the report "Integrating Environment and Sustainable Development into Energy and Transport policies" SEC(2001) 502 of 21.3.2001.

⁹⁰ Exploiting the potential for developing more environmentally-friendly forms of tourism is one of the policy options of the European Spatial Development Perspective (ESDP), adopted at the Council of Ministers responsible for regional planning at Potsdam in May 1999.

The ESDP mentions the possible threat posed by mass tourism to the attractiveness of interesting areas from the point of view of their scenery and biotopes, e.g. in mountain and coastal regions, to already low water supplies - particularly in Mediterranean regions, which are among the main tourist destinations in the world and suffer serious water shortages - to the environment of historic town centres (pollution linked to urban activities) and finally the danger to many European towns of commercialisation and encroaching cultural uniformity.

The ESDP advocates prudent management and development of the natural and cultural heritage and encourages the promotion of "soft tourism" for ecologically sensitive areas (e.g. mountain regions, wetlands, coastal regions and island regions), significant protection of areas where the biotopes are still intact and harmonious economic exploitation of less sensitive areas.

- the roles of cultural identity and cultural heritage and their impact on the region. In this respect, work under the "study programme" has already led to the creation of a typology of cultural landscapes.

In 2000, the Commission also carried out a study on island (and outermost) regions, the aim of which is to create a database, including tourism data, and to draw up an objective diagnosis of the situation of these regions.

2.5.6. Rural development and tourism

Agenda 2000 saw a strengthening of Community rural development policy, which has now been established as the 'second pillar' of the Common Agricultural Policy and aims to promote the future development of Europe's rural areas, in particular as they adapt to the changing situation in the agricultural sector. In the 2000-2006 period Community rural development financing from the European Agriculture Guarantee and Guidance Fund (EAGGF) will be of the order of some EUR 50 000 million, or over EUR 7 000 million per annum (EUR 4 700 million from the Guarantee Section granted within specific rural development programmes, and a further EUR 2 500 million from the Guidance Section included within Objective 1 Structural Fund programmes). Among the 22 measures eligible for support by EAGGF⁹¹ there is one which is directly concerned with tourism, entitled 'encouragement for tourist and craft industries'.

However, the contribution of Community rural development policy to rural tourism is in practice far wider. Many of the other 21 rural development measures also contribute, whether directly or indirectly, to development of tourism in rural areas, notably by helping preserve and improve the natural environment in rural areas which is a key part of their attraction for tourism and leisure activities. For example, support is offered under the agri-environment measure, which is the measure which has been allocated the most financial support, for agricultural production methods designed to maintain the landscape and its features. Measures to support the forestry sector can include investment aids to increase the amenity value of woodlands (e.g. creating footpaths). Other measures offer support to improve the economic activities in rural areas, for provision of basic services and for the renovation and development of villages. Further measures are linked to diversification of farm activities (e.g. farm tourism, recreational activities) and marketing of quality local food products. When the full 'menu' of measures is considered together, it can be seen that Community rural development policy offers important possibilities to Member States/regions to help support and promote rural tourism.

2.6. Research, innovation and tourism

2.6.1. Tourism in the information society

To remain competitive in the worldwide market new business models based on interoperable systems and integrating innovative Information Society Technologies (IST) tools, are needed to improve the quality, the efficiency and the adaptability of the tourism value chain. On the demand side, consumers are seeking more personalised tourism products and are expecting to access relevant high quality information and services at any time and anywhere in a mobile environment.

⁹¹ Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations, OJ L 160, 26.6.1999, p. 80.

Tourism is one of the application areas addressed in the “Systems and Services for the Citizen” Key Action (Key Action 1) of the IST research and development programme. The objective is to develop the next generation of innovative IST-based systems and services which will improve the competitiveness and the attractiveness of European tourism.

These systems and services will support the operations of the tourism value chain enabling tourism organisations to deploy efficiently and dynamically new business models in a networked and open environment contributing to lowering the current fragmentation of the sector. They will also provide the tourist customers with new means of enjoying and optimising their touristic experiences before, during and after the trip.

Between year 2000 and 2001 twelve new RTD projects were launched in the tourism sector of Key Action 1 (total funding of EUR 18 million), two new supporting actions (FETISH and HARMONISE) and seven projects which have relationships with tourism have been launched in other parts of the IST programme. As a result of the last call of the work programme for the year 2001 ⁹² two additional RTD projects, one accompanying measure and one trial (DAFNE) are under negotiation. The R&D work to be carried out by the projects will enable tourism organisations to provide attractive value added services, gain customer loyalty, extend their customer base and establish new business synergies. Tourists and citizens on the move will everywhere have seamless access, through natural interfaces, to a broad range of personalised services.

The projects launched cover a broad spectrum of tourism services based on interoperable IST-intensive components and systems. Booking and reservation, trip planning and guidance (maps in cities, museums, and open areas) supported by wired and wireless communication devices, auctioning and reverse auctioning are examples of services which will be offered.

Several projects are exploring innovative techniques to build and exploit user profiles which reflect the dynamic behaviour of the tourist (off trip and on trip), and most of the projects address mobility issues according to specific targeted tourist categories. New services, when relevant, will integrate positioning and orientation information for delivery to the customer. New mechanisms are being investigated to store and access, more efficiently and more intelligently, the semantics of information coming from heterogeneous sources. It includes, too, more natural interfaces such as speech and image processing. New business models are addressed by researching customer relationship management systems and the development of open platforms supporting virtual enterprises and workflow systems.

In order to achieve a critical mass of IST-based tourism resources at the European level, an open environment for a seamless dynamic integration of processes and services is being deployed through support actions. Mapping between existing or emerging standards in the tourism sector will be developed by HARMONISE. FETISH, the sector cluster action, will provide an infrastructure for an interoperable network of European information systems and services aimed at federating tourism information, services and business processes, and enabling them to co-operate seamlessly. The value-added services developed by RTD projects will evaluate the infrastructure through interoperability trials carried out jointly by FETISH and the projects of the cluster.

⁹² The work programme for year 2001 in which tourism is addressed in action lines 1.5.3 and 1.5.4 can be found at: <http://www.cordis.lu/ist/activit.htm>.

PROJECTS LAUNCHED IN THE TOURISM SECTOR OF THE IST PROGRAMME, IN 2000

Project name	Title
FETISH	Federate European Tourism Information System Harmonisation – Engineering Task Force
TOURSERV	Personalised Tourist Services Using Geographic Information Systems via Internet
Tr@VELSMART	Intelligent, Smart card and Internet-based Customer Relationship Management Service for European Tourism Destinations
CRUMPET	Creation of User friendly Mobile services Personalised for Tourism
ESTIA	Efficient Electronic Services for Tourist in Action
E-TOUR	A hand-held assistant for electronic guided tourism
GUIDEFREE	<u>Guide</u> by Telematics to <u>Enable</u> Tourist <u>Freedom</u> at Sites
PALIO	Personalised Access to Local Information and services for tOurists
WHAM	The world in your hands on the move
VMART	Virtual Market Place for Rural Tourism Sales, Development and ICT Services and Applications
<p>Examples of projects:</p> <p>CRUMPET will develop an open distributed service-oriented architecture to establish and deploy tourism services and applications to be run over various fixed and wireless (GSM, GPMS, UMTS, WLAN) networks. The architecture will support the distribution and redistribution of intelligence between smart terminals and smart network elements. In addition, agent-based components enabling intelligent adaptation (location-based, context-dependant user preferences) of service delivery to nomadic users will be implemented and validated.</p> <p>TOURSERVE focuses on alpine tourism integrating three-dimensional graphical representations of alpine tourist regions for guiding tourists with mobile device. It allows access to tourist services in the region. The open platform will provide tourist information and services for travelling, accommodation, rental and sports and will support tourists (mobile) during their sporting activities. It will supply 3 dimensional maps and video conferencing with information about rest points, transportation and rescue.</p> <p>FETISH will provide the pan-European infrastructure for spontaneous and seamless integration of tourism applications and regions, on heterogeneous networks, resources, processes and devices. Based on JINI architecture and on an open source approach, it will turn the fragmented tourism information systems and value added services for tourism into a federated group of resources appearing to the user as a single system covering the European landscape.</p>	

**LIST OF PROJECTS RELATED TO TOURISM
LAUNCHED IN OTHER PARTS OF THE IST PROGRAMME, IN 2000**

Project name	Title
ODIN	Geographic Distributed Information Tools and Services for the Mobile Information Society
3D	Digital Design and Development of Tourism Products and Services
HYPERGEO	Easy and friendly access to geographic information for mobile users
TOURBOT	Interactive Museum Tele-presence Through Robotic Avatars
ARCHEOGUIDE	Augmented Reality-based Cultural Heritage On-site Guide
NESPOLE	Negotiating through SPOken Language in E-commerce
XML-KM	XML-based Mediator for Knowledge Extraction and Brokering

2.6.2. *Other research benefiting the tourism sector*

The programme 'Energy, Environment and Sustainable Development' supports research to elaborate and promote innovative forms and instruments of local governance to improve urban tourism development involving the principles of sustainability and participatory decision making. Research on the preservation and accessibility of cultural heritage is of importance for a sustainable approach to tourism.

In the programme 'Quality of Life', a research project investigates opportunities and barriers facing tourism-led integrated rural development in rural regions of selected member states. The focus is on advocating tourism as an agent of rural diversification and development in EU and Accession countries.

The "INCO" Programme supports research on policy initiatives to overcome water competition between the vital economic sectors of agriculture and tourism in the Mediterranean. It focuses on water savings, re-use, treatment and desalination, legal and administrative measures, trans-boundary co-operation and an integrative and locally adaptable consideration of the entire water chain.

On 20 July 2000, the Commission published a five-year assessment of the framework programmes, carried out by an independent expert panel⁹³, which was followed by a Mid-term review of the 5th Framework Programme for Research and Technological Development⁹⁴. The conclusions helped to guide the preparations for the 6th Framework Programme (2002-2006) and tie in with the new economy and the objectives set by the Lisbon European Council. In particular, aspects in the section on anticipating the EU's scientific and technological needs with the research necessary for the formulation, implementation and enforcement of Community and EU policies could be of relevance to tourism.

3. ECONOMIC AND SOCIAL COHESION LINKED TO TOURISM DEVELOPMENT

3.1. Cohesion fund

In 2000 the new period (until 2006) of the Cohesion Fund⁹⁵ started, providing EUR 18 000 million to finance projects designed to improve the environment and develop transport infrastructure in Member States whose per capita GNP is below 90 % of the Community average (Greece, Spain, Ireland and Portugal). This fund contributes to sustainable development in the Member States concerned, as well as strengthening cohesion in the European Union, which is also to the benefit of tourism activities.

⁹³ The assessment reports can be found at: http://www.cordis.lu/fp5/5yr_reports.htm.

⁹⁴ SEC(2000) 1780, 23.10.2000.

⁹⁵ Council Regulation (EC) No 1264/1999 of 21 June 1999 amending Regulation (EC) No 1164/94 establishing a Cohesion Fund, OJ L 161, 26.6.1999, p. 57.

Use of Cohesion Funds: e.g. Spain.

Infrastructure concerning the environment

The infrastructure co-financed in Spain in the environment sector under new Decisions approved in 2000 cover the three major sectors of water supply, water purification and treatment of waste. Local projects in tourist areas to a large extent meet the needs created by this sector.

Transport infrastructure

The infrastructures co-financed in Spain in the transport sector under new Decisions approved in 2000, concern certain sections/parts of the future high-speed train between Madrid/Barcelona /French border.

3.2. Structural Funds 2000-2006

2000 was the first year of implementing Structural Funds for the new period ⁹⁶.

3.2.1. Mainstream

Objective 1 and Objective 2

Eligible Objective 1 regions are:

- NUTS II regions whose per capita GDP is less than 75 % of the Community average
- Finnish and Swedish regions covered by the former Objective 6 (development of regions with an extremely low population density
- The most remote regions (French overseas departments, the Canary islands, the Azores and Madeira)

⁹⁶ Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds, OJ L 161, 26.6.1999, p. 1.
Regulation (EC) No 1783/1999 of the European Parliament and of the Council of 12 July 1999 on the European Regional Development Fund, OJ L213, 13.8.1999, p. 1.
Regulation (EC) No 1784/1999 of the European Parliament and of the Council of 12 July 1999 on the European Social Fund, OJ L 213, 13.8.1999, p. 5.
Council Regulation (EC) No 1263/1999 of 21 June 1999 on the Financial Instrument for Fisheries Guidance, OJ L 161, 26.6.1999, p. 54.
Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations, OJ L160, 26.6.1999, p. 80.
Commission Regulation (EC) No 1685/2000 of 28 July 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards eligibility of expenditure of operations co-financed by the Structural Funds, OJ L 193, 29.7.2000, p. 39.

Examples of Objective 1 programmes including tourism measures within their priority actions, and which have been adopted during 2000 are:

Belgium: Objective 1 programme of transitional support for Hainaut

The European Commission has decided to participate actively in the development of the Hainaut region by co-financing the Objective 1 programme of degressive transitional support for the region during the 2000-2006 period. The Structural Funds will contribute EUR 645 million out of a total budget of about EUR 2 220 million. Final approval date: 15.5.2000

Priority 4: Making the region more attractive through restoration work and by improving its image (EU contribution: EUR 106 million)

As well as helping to upgrade tourist infrastructure, restore old industrial sites and improve management of the environment, EU funding will be used to promote public transport and renewable forms of energy.

Germany: Sachsen-Anhalt Objective 1 Programme

The European Commission will actively participate in the development of the Sachsen-Anhalt region by co-financing the Objective 1 programme for the area during the 2000-2006 period. The region is located in central Germany and has a population of 2.67 million inhabitants. This programme falls within the Community support framework for the German regions eligible for assistance under Objective 1. The total cost of the programme is EUR 8 700 million, of which about EUR 3 350 million will be provided by the EU Structural Funds. Final approval date: 17.11.2000

Priority 2: Infrastructure development (EU contribution: about EUR 768 million)

EU funding will focus on strengthening the region's general infrastructure with a focus on transport, training, R&D, communication, information society, tourism, and urban infrastructure.

France: Objective 1 Programme of transitional support for Nord-Pas-de-Calais

The European Commission has decided to take an active part in the development of Nord-Pas-de-Calais by part-financing the Objective 1 transitional support programme for this region during the period 2000 to 2006. The programme covers the administrative districts of Valenciennes, Douaisis and Sambre-Avesnois. The contribution from the Structural Funds amounts to EUR 389 million, out of an overall budget of EUR 1 100 million.

Final approval date: 20.12.2000

Priority 3: Spatial improvement and upgrading (EU contribution: about EUR 116 million)

In order to make the region more attractive, create employment and improve the quality of life, this priority concentrates on the protection of natural spaces, the development of tourism and the modernisation of villages by upgrading industrial wasteland, health promotion and schemes to tackle addiction, afforestation, modernisation and equipping of villages, tourism investment aid, support for cultural facilities, restoration of natural spaces and energy saving.

Ireland: Border, Midland and Western Region Operational Programme

The European Commission will actively participate in the development of Ireland by co-financing the Objective 1 programme for the Border, Midland and Western Region during the 2000-2006 period. As concerns regional development policy, Ireland is no longer considered as a single entity but has been divided in two separate regions. The programme falls within the Community Support Framework for Ireland and focuses on local infrastructure, local enterprise development, agriculture and rural development, as well as social inclusion and childcare. The Community will co-finance EUR 400.2 million out of the programme's total cost of EUR 1 079.5 million.

Final approval date: 27.11.2000

Priority 1: Local infrastructure (EU contribution: about EUR 175.25 million)

Improving non-national roads will be vital for linking the region's strategic transport infrastructure, to fortify tourist routes, and to provide access to ports and airports. Investment schemes for rural water and waste infrastructure will be important under this priority as will be urban and village development to rejuvenate the fabric of cities, urban areas, and villages. An emphasis will also be put on information society infrastructure to help peripheral, remote and less developed areas benefit from the advancements of the emerging new economy. In the same light, research and technological development and innovation facilities will be improved to increase the local employment opportunities for graduates of third level institutes.

Priority 2: Local enterprise development (EU contribution: about EUR 104.93 million)

Measures under this priority will seek to tap into the entrepreneurial skills at the local level and to target projects where market failure has been demonstrated. Access to risk capital and in-company training will be particularly important. Tourism will be targeted in the less visited regions, commercial forestry will be encouraged to foster employment and environmental benefits, and infrastructural investments are planned in the fisheries and aquaculture sectors.

Italy: Regional Operational Programme for Calabria

The European Commission will actively participate in the development of Italy's Mezzogiorno by part-financing the Objective 1 programme for the Calabria region in 2000-2006. The programme is instrumental in implementing the Community Support Framework for Italy's Objective 1 regions. The contribution from the Structural Funds amounts to EUR 1 194 million out of an overall budget of EUR 5 863 million.

Final approval date: 8.8.2000

Priority 4: Local development systems (EU contribution: about EUR 653.66 million)

Promoting local production systems (in particular industrial districts and export systems) and new businesses, supporting demand for high-quality services and improving tourism supply.

The Netherlands: Flevoland

The European Commission has decided to participate actively in the development of Flevoland by co-financing the Objective 1 programme of degressive transitional support for the region during the 2000-2006 period. The Structural Funds will contribute EUR 126 million out of a total budget of EUR 471.26 million.

Final approval date: 27.7.2000

Priority 1: Developing urban areas (EU contribution EUR 39.06 million)

The programme will include specific measures for coastal sites and tourist attractions.

Austria: Burgenland

The European Commission has agreed to contribute to the development of Burgenland by co-financing an Objective 1 programme for that region for the 2000-2006 period. The Structural Funds will provide EUR 271 million out of a total volume of EUR 864 million.

Final approval date: 7.4.2000.

Priority 3: Tourism and culture (EU contribution: about EUR 50.87 million)

The tourism sector will be developed through investment aid accompanied by an improvement in the quality of tourism products, marketing and operator networking.

This priority also provides for the expansion of tourism infrastructure and the development of cultural heritage initiatives to attract tourists.

Portugal: "Culture" Operational Programme

The European Union will actively participate in the development of Portugal by co-financing the "Culture" Operational programme. The programme falls within the 3rd Portuguese Community Support Framework and focuses on reinforcing culture as a source of development and employment, and promoting equal access to culture. The Community will co-finance about EUR 237.28 million out of the programme's total cost of about EUR 327.47 million.

Final approval date: 27.7.2000

Priority 1: Developing historical and cultural heritage

This priority will fund measures aiming at preserving and rehabilitating buildings classified as historical heritage sites as well as revitalising the country's major museums. These measures will include funding for the work needed to the buildings, and the construction or adapting of currently existing tourist facilities.

EU contribution: EUR 187.44 million

United Kingdom: South Yorkshire Objective 1 Programme

The European Commission will actively participate in the development of the South Yorkshire region by co-financing the area's Objective 1 programme during 2000-2006. The region is situated in the wider Yorkshire and Humberside NUTS 1 area. Total programme value is about EUR 3 040 million, of which the Structural Funds will contribute about EUR 1 170 million.

Final approval date: 24.7.2000

Priority 2: Modernising businesses through enhancing competitiveness and innovation (EU contribution: EUR 127.97 million)

This priority will concentrate on improving the competitiveness of the existing business base in the Engineering, Metal, Manufacturing, food and tourism sectors. Measures will support development of new processes and products; helping companies to seize the opportunities of E-businesses; development of new markets, training. EAGGF will be available for processing and marketing of agricultural products.

The new Objective 2 replace the former Objectives 2 and 5b from the 1994-1999 period. They comprise four types of areas: industrial, rural, urban, and areas dependent on fisheries, each of them meeting a certain number of criteria, and covering a total of 18 % of the EU population.

Examples of Objective 2 programmes approved during 2000 are:

Finland: Southern Finland Objective 2 Programme

The European Commission will actively participate in the development of the Southern Finland regions of South Karelia, Kanta-Häme, Päijät-Häme, Kymenlaakso, Varsinais-Suomi, Uusimaa and East Uusimaa by co-financing the Objective 2 programme in these areas during the period of 2000-2006. The funding totals EUR 994 million, of which EUR 218 million are from EU Structural Funds.

Final approval date: 30.6.2000

Priority 3: Development of sub-regions, urban areas, and attractiveness of the local communities (EU contribution about EUR 78.80 million). These measures aim to improve the living and social environment of the region, and to expand tourism by promoting the natural environment and the strong cultural identity of the region. Some transport infrastructure, environment and logistics projects will be launched to improve economic and living conditions as well as to provide better access to the region.

Sweden: Västra region Objective 2 Programme

The European Commission will actively participate in the development of the Västra region by co-financing the Objective 2 programme in the Västra region (West Sweden) during the 2000-2006 period. During the previous period, this region was covered by the Objective 2 programmes for Bergslagen and Fyrstad and the Objective 5b programme for Västra Sverige. Funding totals EUR 431 million, of which EUR 124 million are from EU Structural Funds.

Final approval date: 15.12.2000

Priority 1: Development of industry and business climate (EU contribution: about EUR 110.94 million)

This priority aims at promoting a business environment conducive to innovation and industrial production competitiveness. This also entails investing in new technologies, promoting R&TD and transfer of technology and know-how to SMEs. Measures also aim at enhancing the region's image to attract women and young people into the region and to develop the tourism industry.

Denmark Objective 2 Programme

The European Commission has decided to actively participate in the development of the Danish regions of Bornholm, Lolland, Flaster, Møn, Nordjylland, Viborg, Århus, Ringkøbing, Sønderjylland, and Sydfyn by co-financing the Objective 2 programme in these areas during the period of 2000-2006. The funding totals EUR 541 million, of which EUR 162 million are from EU Structural Funds.

Final approval date: 9.11.2000

Priority 1: Development of the region (EU contribution: EUR 82.35 million)

Measures under this priority aim at filling the infrastructure shortcomings of commercial activities in the transport, information and telecommunication sectors. Special emphasis is targeted on environmental and extraordinary energy projects and on other infrastructure projects. Important in this area are also projects in developing information exchanges, networking, and research and development activities.

Related activities:

- Development of infrastructure for tourism (measure 1.1 – Infrastructure)
- Services for the tourism industry (measure 1.2 – Counselling, studies, development. plans etc.)

Priority 2: Business development (EU contribution: about EUR 45.33 million)

Measures in this area include projects in product development, technology transfers and production infrastructure improvements. Priority will be given to environmental projects.

Related activities:

- Investment support (measure 2.1)
- Services for the tourism industry (measure 2.2 – Counselling, studies, development plans etc.)

Objective 3

The year 2000 saw the adoption of most of the operational programmes involving European Social Fund (ESF)⁹⁷ that operates across Objectives 1⁹⁸, 2 and 3. Between 2000-2006, ESF will invest some EUR 60 000 million in modernising and reforming labour markets in line with the European Employment Strategy's commitment to boost employability, entrepreneurship, adaptability and equal opportunities. National and regional authorities have earmarked EUR 8 000 million of these funds to promote entrepreneurship by providing the essential leverage for new business start-ups and job creation with a particular focus on the service sector⁹⁹.

⁹⁷ Regulation (EC)1262/1999 of the Parliament and the Council of the 21 June 1999 on the Social Fund, OJ L 213, 13.8.1999, p. 5.

⁹⁸ Just under a quarter of Structural Fund investment in Objective 1 comes from ESF.

⁹⁹ Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on the European Social Fund support for the European employment strategy. COM(2001) 16 final/2 of 23.1.2001.

The European Commission has launched in 1999 the peer review programme of the European Employment Strategy. It is an example of dissemination of good practice and it aims to make decision-makers aware of good practice in labour market policies in other Member States ¹⁰⁰.

ESF has the potential to promote investment in the tourist industry across the whole of the EU. It can bring significant Community resources to meet the challenges of boosting employment and strengthening economic and social cohesion in tourist areas and industries across the whole of Europe. Typically, its support cuts across a whole range of labour market activities including: training for employed and unemployed; advice and counselling on job and career choices; support to tackle gender discrimination in the labour market; teacher and trainer training; help with business start-ups. Although it is not possible to say what proportion of funds will go specifically to activities affecting tourism, it is clear that there are significant opportunities to use ESF imaginatively to promote the economic development needs of tourist areas. The level and nature of support depends on the priorities set at the national, regional and local levels.

By raising productivity and employability, ESF can help strengthening the position of business and the labour force in areas dominated by tourism. ESF has a clear role to play in boosting investment in the skills of those employed in tourism. The potential is there to help improve the number and viability of small firms in the tourist industry. Generating a commitment to lifelong learning can have a decisive influence on the quality of service provided in the tourist industry.

3.2.2. *Community Initiatives*

INTERREG III and URBAN II

Following consultation with the European Parliament and the committees representing the Member States, the European Commission adopted, on 28 April 2000, the definitive guidelines for the Community Initiative INTERREG III (2000-2006) ¹⁰¹ that provides EUR 4 875 million Community financial support under the European Regional Development Fund (ERDF).

Taking into account the experiences gained during the period 1994-1999, the new INTERREG guidelines aim at reinforcing these results by ensuring that the regions and territories concerned co-ordinate their efforts and co-operate in an effective manner. The cross-border regions and territories must not only implement their strategies and common programmes, but also put into action common administrative structures to ensure the development of the programmes, their co-ordination, the selection of projects, the management and the monitoring of programme implementation.

¹⁰⁰ <http://peerreview.almp.org/>

¹⁰¹ OJ C 143, 23.5.2000, p. 6.

The INTERREG III guidelines mention tourism as a priority issue for cross-border cooperation (strand A) and for interregional co-operation (strand C) as follows:

Cross-border cooperation (strand A):encouraging entrepreneurship and the development of small firms (including those in the tourism sector) and local employment initiatives;

Interregional cooperation (strand C) covers cooperation actions related to specific topics to be defined by the Commission, after consulting the Management Committee referred to in Article 48(2)(c) of the general Regulation. Tourism is one of the specific topics mentioned.

In addition, priority topics, such as transport systems and cultural heritage, to be promoted within strand B for transnational cooperation are closely related to tourism.

On 28 April 2000, the Commission also adopted the final version of the guidelines for the URBAN II Community Initiative (2000-2006) that provides EUR 700 million ERDF support for the economic and social regeneration of declining towns and cities and run-down urban districts¹⁰². Although the urban areas targeted by the initiative generally do not directly qualify for tourism, the eligible measures and their impact may indirectly benefit the tourism development in the town in question. For instance, to regenerate existing structures by means of diversified use, while respecting the environment and to provide integrated public transport and communication may positively affect tourism.

LEADER+

LEADER+ is the new Community Initiative for rural development implemented under the Structural Funds for the period 2000-2006¹⁰³. Like its predecessors, LEADER I and II, LEADER+ seeks to encourage the implementation of integrated and territorially based local development strategies in rural areas. These development strategies are drawn up and implemented by Local Action Groups (LAGs), a public/private partnership representative of the rural area concerned and a key feature of the LEADER approach is the active participation of the local population.

During 2000 the Commission guidelines for LEADER+ were discussed with the Member States and adopted by the Commission (on 14 April 2000). The deadline for Member States/regions to submit their programmes was 18 November 2000. A total of 73 programmes were submitted mainly in late 2000. It is only after programmes are approved and Member States/regions have gone on to select their LEADER groups that more concrete information on the selected LAG's strategies, and in particular their likely involvement in the tourism sector, will be available.

As its name implies, LEADER+ will not be a simple continuation of the previous LEADER II Initiative, but will be a more ambitious Initiative aimed at encouraging and supporting high quality pilot strategies for local and rural development. It will focus on the transferability of the methods proposed and on the need for complementarity with interventions made under the mainstream programmes in the area concerned. LEADER+ will also put a stronger emphasis on co-operation and networking between rural areas. Unlike LEADER I and II where eligibility was restricted to those areas covered by Objective 1, 5b and 6 of the Structural Funds, all rural areas of the EU are, in principle, eligible under LEADER+.

¹⁰² OJ C 141, 19.5.2000, p. 8.

¹⁰³ In the previous period, LEADER II (1994-1999) offered the possibility to support a wide range of development projects submitted to the Local Action Groups by local residents, businesses, associations etc. Initial indications from the 1994-1999 period are that the tourism sector was the sector which received the highest share of financial support under LEADER II. More than half of the financial allocations under some programmes were allocated to projects for development of rural tourism activities.

Another new feature is that under LEADER+ the development strategies to be presented by LAGs must be built around a priority theme which is typical of the identity and resources of the local area, and which serves to unite all the actors and projects assisted.

In the LEADER+ guidelines, the Commission proposed four themes of special interest at Community level:

The first concerns the use of know-how and new technologies to make the products and services of rural areas more competitive.

The second looks to improve the quality of life in rural areas.

The third aims to add value to local products.

The fourth looks to make the best use of natural and cultural resources.

Member States have the possibility to add additional themes within their programmes, to reflect the specific opportunities and constraints faces by their rural areas.

Activities in different sectors of the economy linked to the particular theme selected by a LAG can be assisted, and it is likely that actions concerning the tourism sector could be financed under several of the themes. Given that programmes are designed around these integrated strategic themes, rather than on sectoral lines, it is not possible at programme level to assess the likely overall impact of the Initiative in a specific sector such as tourism. Once the LAG strategies are approved however it should be possible to get a better overview of the degree of emphasis on rural tourism under LEADER+.

The tourism projects assisted were typically of a small size such as creating accommodation in rural areas (rural gites, bed & breakfast), or concerned development of recreational tourism in rural areas such as development of nature tourism, outdoor pursuits (canoeing, horse riding, mountain biking, walking holidays etc.), craft activities for tourists etc.. Some LAGs financed projects with the aim of improving the attractiveness of their villages in the interests of both local residents and tourists e.g. restoring traditional buildings or financing projects concerned with reinvigorating local cultural traditions and heritage.

The total EU contribution to LEADER+ in the period 2000-2006 will be EUR 2020 million, financed under the EAGGF-Guidance Section. The Community typically co-finances measures up to a maximum of 75 % of the total cost in Objective 1 regions, and at up to 50 % in all other areas.

EQUAL

The Community initiative EQUAL, presented by the Commission on 14 April 2000, is one of the new initiatives adopted under Regulation No. 1260/1999 containing general provisions on the Structural Funds. EQUAL, which is financed by the European Social Fund (ESF), forms part of the European employment strategy. The ESF will provide EUR 2 847 million over the period 2000-2006. These contributions need to be matched by national funding. EQUAL will operate by bringing together the key players in a geographical area or sector. The different worlds of public administration, non-governmental organisations, social partners and the business sector (in particular SMEs) will work in partnership, pooling their different types and experience. The "Development Partnership" will have to operate in a specific area and, at the same time, be ready to work in transnational partnerships.

4. TOURISTS' INTERESTS

4.1. Tourism and the Euro

During 2000, the Commission continued to publish a "Quarterly note on the development of the use of the euro"¹⁰⁴, a synthesis of various studies on the development of the use of the euro and also presents the results of a regular Commission survey among European banks on the share of the euro in payments and bank accounts. There appears to be a close link between the euro and the Internet: 67 % of payments in euros (in volume terms) made with the cards of one of the major credit card companies are a result of e-commerce¹⁰⁵. In tourism half of expenditures are made with non-cash payment means.

In July 2000 the Commission presented the Communication "Practical aspects of the euro: state of play and tasks ahead"¹⁰⁶, providing an overview of the preparations undertaken so far and those required for the final changeover to the euro at the beginning of 2002. The Commission recommendation on measures to facilitate the preparation of economic operators for the changeover to the euro of October 2000 put forward twenty concrete proposals aimed at accelerating preparations for the introduction of the euro on 1 January 2002. From setting prices in euro to concluding contracts or paying wages in euro in 2001, the Commission proposed strong measures in order to prepare every citizen and business for the changeover.

The information and communication activities of the Commission on the euro are financed through *Prince* (Programme d'information du citoyen européen). The 2000 budget was EUR 32 million, half of which was granted to the Member States to co-finance national euro actions.

4.2. Tourists' rights and consumer protection

Timesharing

As the Commission had identified in its 1999 report on the application of Directive 94/47/EC¹⁰⁷, a number of timeshare companies are seeking to circumvent the provisions on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis.

In 2000, the Committee on Legal Affairs and the Internal Market of the European Parliament and the Committee on the Environment, Public Health and Consumer Policy started to examine the report. After adoption of the European Parliament's opinion on the report, and taking into consideration the Council conclusions¹⁰⁸ on it, the Commission will, if necessary, consider amendments to this Directive or whether other measures will be more appropriate to remedy, for instance, complaints on aggressive selling techniques used by many timeshare firms. The Commission will examine this issue in the context of the Green Paper on European

¹⁰⁴ http://europa.eu.int/comm/economy_finance/publications/euro_related/eurorelated_quat01_en.htm.

¹⁰⁵ Quarterly note n° 2, April 2000 (see previous website).

¹⁰⁶ COM(2000) 443 final of 12.7.2000.

¹⁰⁷ Directive 94/47/EC of the European Parliament and the Council of 26 October 1994 on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis, OJ L 280, 29.10.1994, p. 83.
Report: Document SEC(1999) 1795 final.

¹⁰⁸ Council of the European Union, Doc. 7221/1/00 - Consom 16- Jur 91.

Union Consumer Protection¹⁰⁹ that will examine all aspects of the relationship between business and consumers.

Air Passengers' rights and protection

The Commission is developing an ambitious policy to strengthen the protection of air passengers, to which it gives high priority. In 2000, it launched an information campaign on the rights that passengers enjoy under Community law. Most passengers are not aware of them and so cannot insist on their being respected. In fact, Community law already gives passengers rights when it comes to booking flights, denied boarding, package holidays and airlines' liability for death and injury. At the Commission's request, many airports throughout the Community have put up posters spelling out these rights.

The Commission also adopted a Communication on the protection of air passengers¹¹⁰ followed by a consultation paper issued on 30 November 2000. This proposal for a comprehensive policy is based on two complementary pillars:

- *voluntary commitments by airlines and airports to improve their quality of service.*
At the instigation of the Commission and the European Civil Aviation Conference, the organisations representing airlines and airports began work on commitments in September 2000. They completed these in April 2001 and presented them publicly at the European Union-European Civil Aviation Conference on 10th May 2001 in Lisbon.
- *legislation to protect passengers' basic interests.*
Community legislation would ensure that passengers would have the same rights throughout the European Union and could obtain redress if they were not respected, while airlines would operate under the same rules throughout the single market.

In 2000 the Commission adopted two proposals concerning the implementation by the Community of the liability rules of the Montreal Convention, which greatly improve the position of passengers in the event of death or injury resulting from an accident, of delays and of mishandling of baggage. The first is for the alignment of the existing Community regulation on the liability of air carriers on the convention¹¹¹ and the second for a decision on ratification of the convention by the Community¹¹².

4.3. Food safety

On 12 January 2000, the Commission adopted a White Paper on food safety¹¹³ advocating a comprehensive, integrated approach aimed at achieving the highest possible level of consumer health protection. Proposals included establishing a European Food Authority, legislation on the responsibility of foodstuff manufacturers, traceability of products and checks at all stages of the food production chain, including food producers and retailers in the hotel, restaurant and café (HORECA) sector of the tourism industry. The White Paper was

¹⁰⁹ COM(2001) 531 final of 2.10.2001

¹¹⁰ COM(2000) 365 final of 21.6.2000.

¹¹¹ Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 2027/97 on air carrier liability in the event of accidents, OJ C 337 E, 28.11.2000, p. 68.

¹¹² Proposal for a Council Decision on the approval by the European Communities of the Convention for the unification of certain rules for international carriage by air (the Montreal Convention), OJ C 337 E, 28.11.2000, p. 225.

¹¹³ COM(1999) 719 final.

endorsed by the Committee of the Regions, the Economic and Social Committee¹¹⁴ and the European Parliament¹¹⁵.

During 2000, the Commission adopted draft Regulations on the European Food Authority¹¹⁶ and other aspects of the proposals made in the White Paper¹¹⁷. These had not been adopted by the end of the year.

4.4. Tourism and disability

Ensuring barrier free design by removing physical obstacles, promoting positive attitudes and providing support to enable all persons with disabilities to be part of the economic, social and cultural life is the cornerstone of the European Community Disability Strategy. Moreover, increasing numbers of persons with disabilities are travelling, touring and enjoying hospitality services and leisure activities. This market, coupled with the market of aged people and anybody needing special attention represents significant annual revenues to the tourism industry. However, architectural and design barriers, still featured by many tourism infrastructures in Europe, remain significant obstacles for participation for people with disabilities and their relatives.

Through its Communication "Towards A Barrier Free Europe for People with Disabilities" adopted on 12 May 2000¹¹⁸, the Commission seeks to promote accessibility in a co-ordinated way among several policy fields at EU level. This involves, for example:

- the promotion of measures seeking that architects, construction engineers and others involved in the design and construction of the physical environment have access to adequate information on disability policy and measures to achieve accessibility;
- that projects considered for EU funding incorporate accessibility requirements, to approved standards or recognised best practice, into the design and construction;
- the organisation of awareness events such as the Breaking Barriers Award where the business sector, including the tourism industry, is encouraged to comply with the best practice in the field of accessibility standards.

4.5. Justice and Home Affairs in relation to tourism

As a consequence of the increasing use of the rights given by the Treaty on free movement of persons, goods and services, the potential number of cross-border disputes in civil matters can be expected to increase. Therefore, measures developed in the framework of Justice and Home affairs with a view to better protecting the legal rights of citizens in crossborder disputes are also relevant for the policy of tourism and the protection of tourists' interests.

Individuals may for example be involved in an accident while on holiday or while making a shopping trip abroad, or they may buy goods, which later turn out to be faulty or dangerous.

¹¹⁴ NAT/044 of 24.5.2000.

¹¹⁵ A5-0272/2000 of 25.10.2000.

¹¹⁶ Proposal for a Regulation of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Authority, and laying down procedures in matters of food, COM(2000) 716 final, OJ C 96 E, 27.3.2001, p. 247.

¹¹⁷ For details see COM(2000) 438 final of 17.7.2000, OJ C 365 E, 19.12.2000, p. 43 - 134 or http://europa.eu.int/comm/food/fs/intro/hygiene_en.html.

¹¹⁸ COM(2000) 284 final.

Due to the costs related to cross-border procedures, cross-border litigation may give rise to serious difficulties, especially for citizens with modest financial resources. A comparative study of the national schemes on legal aid shows that these systems differ considerably from Member State to Member State. Therefore, the Commission considered that, in order to enforce the citizens' rights through Court action, a system providing for legal aid applicable in cross border disputes could be of interest.

In the year 2000, the Commission published a green paper¹¹⁹ concerning legal aid in civil matters and problems confronting the cross-border litigant. It is currently preparing a draft directive on legal aid, which will aim to ensure compatibility of certain laws of member states on that subject. Information about legal aid systems in Member States (and how to obtain such aid) can be found on the website "dialogue with citizens"¹²⁰ in a publication by the Council of Europe¹²¹, and in a near future on the webpages devoted to the European Judicial Network in civil matters. A similar initiative concerns the protection of crime victims¹²².

Furthermore, the French Presidency and the subsequent Swedish Presidencies jointly took the initiative to set up a European Crime Prevention Network. The initiative was discussed, but not concluded, during the French Presidency.

4.6. Fight against child sex tourism

In line with the operational conclusions of the Commission Communication on the implementation of measures to combat child sex tourism¹²³, the following progress on the activities referred to, projects, programmes and other actions with an international impact was made.

In the year 2000, the contracts signed in 1999 with three organisations active in the protection and promotion of the rights of children gave rise to the campaign against child sex tourism.

Certified code of conduct for tour operators against child sex tourism¹²⁴

The code commits suppliers of tourism services to:

- (1) Establish an ethical policy regarding the protection of children against sexual exploitation;
- (2) Train their personnel in the country of origin and in travel destinations;
- (3) Include a specific clause in contracts with suppliers that proclaim a common repudiation of child sex;

¹¹⁹ COM(2000) 51 final of 9.2.2000.

¹²⁰ <http://europa.eu.int/citizens/>.

¹²¹ TTA Guide des procédures DIR/JUR (2000)6.

¹²² On March 15th 2001, the Council has adopted a Framework Decision on the standing of victims in criminal procedure (OJ L 82, 22.3.2001). The objective is to insure common minimum rules in the criminal process, in order to provide victims with some basic rights and to take into account the specific situation of victims who are in a country other than their country of origin. It covers concepts such as the right to provide and receive information, to protection and support, to compensation and participation in the procedure, and to have access to legal aid. The main beneficiaries of such provisions will be EU citizens, when becoming victims of crime.

¹²³ COM(1999) 262 of 26.5.1999.

¹²⁴ Responsible beneficiary: ECPAT Sweden <http://www.ecpat.net/eng/index.asp> and http://www.ecpat.net/eng/Ecpat_inter/projects/sex_tourism/sex_tourism.asp.

- (4) Provide information to travellers by appropriate means;
- (5) Provide information to local key persons at the destinations.

The beneficiary established the appropriate framework and connections in Sweden, Germany and Austria, which constitute the first of a series of countries to adopt and implement the code. During several meetings, the code was presented and explained to the professionals concerned, and on several occasions it was promoted to the general public.

Internet Platform against the sexual exploitation of children connected to tourism¹²⁵

This contribution to information and awareness raising on the issue of child sex tourism through the creation and the development of an Internet platform develops a web-site inviting tourists, the tourism industry and organisations to get involved in this fight. The platform offers travellers on-line information on problems and laws, and explains the different ways in which tourists can respond to the situation in their destination country. It is also a search and exchange of information facility for actors in this fight.

During 2000, the activities involved negotiations with all contributors to the platform and proceeded with its design and definition of content.

Reporting dilemmas: journalism, child rights and sex tourism¹²⁶

This publishing project is meant to enhance media awareness of child sex tourism issues and to promote actions in defence of children subject to commercial sexual exploitation.

It promotes co-operation between journalists, child rights campaigners and people working in the tourism industry. These professional groups co-operated on the drafting of codes over the ways this issue should be handled.

At the end of 2000, the decision was taken to extend the duration of the three projects and to grant approximately EUR 1 million of additional Community support to cover the year 2001 activities, with a view to providing further analysis and strengthening their effectiveness. The World Tourism Organisation was included and entrusted with the lead and the co-ordination of the activities¹²⁷.

The Commission produced and disseminated written information material concerning the subject, and participated in eight major European travel fairs to provide visibility for its activities to the tourism professionals and the general public. Through press conferences and groups for discussion it presented and analysed the assisted actions and discussed the problems faced by tourism professionals. This resulted in the successful introduction of the issue of child sex tourism as a major concern and sensitive subject and the promotion of viable solutions¹²⁸.

¹²⁵ Responsible beneficiary: terre des hommes - Deutschland
http://www.world-tourism.org/protect_children/terre_hommes.htm.

¹²⁶ Responsible beneficiary: International Federation of Journalists
<http://www.ifj.org/working/issues/children/sextourism.html>.

¹²⁷ http://www.world-tourism.org/protect_children/index.htm.

¹²⁸ <http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/child.htm>.

As far as programmes are concerned, some project proposals selected for funding under the STOP Programme¹²⁹ are closely related to the fight against child sex tourism. Examples are for instance research on evaluation and prevention of recidivism of sexual offences directed towards children and a study “Net-enforce/ Internet platform on law enforcement against the sexual exploitation of children”. Furthermore, the European Parliament decided in 2000 to allocate an additional budget line (B5-804) with EUR 3 Million for the year 2001, to specifically address paedophilia and child sexual abuse and exploitation, in parallel to the Daphne Programme.

At the end of 2000, the Commission established an inter service collaboration to prepare a factual document for submission to the Special Session on Children of the United Nations General Assembly, which was scheduled to be held in September 2001. The purpose of the paper was to present, among others, the Commission activities in the area of the fight against child sex tourism.

Finally, the Commission adopted on 21 December 2000 the Communication «Combating trafficking in human beings and the sexual exploitation of children; two proposals for framework decisions»¹³⁰. One proposal focuses on trafficking in human beings and one proposal focuses on sexual exploitation of children and child pornography. Both proposals address approximation of the criminal laws (common definitions and penalties) of the Member States. The proposals also address criminal procedure (jurisdiction, prosecution and victims). The objective for the proposal on sexual exploitation of child pornography is, in particular, to ensure that there are no safe havens for child sex offenders suspected of having committed an offence in a country other than their own. These two proposals are currently being examined by the Council and the European Parliament.

5. INTERNATIONAL DIMENSION OF TOURISM

5.1. Tourism in the enlargement process and pre-accession instruments

In their preparation for accession to the EU, the Candidate countries in 2000 were continuing to gradually align their national policies towards those of the EU, and transposing the acquis into their national legislation. In the field of tourism this concerns in particular the Directive on tourism statistics (95/57/EC, see 2.2.). The EU, for its part, is increasingly involving the Candidate countries in its activities and informs them of developments. Exchange of information on tourism took place at the formal sub-committee meetings on “Trade and Industry”. These are bilateral meetings under the Europe Agreements between the Candidate countries and the Commission. The Commission also reflected on inviting all candidate countries to common sessions with the EU Tourism Advisory Committee for Tourism.

Community support for tourism development in the candidate countries had been provided mainly through the Phare Programme¹³¹. Since 2000, this has mainly been through the Economic and Social Cohesion component of Phare. In a number of cases, support provided for SMEs may directly benefit tourism development. Some of the Phare cross-border co-operation programmes (Phare CBC), together with the Community initiative Interreg (see 3.2.2.), also co-financed projects in the tourism sector. As enlargement is one of the Commission’s priorities, Eurostat started to collect tourism data on candidate countries and to

¹²⁹ http://europa.eu.int/comm/justice_home/project/stop_prov_en.htm
and http://europa.eu.int/comm/justice_home/jai/guidelines/guidelines_en.htm.

¹³⁰ COM(2000) 854 final

¹³¹ <http://europa.eu.int/comm/enlargement/pas/phare.htm>
and <http://europa.eu.int/comm/enlargement/pas/phare/index.htm>.

help them to align their statistics with Council Directive 95/57/EC. Most of the candidate countries have already made progress in this field, and provide data regularly to Eurostat. These are available to the general public via the New Cronos dissemination database.

ISPA¹³² is another pre-accession instrument helping Candidate Countries in Central and Eastern Europe (Cyprus, Malta and Turkey are not eligible for ISPA) to undertake urgent investments in the transport and environmental sector. Its aim is to assist in implementing the *acquis communautaire* in the field of environment and contribute to sustainable development. In the environment sector, ISPA finances measures to enhance the quality of water supply, to reduce the discharge of untreated waste water, to implement modern waste management systems and to reduce air pollution. In the transport sector, the focus is on transport infrastructure measures which promote sustainable mobility and in particular those that constitute projects of interest to both the Member States and Candidate Countries and which enable accession countries to comply with the objectives of the Accession Partnership.

Although ISPA does not directly finance tourism projects, investment in modern, efficient and environmental sustainable transport infrastructure as well the modernisation of water and waste water systems, the collection and recycling of waste, the closure of unhygienic waste disposal sites, or the opening of ecological landfills are some of the examples of ISPA projects that have a significant indirect impact on tourism. They are necessary conditions for a prosperous tourism industry.

In total, 75 projects in all ten Candidate Countries received in 2000 a positive opinion from the ISPA Management Committee. They represent a total ISPA grant of just under EUR 2 000 million. 39 environmental projects received over 46 % of the 2000 budget, and 36 transport projects received over 53 % of the same budget. In the environmental sector, over 64 % of the funds in this sector are used for sewage installations and water treatment projects. In the transport sector, the focus was on rail projects, which constitute more than half of the budget for this sector.

5.2. International trade and economic cooperation

Tourism is considered worldwide as one of the most important and fastest-growing sectors and one that has a very positive impact on employment and growth. It is estimated that tourism represents about 30 % of the total value of world trade in services.

The General Agreement on Trade in Services (GATS), one of the WTO agreements concluded at the end of the Uruguay Round in 1994, covers trade in tourism services. Most WTO Members liberalised trade in tourism services under the GATS. The level of commitments undertaken regarding the tourism sector is far greater than in any other sector. This clearly indicates that most WTO Members recognise that trade liberalisation in the tourism sector has a positive impact on their national economies.

The ongoing GATS 2000 negotiations should be the opportunity for progressively achieving higher liberalisation in those countries which have not yet liberalised trade in tourism services as comprehensively as the EC and its Member States, thus resulting in the elimination of remaining restrictions to trade in this sector. The EC and its Member States have submitted a negotiating proposal to the WTO Council for Trade in Services which aims at reducing unnecessary barriers to international trade in tourism. The EC and its Member States have

¹³² Council Regulation (EC) No 1267/1999 of 21 June 1999 establishing an Instrument for Structural Policies for Pre-accession (ISPA), OJ L 161, 26.6.1999, p. 73.

also actively participated and contributed to a discussion on tourism services in GATS, which was initiated at the end of 1999 by the submission of a proposal by the Dominican Republic, El Salvador and Honduras to create an 'annex' to the GATS on tourism, thereby recognising that tourism is one of the most important sectors of export interest to developing countries.

On 27 June 2000, the Commission and the Member States joined the OECD member countries' ministers and those of Argentina, Brazil, Chile and Slovakia in adopting the revised *Guidelines for Multinational Enterprises*¹³³, which update and expand on the 1976 guidelines, chiefly by giving international investors greater responsibility and responding to the concerns of civil society regarding multinationals' corporate behaviour.

5.3. Tourism in the EU development policy

Following acceptance by the European Council and Parliament of the Communication of the Commission on an "EC strategy for the development of sustainable tourism in developing countries" at the end of 1998, measures to support the tourism sector were also included in the Cotonou Agreement¹³⁴, an ACP-EU Partnership Agreement signed in Cotonou 23 June 2000. This Agreement covers relationships between the EU and the African, Caribbean and Pacific countries for the next twenty years.

As part of the development strategies of Cotonou, Article 24, on the Tourism sector, invites the ACP private sector to play a key role in achieving major development goals such as generating growth and employment and eradicating poverty.

The Agreement contains a comprehensive new policy in support of private sector development while recognising the importance of private sector initiatives as engines of economic growth.

Cooperation programmes and projects will support the ACP countries to establish and improve the countries' legal and institutional framework and resources for the development and implementation of sustainable tourism policies and programmes as well as improving the competitive position of the sector, small and medium sized enterprises, investment, product development including the development of indigenous cultures in ACP countries and strengthening the linkages between tourism and other sectors of economic activity.

During the year 2000 the Commission through the 7th and 8th EDF, continued to support the development efforts of countries and regions of the ACP, particularly where they are heavily dependent on the sector for revenue and employment, are involved in economic transition from commodity based to service oriented economies, or from protected to internationally competitive economies.

Further opportunities in the tourism sector will arise for the ACP countries and their regional organisations in the context of the programming of the resources of the 9th EDF which commenced during the year 2000 and continue into 2001. In taking advantage of such opportunities ACP States and regions recognise the importance of taking account of rapid and radical changes in the tourism sector globally including more mature and demanding consumers, the power of information technologies, environmental degradation and the involvement of the private sector and local communities in policy and strategy planning for the benefit of their countries and people.

¹³³ COM(1998) 563, 14.10.1998.

¹³⁴ http://europa.eu.int/comm/development/cotonou/agreement_en.htm.

5.4. Co-operation with other third countries

The fourth Euro-Mediterranean conference of foreign ministers of the EU Member States and its Mediterranean partners¹³⁵ took place in Marseille on 15 and 16 November 2000. The discussions focused on strengthening the economic and financial components and the social, cultural and human dimensions of the partnership, which the Commission itself had underscored in a Communication of 6 September 2000¹³⁶, aimed at giving fresh impetus to the Barcelona process. The participants welcomed the improvements to the basic regulation of the MEDA programme and the prospects opened up by the EUR 12 750 million which the EU would be placing at its partners' disposal for the period 2000-2006. In December 2000 the Nice European Council confirmed the EU's commitment to deepen the Euro-Mediterranean partnership and stressed the importance of the MEDA programme.

Tourism and the need for information on tourism have, from the outset of the Euro-Mediterranean co-operation initiative, been considered of high interest. Based on the Barcelona Declaration on Euro-Mediterranean co-operation adopted in November 1995 in the framework of the MED-STAT programme, the MED-TOUR sub-programme specifically deals with this issue. As the initial programme is due to finish by mid 2002, a second programme, MED-STAT II, is under preparation, where the achievements of MED-TOUR I will be consolidated.

On 24 January 2000, the Council concluded the Euro-Mediterranean agreement establishing an association with Morocco. Ratified by all EU Member States and concluded for an indefinite period, the agreement features among other things: regular political dialogue; the gradual establishment of a free trade area in line with WTO rules; provisions on freedom of establishment, liberalisation of services, free movement of capital and competition rules; strengthening economic cooperation; social and cultural cooperation; financial cooperation to boost Morocco's drive to achieve economic reform and social development ahead of the creation of a free trade area.

At its second meeting in Brussels on 24 January 2000, the EU-Tunisia Association Council had a wide-ranging exchange of views on the association agreement¹³⁷ and its future prospects, in particular on the trade front, and on issues such as liberalisation of services and the agreement's social provisions.

On 17 April 2000, the Council concluded the Euro-Mediterranean agreement establishing an association with Israel¹³⁸. Ratified by all Member States and concluded for an indefinite period, the agreement features: regular political dialogue; a strengthening of the free trade area (in place for industrial products since 1989) between the EC and Israel in line with WTO rules; provisions on freedom of establishment, liberalisation of services, free movement of capital and competition rules; strengthened economic cooperation on the broadest possible basis; social and cultural cooperation. The agreement entered into force on 1 June and the Association Council held its first meeting in Luxembourg on 13 June 2000.

The Commission took part in a conference under the aegis of the OSCE and the UN Office for Drug Control and Crime Prevention on strengthening security and stability in central Asia,

¹³⁵ Algeria, Palestinian Authority, Cyprus, Egypt, Israel, Jordan, Malta, Morocco, Tunisia and Turkey.

¹³⁶ COM(2000) 497.

¹³⁷ Euro-Mediterranean association agreement between the European Community and its Member States, of the one part, and Tunisia, of the other part, OJ L 97, 30.3.1998.

¹³⁸ OJ L 147, 21.6.2000, p. 3.

in Tashkent (Uzbekistan) on 19 and 20 October 2000. In a special TACIS operation for the Baltic, special attention was devoted to the environment (waste and water management) and promotion of innovative SMEs in the region. Implementation under TACIS of the Traceca programme (goods and passengers) and the Inogate programme (gas and oil) continued with the aim of creating a 'Caucasus corridor' linking Europe to the Caspian Sea and central Asia. Inogate was extended to take in the central and east European countries and Turkey

Following the new approach under the transatlantic partnership, the parties of the EU-US summit held in Washington on 18 December 2000 adopted joint statements, among other things, on building consumer confidence in e-commerce. In the context of the bilateral EU-Japan dialogue on regulatory reform, the biannual high-level meeting on regulatory reform in Japan took place in Tokyo on 22 February 2000. The Commission recognised the progress made in the course of 1999, but noted that some major cross-cutting issues had not been addressed comprehensively. Pursuant to Regulation (EC) No 1035/1999¹³⁹, the Commission presented a report on 12 October 2000 on the implementation of a programme of specific measures and actions to improve access for EU goods and cross-border services to the Japanese market.

In addition to preparations for the June Summit, the talks at the EU-Canada ministerial meeting held in Ottawa on 7 February 2000 ranged over bilateral economic and trade relations, matters of common concern, including 'human security' (protection of children, trafficking in persons, anti-personnel landmines), justice and home affairs issues and prospects for cooperation in controlling migratory flows.

¹³⁹ OJ L 127, 21.5.1999, p. 1.

ANNEX:

AID FOR TOURISM - CASES APPROVED IN 2000

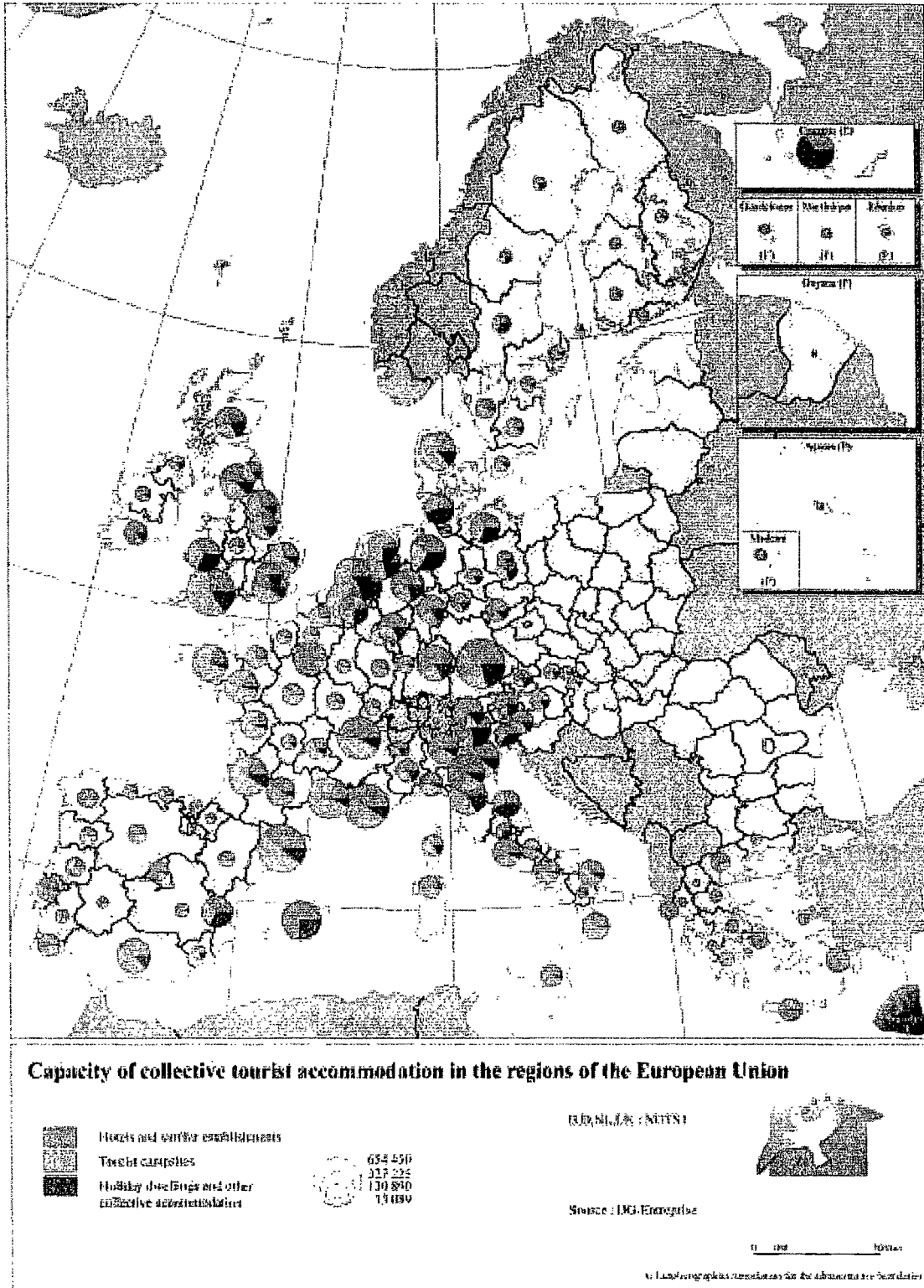
Schemes

Member State	Aid No	Title
Germany	N 635/2000	Aid for tourism in assisted regions in the Saar
Austria	N 595/1999	Tourism Impulse Programme Upper Austria 2000-2006
Austria	N 703/1999	INNOVATIONS IN TOURISM – STYRIA
Austria	N 300/1999	TOP Tourism Scheme 2000-2006
Spain	N 75/2000	Regional investment aid (Asturias)
Spain	N 216/2000	Tourism aid (CANTABRIA)
Spain	N 372/2000	Aid for tourism and cultural activities in coastal zones (GALICIA)
Spain	N 344/2000	Aid for R&D in the tourism sector
Spain	N 345/2000	Aid for tourism activities abroad
France	N 317/2000	Reunion – 2000-2006 – Products linked to tourism activities
France	N 318/2000	Reunion – 2000-2006 – Classified hotels and restaurants
Ireland	N 770/2000	The marine tourism grand scheme
Italy	N 284b/2000	Refinancing under Budgetary Act 8/2000 of tourism aid provided for under Article 16 of Regional Law 27/96
Italy	N 205/1999	DDL n° 460: Aid in favour of the tourism sector
Italy	N 307/1999	Aid in favour of SMEs investments in the field of Tourism
Italy	N 763/1999	Umbria Region – Aid in favour of tourism, amendments to Law L.R. 33/94
Italy	N 93/2000	Aid for the tourism sector (Lombardy)
Portugal	N 89/2000	Aid for tourism products of a strategic nature (PROTUR)
Portugal	N 124/2000	Regional tourism programmes (PITER)
Portugal	N 563/2000	Regional development aid schemes for the Azores

Individual cases

Member State	Aid No	Title
France	N 640/1999	Aid for training of employees at Disneyland Paris (Eurodisney S.C.A.)
Italy	N 132/1999	Capital injection in "Parco Navi SpA" by Sviluppo Italia (ex GEPI SpA) for the development of a marine science and leisure park
Italy	N 785/1999	Aid to "Villa Romana srl" for a hotel facilities project

MAP 1 ACCOMMODATION CAPACITY IN THE EUROPEAN UNION



MAP 2 TOURISM DENSITY IN THE EUROPEAN UNION

