



**European Committee
of the Regions**

COTER-VI/051

135th plenary session, 26-27 June 2019

OPINION

Macro-regional strategies, such as the Danube: a framework for promoting transnational clusters

THE EUROPEAN COMMITTEE OF THE REGIONS

- stresses that MRS are an excellent bottom up tool for territorial cooperation, providing opportunities for genuine multi-level governance without creating new red tape, bridging the gap between EU and local policy making and directly involving representatives of cities and regions;
- reiterates its support to the "three Yesses" principle: yes to better synergies with funding instruments, yes to better embedding of existing structures, yes to better implementation of existing rules;
- calls for greater coordination between the priorities of macro-regional strategies and all EU funds and sectoral policy programmes;
- calls for further engagement of the Member States and regions and the allocation of the necessary financial and human resources to allow macro-regional strategies to reach their potential;
- suggests exploring how MRS could contribute to the future relationship between the UK and the EU and involve local and regional authorities in the discussions;
- underlines the potential of clusters to become world level value chains and having real impact on social, economic and territorial cohesion;
- calls on the EC to develop measures to further support the promotion of clusters' work and of inter-cluster cooperation, for example through logistical and small-scale financial support.

Rapporteur

Dainis TURLAIS (LV/ALDE), Member of Rīga City Council

Reference document

Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies

COM(2019) 21 - final

Opinion of the European Committee of the Regions – Macro-regional strategies, such as the Danube: a framework for promoting transnational clusters

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Appreciates the Romanian Presidency's invitation for the European Committee of the Regions to express an opinion on the European Union (EU) competitiveness and industrial policy, whose objective is to develop transnational clusters to ensure better economic convergence at the macro-regional level (such as the Danube Region);
2. Welcomes the second report from the European Commission (EC) on the implementation of EU macro-regional strategies (MRS)¹, which assessed the implementation of four MRS which promote regional development and considered the development of these strategies in connection with the possible EU budgetary framework for the post-2020 period. Each MRS was assessed in detail in the attached EC Staff Working Document²;
3. Is pleased that the EC report notes specific achievements in the fields of the environment and climate change, research, innovation and economic development, and connectivity. At the same time, the EC rightly points to the challenges faced by the implementers of MRS: differing administrative capacities, the level of economic development, the challenges of multi-level governance and the challenge of raising funds;
4. Welcomes the conclusions of the Council of the European Union of 21 May 2019 on the implementation of EU Macro-Regional Strategies³ calling on the participating countries to strengthen ownership and political support at national level while fostering the involvement of local and regional stakeholders, as well as underlines the importance of continuing to use macro-regional strategies as a strategic framework promoting more coherent and synergic implementation of EU policies, programmes and funds;
5. Emphasises that multi-level governance not only requires coordination at the macro-regional and national level, but it is also essential to involve representatives of cities and regions;
6. Reiterates that MRS represent a real and deeply European vision⁴ and welcomes the fact that the EC report recognises that MRS offer a strong potential and unique and innovative way to promote cooperation both within the EU and between the EU and its neighbours. The Committee reiterates that the EU needs a territorial development vision⁵ that goes beyond borders;

1 COM(2019) 21 final.

2 SWD(2019) 6 final.

3 <https://data.consilium.europa.eu/doc/document/ST-9895-2019-INIT/en/pdf>

4 CoR Opinion on The implementation of macro-regional strategies (COR-2017-02554).

5 CoR Opinion on Territorial Vision 2050: What future?

7. Stresses that the Lisbon Treaty objective of economic, social and territorial cohesion has still not been achieved. Economic growth and its impact on citizens' wellbeing will allow the EU to be truly strong. By harnessing the potential of all existing levels of EU administration in creating economic growth, MRS can make an important contribution to closing the gap in living standards between neighbouring areas within a reasonable period of time, thereby also contributing to the requirement of cohesion set out in the framework contract. Any policy paper must focus on improving the welfare of our citizens;
8. Reiterates that MRS have become an excellent tool for bottom-up territorial coordination through which the combined potential of macro-regions can be used more effectively⁶. They provide opportunities for genuine multi-level governance without creating new red tape and at the same time bridge the gap between EU and local policy-making by directly involving representatives of cities and regions;
9. Welcomes the EC's work on cluster policies and calls for a much closer link between cluster policies and MRS. This would contribute to economic growth and to the achievement of cohesion objectives, as the main task of these policies is to increase the benefits of regional competitiveness. Clusters have already made a real and very positive contribution to the implementation of MRS. For example, the "DanuBioValNet" project⁷ establishes new value chains for bio-based products in the Danube region. MRS promote the formation of clusters, but in no way limit their activities to the geographical areas of the MRS;
10. Refers to its opinion on The implementation of macro-regional strategies⁸ whereby the Committee supported the "three Yesses" principle to improve MRS operation: yes to better synergies with funding instruments, yes to better embedding of existing structures in MRS and yes to better implementation of existing rules. The Committee regrets that the EC has not taken this proposal into account;
11. Fully shares the view of the Italian Presidency of the European Union Strategy for the Alpine Region that embedding EU macro-regional strategies in the legal framework of Cohesion Policy in the years 2021-2027 would be a win-win game, as it would strengthen these strategies and help improve the territorial cohesion of the Union;
12. Is open to an initiative for a new macro-regional strategy that has been jointly developed and supported by several Member States and regions and that aims to meet common challenges in a defined geographical area. When assessing the creation of a new macro-regional strategy, it is necessary to ensure that it does not hamper the ability of existing macro-regional strategies to operate;
13. Supports the initiative to create an EU Strategy for the Carpathian Region, which would form a permanent framework for cooperation between countries, regions and communities of the Carpathians. The creation of a strategic document for the Carpathians region will, on the one

6 CoR Opinion on The implementation of macro-regional strategies (COR-2017-02554).

7 <http://www.interreg-danube.eu/approved-projects/danubiovalnet>.

8 CoR Opinion on The implementation of macro-regional strategies (COR-2017-02554).

hand, focus on the problems faced by the macroregion and, on the other, create opportunities for the specific cultural and environmental potentials of the Carpathian states. The involvement of many actors representing both local and regional as well as national and European level should be emphasized here in the process of the establishment of this strategy, which amongst others is reflected in the activities of the Interregional Carpathian Group within the Committee of the Regions;

14. Supports the discussions of the regions and states that border the Atlantic, and which are currently participating in the Atlantic sea basin strategy, with a view to moving towards the creation of a macro-regional strategy, based on the cooperation between the Atlantic partners that has existed for decades. A macro-regional strategy for the Atlantic region would complement the current maritime strategy by providing it with a political dimension and multi-level governance that could include third countries and regions, extending its scope to territorial issues and promoting greater coherence between thematic priorities and existing funding instruments. The main focus of the macro-regional strategy would be on the maritime domain, including ocean energies, which have been identified as a priority for Atlantic stakeholders, as well as on key areas such as employment and training;

Finance and administration

15. Emphasises the need to further integrate MRS and EU sectoral policy programmes such as Horizon 2020, Erasmus+, Creative Europe, the Programme for the Competitiveness of Enterprises and SMEs (COSME), LIFE, the Connecting Europe Facility and the European Fund for Strategic Investment to ensure synergies in jointly solving priority issues;
16. Welcomes the EC's efforts to ensure better synergies with the European Regional Development Fund through its legislative proposal on European Territorial Cooperation⁹. It notes, however, that these adjustments concern only a very small proportion of EU funds;
17. Agrees with the EC recommendation to ensure greater alignment of the priorities mentioned in the MRS with all EU funds through the coordination of the activities of the national authorities responsible for planning with those of the key implementers of MRS before concluding partnership agreements. States and regions involved in MRS need to agree, together and from the bottom up, on the priorities of macro-regional strategies;
18. Calls on the EC to ensure coordination not only between countries and within each country, but also for coordination at a third level: the EU level. MRS relate to many policy areas and their development is not exclusively linked to the EU policy on territorial cooperation. As a result, there is separation between the policy strategies on MRS funding. In order to ensure genuine multilevel governance, they should also be implemented within the areas for which the EC is directly responsible, ensuring that the work of different EC Directorates General is integrated into each MRS;

⁹ Article 15(3) of the Proposal for a Regulation of the European parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments COM(2018) 374 final.

19. Believes in this respect that the network of national authorities, which has been managing the implementation of the European Regional Development Fund in the Baltic Sea Region since 2016, provides a good example of bottom-up coordination which could be promoted in other sectoral policies and geographical areas;
20. Fully agrees with the European Commission that the engagement of Member States and regions is key for the success of MRS. These strategies cannot be implemented effectively and their potential cannot be reached if the necessary resources – including financial and human resources – are not allocated to them;
21. Emphasises that MRS have demonstrated their importance in promoting and improving the respect of the multilevel governance principle in the implementation of EU projects by helping to coordinate the work and expertise of existing institutions and thus making the use of available financial resources more effective;

The UK's withdrawal from the European Union

22. Takes the view again, particularly in the context of the United Kingdom's withdrawal from the European Union, that MRS can also contribute to integrated development beyond the EU's borders. It therefore suggests exploring how MRS could contribute to building the future relationship between the UK and the EU and demands that local and regional authorities be closely involved in further discussions on this issue;
23. Points out that the CoR has recognised that MRS, which could comprise UK and EU regions, would be an important means of ensuring sustainable joint programming, coordination and cooperation between UK and EU cities and regions in the future. The CoR calls for the active involvement of cities and regions in the development of this cooperation;

Clusters

24. Notes that in a world where global competition has evolved from competition between companies to competition between regions, clusters play an important role, as centres where there is a concentration of skills, in increasing the wealth and competitiveness of regions and boosting their economic development, thus contributing to territorial cohesion;
25. Points out that clusters are important drivers of innovation because they attract the attention of investors and innovators and bring in companies, local administration, research and training institutions. Stresses the considerable importance of involving clusters in developing smart specialisation strategies, in particular in the S3 thematic platforms promoted by the European Commission. Macro-regional strategies can provide a natural impetus for a cluster-based approach; notes the importance of supporting effective alignment of smart specialisation strategies with regional and national policies, with a view to promoting effective interregional cooperation by increasing the presence of clusters and increasing synergies in accessing sources of funding, and thus also promoting the added value to macro-regional strategies for the harmonious development of the areas involved; reiterates the need to provide sustainable forms

of funding in order to strengthen cluster initiatives in the implementation of smart specialisation strategies in the framework of interregional and transnational cooperation;

26. Notes that cooperation between clusters is also a promising way to strengthen a region's innovative capacity, which is why cross-border or transregional cooperation between cluster organisations should not be restricted to Europe alone, but should be global, with a view to achieving an end goal of world level clusters. Bringing together EU regions, Member States and, if necessary, third countries, MRS can be a natural framework for such cooperation;
27. Recalls the conclusion of the Council of the EU of 12 March 2018 calling for further development of the European cluster policy with the aim of linking up and scaling up regional clusters into cross-European world-class clusters, based on smart specialisation principles, in order to support the emergence of new value chains across Europe. Funding for cooperation in the area of smart specialisation throughout the EU should therefore be ensured in the next Interreg budget;
28. Welcomes the conclusions of the Council of the European Union of 21 May 2019 on the implementation of EU Macro-Regional Strategies¹⁰ inviting to take advantage of the links between smart specialisation strategies and clusters in order to better connect the ecosystems as well as industrial and innovation policies within the macro-regional strategies;
29. Therefore calls on the EC to develop measures to further support the promotion of clusters' work and of inter-cluster cooperation, in particular through boosting the regional dimension of clusters and organise better coherence and synergies between cluster policies in the territorial and regional approach;
30. Believes that MRS can contribute to the creation of an environment in which clusters can thrive. In this way public administrations, in particular local and regional authorities, universities, research centres and businesses will be able to operate in a coordinated manner. By their very nature, cross-border clusters facilitate cooperation both across borders and across sectors, bringing different partners together;
31. Calls on the EU to support transnational collaboration more in its cluster policy, for example by helping to organise events to find international partners for clusters (and their stakeholders) and through small-scale funding for testing and developing collaboration among clusters. This has, for instance, been done with great success within the Baltic Sea Region Innovation Express project¹¹;

Danube region MRS

32. Notes that there is a wide disparity as regards innovation in the Danube region, with some regions among the highest performing regions in the EU while others lag behind. It notes that this disparity is due to different framework conditions and the wide range of policies governing

10 <https://data.consilium.europa.eu/doc/document/ST-9895-2019-INIT/en/pdf>

11 <http://www.bsr-stars.eu/innovation-express/>.

the research and investment sector. In this respect, it calls for better coordination of public policies in this area and for smarter and better focused investment, including from programmes at the EU level;

33. Points out that the relatively high growth in the small and medium-sized enterprise (SME) sector is one of the key factors behind the competitiveness of the Danube macro-region. Because clusters usually focus on SMEs, and there is a strong and positive link between regional innovation performance and regional competitiveness, this could present an opportunity for the region to boost its competitiveness;
34. Believes that a more active approach is needed at the macro-regional level to improve competitiveness and that it is necessary to strengthen the framework for the future development of clusters, although a number of promising macro-regional projects and initiatives are already being implemented. It calls on the EC and the institutions implementing MRS not only to monitor and assess the developments and results of such initiatives, but also to draw conclusions, exchange experiences and come up with new mechanisms to support growth and competitiveness at the macro-regional level;
35. Calls for consideration to be given to developing a smart specialisation strategy for the Danube macro-region which should take into account the specific strengths and needs of the region, such as the relatively high growth in the SME sector;
36. Calls for the initiation of a systematic exchange of experiences, information and data with other macro-regional strategies in order to develop the competitiveness of macro-regions focusing on the green economy, the innovation sector and the creation of new job opportunities;
37. Underlines that clusters are also an essential part of the "triple helix" model involving cooperation between universities, public authorities and the private sector. Their proximity to local markets and local needs makes them natural tools for implementing place-based policies and the bottom-up approach principle;

Final conclusions

38. Stresses the need to support any initiative which strengthens the unity, cooperation, integration, security, social equality and genuine cohesion of the European Union. MRS can make a significant contribution to closing the gap in living standards between neighbouring areas within a reasonable period of time;
39. MRS represent a deeply European vision, they have great potential and innovatively promote working together to achieve shared goals that are important for citizens regardless of the country or region in which they live;
40. MRS provide opportunities for genuine multi-level governance from local authorities to the EC without creating new red tape and bridge the gap between EU and local policy-making. The interaction between cluster policies and MRS can help speed up the achievement of the Lisbon Treaty objective of economic, social and territorial cohesion.

Brussels, 26 June 2019

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

II. PROCEDURE

Title	Macro-regional strategies, such as the Danube: a framework for promoting transnational clusters
Reference(s)	COM(2019) 21 - final
Legal basis	Article 307(4) TFEU
Procedural basis	Rule 41 (b)(i)
Date of Council/EP referral/Date of Commission letter	2 October 2018
Date of Bureau/President's decision	12 November 2018
Commission responsible	COTER
Rapporteur	Dainis TURLAIS (LV/ALDE)
Analysis	25 January 2019
Discussed in commission	26 March 2019
Date adopted by commission	26 March 2019
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	26 June 2019
Previous Committee opinions	<ul style="list-style-type: none"> – Opinion 2554/2017 on The implementation of macro-regional strategies, rapporteur: Raffaele Cattaneo (IT/EPP); – Opinion 23/2014 on the EU Strategy for the Adriatic and Ionian Region, rapporteur: Gian Mario Spacca (IT/ALDE); – Opinion 2994/2014 on the Alpine macro-regional strategy for the European Union, rapporteur: Herwig Van Staa (AT/EPP). – Opinion 5074-2013 on The added-value of macro-regional strategies, rapporteur: Pauliina Haijanen (FI/EPP); – Opinion 1272/2012 on Revised EU Strategy for the Baltic Sea Region, rapporteur: Pauliina Haijanen (FI/EPP). – Opinion 86/2011 on Danube Region Strategy, rapporteur: Wolfgang Reinhart (DE/EPP).
Date of subsidiarity monitoring consultation	NA