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**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(2016) 805 final }

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## Abbreviations

<b>AII</b>	Adriatic and Ionian Initiative
<b>AG</b>	Action Group
<b>AGL</b>	Action Group Leader
<b>BAGL</b>	Board of Action Group Leaders
<b>BEMIP</b>	Baltic Energy Market Interconnection Plan
<b>BONUS</b>	Joint Baltic Sea Research and Development Programme
<b>CBC</b>	Cross-border Cooperation
<b>CPR</b>	Common Provisions Regulation
<b>CF</b>	Cohesion Fund
<b>DG</b>	Directorate General
<b>DSP</b>	Danube Strategy Point
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EGTC</b>	European Grouping of Territorial Cooperation
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ENI</b>	European Neighbourhood Instrument
<b>ERDF</b>	European Regional Development Fund
<b>ESIF</b>	European Structural and Investment Funds
<b>ESF</b>	European Social Fund
<b>ETC</b>	European Territorial Cooperation
<b>EU</b>	European Union
<b>EUSAIR</b>	European Union Strategy for the Adriatic and Ionian Region
<b>EUSALP</b>	European Union Strategy for the Alpine Region
<b>EUSBSR</b>	European Union Strategy for the Baltic Sea Region
<b>EUSDR</b>	European Union Strategy for the Danube Region
<b>FP</b>	Facility Point
<b>GB</b>	Governing Board
<b>HA</b>	Horizontal Action
<b>HAC(s)</b>	Horizontal Action Coordinator(s)
<b>HELCOM</b>	Baltic Marine Environment Protection Commission - Helsinki Commission
<b>ICPDR</b>	International Commission for the Protection of the Danube River
<b>IPA</b>	Instrument for Pre-accession Assistance
<b>JRC</b>	Joint Research Center
<b>LNG</b>	Liquefied Natural Gas

<b>MA</b>	Managing Authority
<b>MLG</b>	Multi-Level Governance
<b>MRS</b>	Macro-regional strategy (-ies)
<b>MSP</b>	Maritime Spatial Planning
<b>NC(s)</b>	National Coordinator(s)
<b>NGO</b>	Non-Governmental Organization
<b>OP(s)</b>	Operational Programme(s)
<b>PA</b>	Policy/Priority Area
<b>PAC(s)</b>	Policy/Priority Area Coordinators
<b>PC</b>	Pillar Coordinators
<b>RCC</b>	Regional Cooperation Council
<b>SMEs</b>	Small and Medium Enterprises
<b>SG</b>	Steering Group
<b>TEN-T</b>	Trans-European Transport Network
<b>TO</b>	Thematic Objective
<b>TSG</b>	Thematic Steering Group

## **Introduction**

This document comes in support of the report 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 (the European Union Strategy for the Baltic Sea Region (EUSBSR), the EU Strategy for the Danube Region (EUSDR), the EU Strategy for the Adriatic and Ionian Region (EUSAIR) and the EU Strategy for the Alpine Region (EUSALP)).

It aims at providing more detailed information concerning the state of implementation of each macro-regional strategy. The document is based inter alia on contributions from the key stakeholders of the strategies, European institutions, Member-States representatives, academia and experts.

More information on the Strategies can be found on the strategies websites:

<http://www.balticsea-region-strategy.eu/>

<http://www.danube-region.eu/>

<http://www.adriatic-ionician.eu/>

<http://www.alpine-region.eu/>

## European Union macro-regional strategies

The size and diversity of the European territory warrants a differentiated, yet strategic approach to its development. A globalised economy, rapid technological change, increasing interdependence between countries, growing role of sub-national authorities', as well as borderless, territorially-relevant challenges such as climate change, ecological degradation and migratory inflows call for cooperative frameworks thanks to which groups of countries belonging to a wider geographical space can cooperate to address common challenges and opportunities.

As a wish to provide an effective and collective response to issues better handled together than separately, a macro-regional approach arose in the Baltic Sea region with discussions launched in the European Parliament in 2006. It gained momentum overtime, to such an extent that there are now four European Union (EU) macro-regional strategies (MRS):

- ✓ EU Strategy for the Baltic Sea Region (EUSBSR; 2009)
- ✓ EU Strategy for the Danube Region (EUSDR; 2010)
- ✓ EU Strategy for the Adriatic and Ionian Region (EUSAIR; 2014)
- ✓ EU Strategy for the Alpine Region (EUSALP; 2016)

All adopted MRS are accompanied by a rolling action plan to be regularly updated in light of new, emerging needs and changing contexts. The four MRS concern 19 EU Member States and 8 non-EU countries. Some EU countries such as Germany and Slovenia are involved in 3 MRS, and some EU countries such as Croatia, Italy and Austria in 2.

Regulatory framework for European Structural and Investment Funds (ESIF) for 2014-2020 places MRS into the legal framework of the EU and provides a comprehensive definition of it. According to Common Provisions Regulation for 2014-2020,<sup>1</sup> a 'macro-regional strategy' is an integrated framework endorsed by the European Council, which may be supported by the ESIF among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion.

The approach is based on the '3 no/yes' rule: no new EU funds, no additional EU formal structures and no new EU legislation, i.e. strategies rely on a coordinated approach and synergy effects: optimal use of existing financial sources, better implementation of existing legislation, and better use of existing institutions.

MRS are an important innovation in territorial cooperation and cohesion. However, they are differing in several respects from cross-border and transnational territorial cooperation. One key feature of macro-regional cooperation is thus its anchoring to integrated, strategic, longer-term-oriented and open-ended frameworks. In addition, they are requested by the Member States and reflect their strong political commitment towards joint achievement of common objectives.

The strategies aim at addressing challenges and opportunities specific to certain geographical area (*which are too local to be of direct interest to the whole EU, but on the other hand too broad to be efficiently dealt with at national level*) and define a set of shared, long-term objectives agreed by the participating countries. The objectives vary according to the needs of

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<sup>1</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on (the European Structural and Investment Funds) (OJ L 347, 20.12.2013, p. 320); point 31 of Article 2.

the macro-region concerned and the prominence is to be given to strategic issues bringing an added value to horizontal EU policies.

## Report on the implementation of the European Union Strategy for the Baltic Sea Region

The European Union Strategy for the Baltic Sea Region (EUSBSR) is the first macro-regional strategy in the history of the European Union (EU). Its origins date back to 2006 when the European Parliament in its resolution on a Baltic Sea Region Strategy for the Northern Dimension<sup>2</sup> urged the European Commission to come up with a proposal for an EU Baltic Sea Strategy. In December 2007, the European Council in its Presidency Conclusions<sup>3</sup> invited the European Commission to present a long term strategy for the Baltic Sea region no later than June 2009. Following this request, the European Commission presented its Communication on the EUSBSR on 10 June 2009<sup>4</sup> alongside a detailed Action Plan. The European Council endorsed this approach in October 2009.<sup>5</sup>

The EUSBSR unites eight EU Member States (Estonia, Denmark, Finland, Germany (*Berlin; Brandenburg; Hamburg; Mecklenburg-Vorpommern; Schleswig-Holstein*), Latvia, Lithuania, Poland and Sweden) representing 80 million inhabitants or nearly 16% of the EU population. The Strategy is welcoming cooperation with non-EU countries from the region, namely Belarus, Iceland, Norway and Russia in actions and projects of common interest.

A first progress report on the implementation of the EUSBSR was issued in June 2011.<sup>6</sup>

### CONTENT – PRIORITIES

The EUSBSR has three main objectives, each of them containing some more precise sub-objectives (in total 12):

- ‘**Save the Sea**’, including clear water in the sea; rich and healthy wildlife; clean and safe shipping; and better cooperation;
- ‘**Connect the Region**’, with good transport conditions; reliable energy markets; connecting people in the region; and better cooperation in fighting cross-border crime;
- ‘**Increase Prosperity**’, with the Baltic Sea region being a frontrunner for deepening and fulfilling the single market; EUSBSR contributing to the implementation of Europe 2020 Strategy; improved global competitiveness of the Baltic Sea region; and climate change adaptation, risk prevention and management.

Each objective relates to a wide range of policies and has an impact on the other objectives: they are interlinked and interdependent.

The current Action Plan comprises of **13 policy areas** which represent the main areas where the EUSBSR can contribute to improvements, either by tackling the main challenges or by

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<sup>2</sup> European Parliament resolution on a Baltic Sea Region Strategy for the Northern Dimension (2006/2171(INI)): <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2006-0494+0+DOC+XML+V0//EN>

<sup>3</sup> European Council Conclusions of 14 December 2007, point 59: ‘*Without prejudice to the integrated maritime policy, the European Council invites the Commission to present an EU strategy for the Baltic Sea region at the latest by June 2009. This strategy should inter alia help to address the urgent environmental challenges related to the Baltic Sea. The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea region*’.

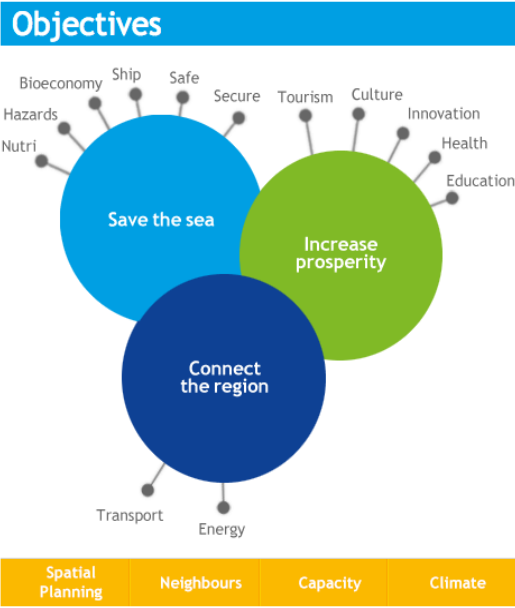
<sup>4</sup> Communication from the Commission concerning the European Union Strategy for the Baltic Sea Region - 10.6.2009 - COM(2009) 248 final.

<sup>5</sup> Conclusions of the General Affairs and External Relations Council, 27 October 2009 and Conclusions of the European Council, 29-30 October 2009.

<sup>6</sup> Commission report on the Implementation of the EU Strategy for the Baltic Sea Region - 22.6.2011 - COM(2011) 381 final.



seizing key opportunities of the region. It also includes **4 horizontal actions** which have a more cross-cutting character and complement the policy areas:



The work under each policy area and horizontal action is structured around joint actions and is illustrated by flagships (projects and processes) of particular macro-regional impact.<sup>7</sup> Each thematic area is steered by one or several thematic area coordinators. Typically, Member State(s) coordinate(s) each policy area or horizontal action, and they work on its implementation in close contact with the European Commission and all stakeholders, i.e. other Member States, regional and local authorities, inter-governmental and non-governmental bodies. Other bodies (e.g. regional organisations, NGOs) may also be nominated to coordinate a thematic area.

**ACTORS/GOVERNANCE**

The Action Plan of the EUSBSR defines the governance structure, as well as roles and responsibilities of key implementers of the EUSBSR. These include: the European Commission playing a leading role in strategic coordination of the key delivery stages of the EUSBSR; national coordinators being responsible for overall coordination of and support for the EUSBSR implementation in the home country; coordinators of policy areas/horizontal actions together with their steering groups being key forces to drive implementation of relevant thematic areas forward; flagship leaders responsible for implementation of flagships; Managing Authorities and other bodies in charge of implementation of programmes/financial instruments being responsible for ensuring that the objectives of the programmes/financial instruments are aligned with the objectives of the EUSBSR, etc.

The Interreg Baltic Sea Region, covering the territory of the EUSBSR, directly contributes to the Strategy’s implementation through its thematic priority axes (aligned with the Strategy’s objectives) and its support to the Strategy’s governance mechanisms and structures.

<sup>7</sup> An overview of all ongoing and closed flagships of the EUSBSR can be found at: <http://www.balticsea-region.eu/action-plan> and [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/macro-regional-strategies/baltic-sea/library/](http://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/baltic-sea/library/).

## RESULTS

Since the launch of the European Union Strategy for the Baltic Sea Region (EUSBSR) in 2009, expectations continue to rise about its performance: there are high expectations for immediate results which would provide clear evidence of the added value of the Strategy. However, as by its nature the Strategy is a long term-oriented framework, tangible results are to be seen in a long term perspective.

Different results have been reported by key implementers of the Strategy which vary from one thematic area to another. Working structures around policy areas and horizontal actions have been created to support the work of thematic area coordinators. Coordination structures have also been created at the national level allowing developing and deepening a dialogue between relevant actors involved and coordinating different Strategy oriented actions/initiatives at the Member State level.

Following calls to strengthen Member States leadership and ownership in the Strategy, a six month rotating chairmanship for the EUSBSR national coordinators group was introduced in 2014.<sup>8</sup> Over the time it proved to be an effective tool to strengthen the country's ownership in the Strategy and to balance better the roles of the Commission and participating countries in coordinating the work. This also had led to the fact that the Chairmanship has now been extended from six to twelve months.

### *Networking and partnering*

The Strategy has given impetus to the creation of new solid networks across all political levels and among actors from different sectors (e.g. public, private, NGOs) and has led to strengthening as well as expansion, increased effectiveness and better utilisation of existing ones. It has also contributed to increased cooperation, coherence and coordination of actions between different actors in the Baltic Sea region and a better division of labour between the networks.

The Strategy has offered a joint framework for various Baltic Sea actors who have previously acted more independently and helped creating linkages between isolated initiatives targeted towards the same objectives. This in turn should lead to increased impact of actions and faster achievement of the set objectives.

### **Examples:**

*Cooperation on fisheries related topics is gaining new momentum and is being further enhanced by **Baltic Sea Fisheries Forum (BALTFISH)**, a network composed of fisheries administrations and other key stakeholders and focused on developing sustainable fisheries in the Baltic Sea region.*

*Innovative and sustainable use of marine resources and cooperation between relevant actors and initiatives in the Baltic Sea region in this field is being further actively promoted by **the SUBMARINER Network**.*

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<sup>8</sup> The first Chair was Finland (1 January 2014 – 30 June 2014), followed by Estonia (1 July 2014 – 31 December 2014), Latvia (1 January 2015 – 30 June 2015), Poland (1 July 2015 – 30 June 2016), Sweden (1 July 2016 – 30 June 2017) and Estonia (1 July 2017 – 30 June 2018).

*The preparedness and capacity to respond to the impacts of climate change, thus making the Baltic Sea region more climate-resilient, are further enhanced by **BSR Climate Dialogue Platform**,<sup>9</sup> which aims at promoting inter-governmental dialogue, informing policy development, catalysing exchange of information and best practices, fostering synergies among existing initiatives, exploring cooperation opportunities and coordinating development of joint initiatives and activities.*

### *Projects*

The EUSBSR has given stimulus to start new projects and processes of macro-regional relevance and it has given new momentum to existing ones. It has also given impetus to continue earlier started macro-regional relevance initiatives. For example, EfficienSea 2, BSR Climate Change Dialogue Platform, From Gaps to Caps, Baltic Deal BRIDGE and Scandria@2Act are built on the results, experience and knowledge gathered in the predecessor projects EfficienSea, Baltadapt, 14.3, Baltic Deal and Scandria respectively. In all cases the initial partnerships have been extended proving the relevance and growing interest of stakeholders to continue the joint efforts in specific fields (e.g. reduction of nutrient losses from farms, climate change adaptation, development of e-Navigation, preparedness for land-based emergencies, fostering clean fuel deployment and multimodal transport through the transport corridor regions).

### ***Examples:***

*The quality of the Baltic Sea water is improving and nutrient inflows are being reduced through implementation of projects like **PRESTO** (aimed at improving municipal wastewater treatment), or **Interactive water management (IWAMA)** (focusing on resource efficiency in wastewater management).*

*Business development and integration is stimulated in the Baltic Sea region through closer cooperation between companies and students promoted by projects like **Baltic Training Programme**.*

*Resilience towards and preparedness for emergencies in the region is built up and improved through implementation of projects like **BaltPrevResilience**.*

### *Multi-level governance*

The analysis of partners involved in implementing ongoing flagships shows that a wide range of actors, including but not limited to universities, local, regional and national authorities, NGOs, business, regional organisations etc. are cooperating within the Strategy at all levels of governance: local, regional, national, and international. The Strategy has helped to strengthen ties and to deepen a dialogue between different actors at all levels of governance through the development of joint projects/processes and the establishment of new networks and joint initiatives. The data shows that local/regional partners are involved in almost 40% of ongoing flagships, while private sector – approximately 15%.<sup>10</sup> Therefore further efforts are needed to

<sup>9</sup> The Platform involves all levels of governance (national, regional and local) and a wide variety of climate experts and stakeholders. The Platform meets twice a year in the format of round tables.

<sup>10</sup> The data is extracted from an overview table of partners involved in ongoing flagships of the EUSBSR, July 2016.

better involve actors from private sector as well as keep maintaining and attracting more actors from regional and local levels.

**Examples:**

*‘BSR Cultural Dialogue’ established by policy area ‘Culture’ in 2014 brings together representatives from all levels of governance (local, regional, national and Baltic Sea region) with a view to further promote a dialogue on cultural cooperation in the Baltic Sea region.*

*‘TENTacle’, established by policy area ‘Transport’ in 2016, aims to open up the implementation of the TEN-T core network corridors in the Baltic Sea region to a broader group of stakeholders and a wider geographical area in order to better exploit the added value of the TEN-T core network corridors for the sustainable regional growth and cohesion in the Baltic Sea region.*

Horizontal action ‘Capacity’ aiming at better involvement of different partners at all levels should further contribute to reinforcing multi-level governance in the region. Several initiatives have been taken in this direction. The Baltic Leadership Programme implemented by the Swedish Institute (SI) in cooperation with several thematic area coordinators (e.g. ‘Ship’, ‘Safe’, ‘Secure’) has proved to be a successful training programme offering a combination of theory and practice, with a focus on project development and leadership. It helped to enhance the capacity of relevant Strategy actors’, improved their knowledge on specific topic and increased networking with different actors involved in the relevant field.

The pilot Baltic Executive Programme<sup>11</sup> designed to help organisations to unlock the full potential of transnational cooperation and primary targeting policy makers and senior civil servants from the local and regional level, as well as capacity building initiative to be developed by coordinators of horizontal action ‘Capacity’ with a focus on capacity enhancement of key implementers of the EUSBSR (e.g. members of steering groups, flagship leaders, representatives of managing authorities of respective financial programmes) should further help building the capacity of Strategy stakeholders.

*Cross-strategy and cross-cutting cooperation*

Cooperation between relevant thematic areas within the Strategy and with other macro-regional strategies has been developed with a view to maximise mutual co-benefits and impact. The development of the *DanuBalt* project which aims at tackling the health innovation and research divide in the Danube and Baltic Sea regions is one of the examples of such cooperation. Cross-strategy cooperation has also been further enhanced through exchange of experience and sharing best practices between the EUSBSR and the EUSDR stakeholders (e.g. in the field of education/people and skills and capacity building), as well as between the EUSBSR, Carpathian Convention and the EU Strategy for the Adriatic and Ionian Region in the field of climate change adaptation and implementation of the Paris Agreement. Cross-cutting cooperation between relevant Strategy areas (e.g. ‘Education’ and ‘Innovation’, ‘Hazards’ and ‘Nutri’, ‘Climate’ and ‘Secure’) has been fostered through exchange of experience, projects ideas and the development of cluster cooperation.

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<sup>11</sup> The programme is developed by the Swedish Institute in cooperation with the Norden Association and with support from among others the Baltic Sea Commission and the Union of Baltic Cities. The Programme consisted of three modules organised in February – June 2016.

Coordination and cooperation between ongoing projects in the same field have been increased with a view to avoid duplication of work and ensure the maximum value is gained from the activities. This is the case, for example, between the projects implemented in the field of maritime safety and security, and maritime and land-based spatial planning.

The requirement to develop smart specialisation strategies (S3) for the European Structural and Investment Funds (ESIF) investments in research and innovation has opened a new cross-cutting topic for Baltic Sea region cooperation that gave impetus to the new partnerships around similar or complementary smart specialisation priorities into joint collaborative projects. Policy area ‘Innovation’ together with the S3 Platform, national and regional partners such as region Skåne and Lithuania have organised a number of events to foster interregional cooperation on smart specialisation.

### *Policy development and implications*

The Strategy has generated bigger interest in and more attention to territorial cooperation and cohesion and higher interest for transboundary and transnational cooperation in the Baltic Sea region. This in turned has led to increased awareness of possibilities and opportunities as well as benefits of such cooperation, increased competition among and higher quality of transnational projects.

The Strategy has contributed to policy change and/or policy shaping at different levels. Incorporation of the policy area ‘Energy’ into the Baltic Energy Market Interconnection Plan (BEMIP) initiative has led to a broader scope of regional cooperation on energy matters under the BEMIP initiative: new areas – energy efficiency and renewable energy – have been added along to exist ones.

The EfficienSea, EfficienSea II, Monalisa and STM Validation projects have inspired further work and contributed to shaping global regulatory process on e-Navigation in the International Maritime Organization (IMO), IALA and the International Hydrographic Organisation (IHO), with the Baltic Sea region to be a first mover in developing and testing infrastructure and services for e-Navigation.

The implementation of the Strategy has fostered and contributed to the implementation of existing approaches and legislation (e.g. the EU Strategy on adaptation to climate change, the Marine Strategy Framework Directive, the Water Framework Directive, the Nitrates Directive, the Urban Waste Water Treatment Directive, the HELCOM Baltic Sea Action Plan, and Baltic Regional Maritime Spatial Planning Roadmap 2013-2020) by facilitating the implementation of the planned actions and foreseeing complementing actions and projects.

The EUSBSR has contributed to the agenda of specific Ministerial or other high level meetings convened in the margins of already existing configurations (e.g. HELCOM (Baltic Marine Environment Protection Commission – Helsinki Commission), the Council of the Baltic Sea States, and the Baltic Sea Parliamentary Conference). The Strategy has given new stimulus to put back on the political agenda some topics of regional importance. For example, the 9<sup>th</sup> Conference of the Ministers of Culture of the Baltic Sea States (September 2015) organised in cooperation with coordinators of policy area ‘Culture’ was the first high-level meeting on culture since 2008. Several other declarations and resolutions recognising the importance of the Strategy (e.g. in fields of tourism, culture, health, innovation, climate) have also been adopted within existing regional frameworks (e.g. the Baltic Sea Parliamentary Conference, the Council of the Baltic Sea States, the Northern Dimension Partnership).

### *Integration and cooperation*

Different dimensions of cooperation and coordination have been positively affected by the EUSBSR. The Strategy has helped strengthening coordination and cooperation between and within different institutions at different levels (including relevant Commission services), as well as between different stakeholders and authorities within countries. The Strategy has given impulse to further broaden, strengthen and deepen cooperation between participating EU countries as well as between the EU and neighbouring non-EU countries in the region, such as Iceland, Norway, Belarus and Russia. This was achieved through existing cooperation structures and the development of joint projects in the areas of mutual benefit. Some partnerships extended beyond the Baltic Sea region, involving partners from other regions (e.g. the UK, Portugal, Italy, and the Netherlands) for the benefit of the Baltic Sea region and more effective implementation of the Strategy's objectives have also been built.

#### **Example:**

*A close and sustainable dialogue between EU and non-EU countries in the Baltic Sea region is being facilitated and further promoted through, for example, project **Baltic Sea Youth Dialogue**. It brings together youth from the Baltic Sea region, including Russia and Ukraine, who share a common interest in the history of the Baltic Sea region.*

The Strategy has helped intensify cooperation and develop synergies and complementarities between different cooperation structures and mechanisms in the Baltic Sea region. Strong links between environmental areas of the EUSBSR and HELCOM have been developed to avoid parallel or competing work. In December 2014, a dedicated session with environmental EUSBSR thematic areas was successfully organised as a part of a HELCOM Heads of Delegation meeting. Concrete proposals on how to improve the synergies between HELCOM and EUSBSR were defined with the goal to better communicate the policy directions and needs by HELCOM, which then can be met with and supported by the EUSBSR work and projects. In May 2015, a joint process between policy area 'Hazards' and HELCOM was launched with the aim to develop a regional status report on pharmaceuticals. Wide-ranging data was collected and evaluated from the HELCOM contracting parties. This first-time compilation of pharmaceutical data in the Baltic Sea region will provide a unique basis for elaborating a regional plan of measures. It will also be used in the second holistic assessment of the Baltic Sea to be produced by HELCOM. This is also illustrated by one of the EU priorities for its Chairmanship of HELCOM for 2016-2018: *'further synergies with regional or European governance frameworks will be sought, for instance, with the EUSBSR'*.<sup>12</sup>

### *Funding*

Both, the preparation of the EUSBSR projects and the building-up transnational partnerships were facilitated by the launch of the EUSBSR Seed Money Facility in 2013. 97 projects (worth approx. EUR 4 million) were granted for seed money funding during 2013-2016. Over the time the Facility has proven to be a very useful tool to support the alignment of funding, paving the way to new important macro-regional projects with multinational partners that

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<sup>12</sup> European Union Chairmanship of HELCOM (1.7.2016 – 30.06.2018) priorities:  
<http://www.helcom.fi/Lists/Publications/EU%20Chairmanship%20of%20HELCOM.pdf>

were further funded by different funding tools (e.g. Interreg Baltic Sea Region, Interreg Central Baltic, etc.).<sup>13</sup>

Several transnational calls aligned with the EUSBSR objectives were launched. For example, in spring 2016 Finland and Sweden launched coordinated European Social Fund transnational calls for proposals taking into consideration the EUSBSR.<sup>14</sup> BONUS ‘Innovation’ call in 2012 resulting from close cooperation with flagship ‘BSR Stars’ under the policy area ‘Innovation’, or the Swedish Institute’s (SI.) call in 2016 focusing on third country’s participation in the Baltic Sea region are other few examples. These positively contributed to better and more efficient use of existing funding tools.

A pilot European Regional Development Fund (ERDF) managing authorities’ network, mirroring the Baltic Sea Network – European Social Fund (BSN-ESF) network, was established in 2016. It aims at working out concrete ways of supporting the EUSBSR implementation by the ERDF funded country-specific programmes, as well as increasing coordination across relevant macro-regional stakeholders and contributing to better utilisation of resources available. In order to provide a more practical discussion on cooperation and coordination modalities among the country-specific programmes, the Network will first focus on innovation in the EUSBSR, specifically on smart specialisation in clean-tech. If and when the Network proves to be successful, the scope of cooperation is to be extended to other areas.

A dialogue between key Strategy actors and representatives of different funding instruments has been promoted. One of the positive examples is the establishment of the ‘Strategic Project Development Workshop’ by policy area ‘Culture’. It aims at bringing together flagships (ongoing and potential ones) and experts/representatives of different funding tools with a view to getting familiar about possibilities provided and specifics of certain funding tools.

## **CHALLENGES**

Despite positive achievements, certain challenges at all levels of governance still remain and need to be overcome before the full potential of the EUSBSR can be achieved. They are inter-dependent. Linkages between all levels of governance need to be strengthened.

### *Political leadership*

Several reasons (e.g. emergence of new political priorities, Strategy’s non-binding and non-regulatory character, incomplete presentation of short-term or immediate results showing the added value of the Strategy) suggest that the political commitment needs to be reinforced in the Baltic Sea region countries. A better involvement of sectorial ministries is required, which should integrate an EUSBSR perspective into their regular activities.

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<sup>13</sup> E.g. BLASTICS – Plastic waste pathways into the Baltic Sea (Interreg Central Baltic); Interactive water management (IWAMA) (Interreg Baltic Sea Region); Enhancing freight mobility and logistics by strengthening inland waterway and river sea transport and promoting new international shipping services (EMMA) (Interreg Baltic Sea Region).

<sup>14</sup> Sweden has launched a coordinated transnational call for proposals in the fields of social economy, inclusion, youth employment and migrants. Specific priority will be given to projects addressing the EUSBSR and implemented in that geographical area. Finland has also launched a call for projects with partners from several EU Member States, financed under the Sustainable Growth and Jobs 2014–2020 programme, where a special focus area is cooperation with the EU Member States in the Baltic Sea region in support of the objectives of the EUSBSR. Supporting the EUSBSR is one of the horizontal principles determined in the programme. The call covers four themes: employment, youth employment, learning and skills and social inclusion.

### *Scope of the Strategy*

In 2014-2015 the Action Plan of the EUSBSR went through an extensive revision resulting in a more streamlined and focused Action Plan and re-confirming the commitment of actors on the ground. It has reconfirmed environment as a core field in the Strategy and witnessed the growing interest of cooperation, for example, in the fields of energy and culture. However, the broad scope of the Strategy, in particular given the challenges of resources scarcity in Member States and the European Commission, remains an issue. In addition, the existence of too many thematic areas covered may impact negatively the strategic focus of EUSBSR.

### *Human resources*

Not all Baltic Sea region countries have allocated sufficient time and resources to key Strategy implementers, in particular to thematic area coordinators and steering group members. Low administrative support and insufficient staffing for the Strategy work still is an issue jeopardising the success of the Strategy.

Lack of resources for day-to-day work and different level of motivation of actors involved lead to uneven representation and commitment from the Member States in steering groups. In some steering groups too few Member States participate. Moreover, many of country representatives are not given clear mandate from their home administrations. This also explains why some thematic area coordinators seem unable to coordinate effectively at macro-regional level, resulting in more bilateral orientation than foreseen by the Strategy.

In addition, individual managing capacities of key actors vary and need to be further strengthened. They need to be equipped with tools and information needed to manage transnational cooperation in a broad sense and not limit their work mainly only to projects development.

### *Funding*

The alignment of funding still remains an issue, even though progress has been made. There is a gap between what is written in relevant programming documents and what is implemented in practice. The information provided by managing authorities of European Structural and Investment Funds (ESIF) programmes and the results of the study '*Cooperation methods and tools applied by ESIF programmes for 2014-2020 to support implementation of the EUSBSR*'<sup>15</sup> show that different practical arrangements are foreseen to support the EUSBSR. These, for example, include but are not limited to organisation of the targeted calls, giving extra points or preference to a project/action with macro-regional impact, joint implementation of projects, in which partners receive funding from the programmes of their respective country or region, spending part of the funds outside the programme area (Art. 70 of Common Provisions Regulation) etc.

For example, in order to facilitate the inclusion of macro-regional cooperation into a wider range of projects funded by country-specific programmes (mainly by the ERDF), Sweden and Lithuanian have planned a flexible mechanism that allows ongoing projects to apply for

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<sup>15</sup> The study was commissioned by INTERACT and carried by Spatial Foresight (June 2015). <http://www.balticsea-region-strategy.eu/communication/news/590702-cooperation-methods-and-tools-to-support-the-eusbsr>.



additional funding for cooperation activities to be implemented with international partners in the macro-region, i.e. so called ‘transnational cooperation component’.

However, up to now very few arrangements foreseen by different programmes have been put in practice. In addition, a high number of programmes remain reluctant and plan to continue ‘business as usual’ and contribute to the implementation of the Strategy if projects satisfy the set criteria listed in the Programme or contribute to the objectives of the Programme.

Though the Strategy is to be an integral part of all relevant EU, regional, national and local policy frameworks, there is still over-reliance on EU funding and in particular on Interreg programmes. Possibilities provided by other financial tools need to be better exploited.

Other challenges linked to funding include:

- ✓ insufficient dialogue between key Strategy implementers and representatives of different funding instruments;
- ✓ lack of willingness to coordinate actions and activities among relevant programmes within the country and between countries;
- ✓ reluctance and/or lack of interest from respective monitoring committees to acknowledge the added value of transnational cooperation and macro-regional strategies in achieving the objectives of respective Programme;
- ✓ lack of clarity of practicalities (e.g. spending money outside the Programme area or combining different funding tools and sources) to fund projects involving multiple participants from several countries;
- ✓ absence of one-stop shop containing information of all available relevant funding sources and calls (*the launch of the dedicated website by INTERACT and the Swedish Institute (SI) (‘funding portal’) providing information on different funding possibilities for EUSBSR projects should ease the process*);
- ✓ limited financing for cross-sectorial/cross-thematic projects;
- ✓ narrow-minded approach and a fear to lose money allocated to a specific region. For example, many regions see the European Regional Development Fund (ERDF) funding as their ‘own’ and think that it should be used only to fulfil regional needs. However, a lot could be done without spending money outside the programme area by, for example, coordinating activities and investments with relevant actors from other regions/countries, exchanging information and coordinating at the project design stage. In this respect the coordination between regions/countries should be further strengthened.

### *Communication and promotion*

Awareness of the Strategy and the understanding its role, purpose and added value, in particular in the light of already existing initiatives in the region, is still not sufficient. A better awareness of the Strategy would allow it to better reach out to relevant potential stakeholders, to increase the interest in engaging in projects and to attract new actors to the Strategy work.

Effective communication should be done by all actors involved and at all levels, with special focus on the local and regional level where commitment needs to be reinforced. It should not be limited to stakeholders who are already aware of the Strategy and should clearly show the interest, benefits and added value for countries involved, as well as for ordinary citizens, institutions and project applicants. Joint or coordinated communication efforts between countries involved (e.g. through publication of joint articles), more information on the Strategy and possibilities provided by it through illustration of success stories and presentation of

examples should be better utilised aiming to increase awareness of and promote the Strategy and its results. A better use of the visual identity of the EUSBSR when presenting the Strategy-related work would also help to improve the EUSBSR branding. In this respect the EUSBSR Communication Strategy adopted in December 2015 should steer the way and help to increase awareness and visibility of the Strategy.

### *Monitoring*

To monitor the progress of the Baltic Sea region towards the agreed objectives and the implementation of the EUSBSR is crucial. In the Council Conclusions on the governance of macro-regional strategies, the Council '*invites the Commission, in cooperation with the Member States, to support the development of adequate monitoring and evaluation tools*'.<sup>16</sup> Therefore, there is a need to set-up a robust measuring and monitoring system, which should be based on realistic and credible targets and indicators with clear baseline. Reliable and comparable data bases at the appropriate statistical level needs to be established. ESPON programme efforts to develop a consolidated territorial monitoring system for the Baltic Sea region should contribute to this objective.

Setting targets and indicators suitable for measuring the impact of thematic area activities and its contribution to fulfilment of the objectives remains an issue, in particular in view of the other cooperation activities implemented in the region and knowing that no specific, new funding is assigned to the Strategy.

### *Process versus implementation*

Up to now still much time and efforts were spent on process and governance issues. Two extensive and comprehensive revisions of the Action Plan were made since the launch of the Strategy. There is now a need to move from a process to an implementation oriented approach and to focus efforts on a successful implementation of the concrete actions foreseen in the Action Plan.

### *Cross-cutting cooperation*

The four horizontal actions of the EUSBSR cover by their nature cross-cutting issues. They are expected to support the implementation of each policy area, which up to now has been done to a limited extent. There is potential for a more active role and support provided by horizontal action leaders on cross-cutting issues, such as fund raising for projects and activities, establishing stakeholder networks in the region as well as neighbouring countries or project clustering. A better exchange and dialogue among relevant thematic areas would allow it to better exploit synergies and complementariness (e.g. in case of an increased focus on cross-sectorial innovation and societal challenges in the smart specialisation, which can be better exploited). In addition, a closer cooperation between national coordinators and thematic area coordinators would strengthen the links between coordination and implementation levels.

### *From project to policy level*

The link between project and policy levels needs to be reinforced. Coordinators of policy area and horizontal action are not always aware of project results. This leads to their limited

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<sup>16</sup> Council Conclusions on the governance of macro-regional strategies 21 October 2014.

capabilities to facilitate the liaison between project results and policy discussion/change. The increased awareness of project results would allow it to circulate, to build and to use them for policy improvements.

*Flagships: quality and sustainability*

Lack of partner search tools, difficulties to find and attract right people with right competences hamper the building of high quality projects. Therefore there is potential for increasing the quality of flagships. High quality projects involving partners from as many countries as possible as well as addressing macro-regional challenges and producing tangible results with measurable impact need to be implemented. The results of the EUSBSR flagships are not always visible and sustainable and should be better managed, e.g. through follow-up projects and activities to avoid undermining the achieved results.

## **RECOMMENDATIONS**

Based on experience reported here, the following areas of improvement have been identified:

- translate political will into administrative support and ensure sufficient resources for day-to-day work on a long term basis;
- organise more frequent and regular political discussions on the EUSBSR at national level in the Parliament or Government, and in the Council, and relevant Ministerial meetings;
- strengthen commitment of sectorial ministries;
- reinforce alignment of the EUSBSR with all relevant (EU, regional, national, local) funding instruments;
- further develop and strengthen a dialogue between managing authorities of different funding instruments and key Strategy implementers in order to achieve intended results;
- make full use of possibilities foreseen by different ESIF programmes;
- develop, at country level, communication plans or strategies coherent with the EUSBSR Communication Strategy;
- improve cross-cutting cooperation between relevant thematic areas (e.g. through exchange on ways of working and joint meetings) with a view to increase mutual benefits, as well as between national coordinators and coordinators of thematic areas;
- define a more active role of horizontal actions leaders in supporting the implementation of policy areas;
- improve the liaison between project results and policy discussion/change;
- explore the possibility to establish a system for the rotating Chair of the EUSBSR national coordinators group;
- introduce a voluntary rotation of thematic area coordinators a regular basis (e.g. in 3-year terms); this would ease the administrative burden falling on long serving host ministries and agencies, widen the networks, bring new ideas and increase the overall commitment to the Strategy. The steering group and a close cooperation between incoming and outgoing coordinators would then represent continuity;
- strengthening competence and capacity building (both on individual and institutional levels) of existing and potential stakeholders of the EUSBSR through, e.g. a combination of training programmes, workshops, information activities;
- continue to secure a mixed participation of the private/public sectors, as well as with local and regional actors;

- further explore opportunities for cooperation in smart specialisation for creation of strategic linkages to tackle common challenges, leverage opportunities at the Baltic Sea region level and look for alignment for S3 funding among the Baltic Sea region partner countries.

## Report on the implementation of the European Union Strategy for the Danube Region

In the Presidency Conclusions of 18 June 2009 the European Council requested the Commission to prepare an EU Strategy for the Danube Region (EUSDR)<sup>17</sup>. The Commission adopted a Communication on 8 December 2010 (with annexed an Action Plan identifying concrete actions and examples of projects in 11 priority areas)<sup>18</sup>, which was then endorsed in April 2011 by the Council<sup>19</sup>. It is the second (in time) EU macro-regional strategy, after the EU Strategy for the Baltic Sea Region.

The EUSDR unites 9 EU Member States (Germany, Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Croatia, Romania and Bulgaria) and 5 non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine) and is home to 115 million inhabitants.

A first Report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the EUSDR was issued on 8 April 2013<sup>20</sup>.

### CONTENT – PRIORITIES

Although the 14 countries are different in terms of economic strength, the region is strongly interlinked, with potential for further integration and growth. It has a strategic position, opening up the EU to its neighbours, the Black Sea region, the South Caucasus and Central Asia. It hosts the world’s most international river, which is a major transport axis, a crucial interconnected hydrological basin, and a world renowned ecological corridor.

The cooperation activities focus on four pillars: **connecting the region; protecting the environment; strengthening the socio-economic aspects and building prosperity through security and capacity building**<sup>21</sup>.



<sup>17</sup> European Council Conclusions of 19 June 2009, point 34: ‘It (...) invites the Commission to present an EU strategy for the Danube region before the end of 2010’.

<sup>18</sup> Communication from the Commission concerning the European Union Strategy for the Danube Region - 8.12.2010 - COM(2010) 715.

<sup>19</sup> Conclusions of the General Affairs Council, 13 April 2011 and Conclusions of the European Council, 23-24 June 2011.

<sup>20</sup> Report from the Commission concerning the European Union Strategy for the Danube Region – 08.04.2013 - COM(2013) 181 final.

<sup>21</sup> See Danube Region Strategy: Success Stories, European Commission, 2016.

### *Connecting the region*

Although the Danube River is recognised as a major transport corridor, it is still used way below its full capacity. As inland waterway transport has important environmental and efficiency benefits, its potential must be exploited in a sustainable way and in full respect of the EU environmental acquis. There is particular need for greater multimodality, and extending infrastructure in transport nodes such as inland ports. Priority Areas 1A ‘waterways’ and 1B ‘mobility – rail-road-air’ are working towards these objectives.

Energy is another common challenge. Fragmented markets lead to higher costs and reduced competition. Reliance on too few external suppliers increases vulnerability, as periodic winter crises testify. A greater diversity of supply through interconnections and genuine regional markets increases energy security. Improved efficiency, including energy saving and the use of more renewable sources, is crucial. This is the area in which Priority Area 2 ‘energy’ works.

With a shared history and tradition, culture and arts reflecting the region’s diverse communities, as well as its outstanding natural heritage, it has many attractive assets. ‘Culture and tourism’ is the field of action in Priority Area 3.

### *Protecting the environment*

The Danube Region is a major international hydrological basin and ecological corridor which requires a regional approach to nature conservation, spatial planning and water management. Pollution does not respect national borders. Sustainable water management is needed, with a joint effort to reduce pollution from organic, nutrient or hazardous substances. The environmental impact, for example, on air and water quality, of transport links, tourist developments, or new energy-producing facilities must also be taken into account.

Major flooding, droughts, and industrial pollution events are all too frequent. The region’s inhabitants must be protected from disastrous events – such as floods and industrial accidents which have significant negative transnational impact – by preventive and disaster management measures implemented jointly. Work undertaken in isolation simply shifts the problem and places neighbouring regions in difficulty. The increasing frequency of droughts is also an issue, as is adaptation to climate change. Prevention, preparedness and effective response require a high degree of cooperation and information sharing. The loss of natural habitats puts pressure on fauna and flora, and affects the overall quality of environmental health. The fragmentation of ecosystems, land use intensification and urban sprawl are also major pressures.

Under this pillar, the areas of cooperation are, respectively, Priority Areas 4 ‘water quality’, 5 ‘environmental risks’ and 6 ‘biodiversity, landscapes, quality of air and soils’.

### *Building prosperity*

The Danube Region experiences very wide disparities, being home to some of the most successful regions in the EU as well as some of the poorest. In particular, contacts and cooperation are often lacking, both financially and institutionally. Enterprises do not sufficiently exploit the international dimension of marketing, innovation or research. The share of highly educated people in the region is lower than the EU average, creating another pronounced divide. The most capable often move to other areas. Thus, there are great opportunities to achieve results through cooperation and exchange of experience.

Investment in people is needed to enable the region to progress sustainably and to grow, prioritising knowledge and inclusion. Targeted support for research infrastructure stimulates excellence and deepens networking between knowledge providers, companies and policy-makers. Clusters and links binding centres of excellence into existing education and research networks extend the competitiveness of upstream enterprises to the whole region.

Higher levels of employment are crucial as people need opportunities close to where they live. The region must be able to offer bright and enterprising people a future through stronger cooperation, including marginalised communities: one third of the EU's population at risk of poverty lives in the area, many coming from marginalised groups. Under this pillar, Priority Areas 7 'knowledge society', 8 'competitiveness' and 9 'people and skills' are developing joint cooperation initiatives in the region.

### *Strengthening the region*

Significant problems persist with security and serious and organised crime. Trafficking human beings and smuggling goods are particular problems in several countries. Corruption undermines public confidence and hampers development. All these challenges call for reinforcement of the rule of law, both within and across jurisdictions. Intelligence must be better shared, more effective, and supported by joint actions. Structures and capacity for private and public sector decision-making must be improved, including good planning and international cooperation. These are the fields of action under Priority Areas 10 'institutional capacity and cooperation' and 11 'security'.

## **ACTORS/GOVERNANCE**

The thematic fields are led by **priority area coordinators (PACs)** – officials of national and regional administrations and experts in their areas. They are supported by counterparts from across the Danube Region, and are organised in Steering Groups, in which also representatives of civil society organisations may participate.

At national and regional level, implementation is ensured by **national coordinators (NCs)**. NCs serve as the link between the political level and the Priority Areas and take own decisions or prepare decisions to be taken at the political level. In addition, regular meetings of national Ministers of Foreign Affairs and sectorial ministers aim to ensure and renew the political commitment.

The **European level** helps to root the Strategy in EU policies, through contacts with the stakeholders in the Danube countries – establishing links to EU decision makers, and through institutional support provided by the EU budget. The European Commission facilitates the functioning of the strategy bodies where necessary (e.g. specific scientific Support to the Danube Strategy carried out by the JRC).

In order to facilitate the continued cooperation among bodies of the EUSDR, a **Danube Strategy Point (DSP)** was established in 2015. The DSP supports the actors involved in the implementation of the EUSDR and takes care of the communication activities of the EUSDR (including its website).

The **Interreg Danube Transnational Programme**, covering the whole territory of the EUSDR, directly contributes to the Strategy's implementation through its thematic priority axes (aligned with the Strategy's priorities) and its support to the Strategy's governance mechanisms and structures (notably via the Danube Strategy Point).

## RESULTS

### *Projects*

Since 2012, joint efforts were undertaken to commonly develop projects aimed at implementing the Action Plan of the EUSDR. In some cases, projects already existing – for example projects co-financed under the 2007-2013 South East Europe or Central Europe transnational cooperation programmes – formed the basis for joint actions or new projects by the Priority Areas (PAs) of the EUSDR. In many other cases, new projects were initiated, developed and implemented under the EUSDR.

A specific initiative for the scientific support to EUSDR was launched by the JRC in 2013 in close cooperation with the key scientific partners of the Danube macro-region. In three years of activity, through its thematic clusters in key areas as bioenergy, water, land and soil, air, data and technology transfer, the initiative concretely contributed to the capacity building in the region and led to over 40 scientific publications and technical reports, 7.000 data sets organised and shared, and around 4.000 stakeholders involved. The JRC initiative includes the support to Smart Specialisation strategies in the Danube Region to foster the integrated and coordinated approach towards S3 at macro-regional level.

Overall, a rich set of **initiatives are under way under the umbrella of the EUSDR<sup>22</sup>**, which shows that the strategy is delivering results.

#### ***Examples: pillar 1 (connecting the region)***

A Masterplan on Fairway rehabilitation and maintenance of the Danube river and its tributaries was prepared by PA 1A (inland navigation) and endorsed by the Ministers of transport of all EUSDR countries except Hungary on 3<sup>rd</sup> December 2014. This Master Plan lays down precisely the investment requirements in order to ensure navigability of the entire river and it is currently being implemented, in particular through the FAIRway project co-financed by the Connecting Europe Facility. It was again endorsed by the Ministers of Transport of all EUSDR countries (with the exception of Hungary) on 24<sup>th</sup> June 2016.

A Masterplan for liquid natural gas (LNG) on the Rhine-Main-Danube was also adopted, aiming at promoting LNG as a cleaner fuel for transportation, thus allowing for reduced navigation costs while contributing to air quality of the region.

A practical manual on border controls along the Danube and its navigable tributaries was jointly developed by PA 1A and 11 (security) and published in 2015. It allows for better planning of shipping as well as compliance with navigation regulations.

Joint studies and models on gas market, geothermal energy and renewable sources have been undertaken in the framework of PA 2 (energy). They pave the way to an integrated and efficient energy market in the region, reducing the cost of energy, the dependency on external sources and the impact on the environment. They also underline the possible synergies with the Energy Union and energy policy agenda of the EU.

In the area of tourism, the Roman Emperors and Danube Wine Route projects were incorporated in 2015 into the Council of Europe Cultural Routes. PA 3 (tourism) organised in June 2016 a ministerial conference on the new threats to tourism posted by global terrorism.

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<sup>22</sup> See: Danube Region Strategy: Success Stories, European Commission, 2016.



***Examples: pillar 2 (protecting the environment)***

DANUBEPARKS 2.0 allowed further developing the network of protected areas along the Danube, exchanging and promoting expertise in nature management. The network won the Natura 2000 award in 2015.

STURGEON 2020, launched in 2013, provides for a set of coordinated actions, promoted by PA 4 (water) and 6 (biodiversity) to further rescue and protect the Danube sturgeon, a species which is still strongly endangered by infrastructure projects on navigability and energy and requires an integration of nature conservation consideration at all stages of planning and developing of infrastructure projects.

SEERISK helped developing a methodology to assess the risks related to climate change (in particular, floods, which are recurring in the Danube region). Through CC-WARE, projects for mitigating the vulnerability of water resources were implemented. The DANUBE FLOODPLAIN project has been further developed by PA 5 (environmental risks) and endorsed by the Environment Ministers at the 2016 conference of the International Commission for the Protection of the Danube River (ICPDR).

The Danube Air Nexus cluster covers all countries of the Danube region. It aims to deal with air-related issues in the region and especially, the assessment of air quality sources and the assessment of the impacts of air pollution on health.

***Examples: pillar 3 (building prosperity)***

With the INCO.NET project, launched in 2014 under PA 7 (knowledge society), all actors interested in the promotion of science and innovation in the Danube region are connected and provided with wide-ranging information. Joint research is also made possible at the two large river modelling centres set up with the DREAM project.

A Danube Funding Coordination Network (DFCN) was set up in 2016 in order to synchronize national efforts leading to multilateral collaboration in research and innovation.

In the area of labour market, focus of PA 9 (people and skills), ERASMUS+ co-finances dual vocational education in the Danube region, making use of already available experience in Germany and Austria. Youth in 16 schools are given the opportunity to participate in cultural dialogue thanks to the project EMPOWERING YOUNG PEOPLE-CONNECTING EUROPE.

A socio-economic study of the Danube region, published in 2015, has been coordinated by PA 8 (competitiveness). Main aim of the study was to analyse the current situation in the Danube region with respect to prosperity, entrepreneurship/SMEs and cooperation activities in order to identify the obstacles and draw recommendations on areas where developments are necessary. The analysis serves as a basis for joint work particularly in the field of economic development

***Examples: pillar 4 (strengthening the region)***

The overall security of the river waterway was strengthened by the DARIF (Danube River Forum) project, developed by PA 11 (security). A ministerial conference on international terrorism in the Danube region was organised in January 2016. PA 10 (institutional capacity and cooperation) supported several projects by providing expertise on capacity building. PA 1A has been particularly active in non-EU countries.

Several important horizontal pilot initiatives have been coordinated by PA 10 (institutional capacity and cooperation) with the support of the European Commission. A Technical Assistance Facility assisted the development of project ideas into ‘bankable/fundable’ project concepts. The START (Danube Region project Fund) provides small grants for the development and implementation of projects with relevance for the EUSDR in the form of seed money. Two call for proposals launched in 2014 and 2015 proved to be very successful, with more than 700 applications submitted from all 14 Danube region countries and a total of 49 projects selected.

The Danube Financing Dialogue brings together small and medium size enterprises (SMEs) from the whole Danube region with international financing institutions and national funding sources, providing a unique platform for stimulating match-making of SMEs financing needs with the financing possibilities. Five editions took place since the launch of the Strategy, the last one being organised in Bratislava on May 2016. Euro Access Danube Region offers a website for potential beneficiaries to find the right EU programme to fund their project idea. The data base list current calls for proposals under EU programmes that are open for applicants in the Danube region.

Based on funding by the European Parliament, a ‘Danube Strategic Project Fund’ has been launched in 2016 also by PA 10 in cooperation with the European Commission, which will aim at supporting the elaboration of projects in view of their financing by ESIF or other funds, with specific focus on initiatives in non-EU countries and initiatives involving youth.

### *Improved culture of cooperation*

Results from the EUSDR are not to be observed exclusively in the area or projects. One of the main results is the development of a **cooperation approach** in the concerned administrations stakeholders. The EUSDR has very clearly contributed to an improved culture of cooperation. The change in the mind-set, creating a sense of common responsibility, helped bringing together stakeholders which were only loosely connected and to better link and involve existing transnational institutions. It opened opportunities for access to information, know-how and best practices in other countries, which helps finding solutions to common problems. This led to intensified cooperation between different PAs and MRS.

### ***Examples:***

Cooperation between Priority Areas: several examples of projects and activities jointly implemented or developed by different Priority Areas can be mentioned. Examples are the manual on border controls jointly developed by PA 1A (navigation) and PA 11 (security), the Danube INCO-NET developed by PA 7 (knowledge society) and 8 (competitiveness) and the DANUBEPARKS project developed by PA 3 (tourism and culture), 6 (biodiversity) and 7 (knowledge society).

Cooperation between macro-regional strategies: due to the significant geographical overlap between EUSDR and EUSAIR (Slovenia, Croatia, Serbia, Montenegro and Bosnia-Herzegovina), joint meetings have been held for thematic fields of common interest, such as transport, energy and environment. Representatives of relevant Action Groups of EUSALP (e.g. energy) have attended meetings of EUSDR Priority Areas, in view of establishing working links and create synergies.

### *Dialogue with international organisations*

It also led to intensified dialogue and cooperation with existing international organisations operating in the region, which in turn helped to raise the political relevance of the region.

**Examples:**

A joint paper on cooperation was developed between the International Commission for the Protection of the Danube River (ICPDR) and PA4 (water quality) and 5 (environmental risks) of the EUSDR.

A synergy document and a Memorandum of Cooperation were agreed by the Carpathian Convention and several PAs of the EUSDR. The Carpathian region is a strategic functional area within the Danube region and the cooperation between the Carpathian Convention and the EUSDR priority areas allows better coordinating regional development efforts and creating synergies.

A joint event was organised in Sarajevo in April 2016 by the EUSDR (PA10, capacity building and cooperation), Directorate General for Regional and Urban Policy (DG REGIO), United Nations Environment Programme (UNEP) and the Regional Cooperation Council (RCC), aimed at discussing possible way of improving the participation of Western Balkan countries in the EUSDR and EUSAIR, in particular in the area of environmental protection.

*EU enlargement and neighbourhood policy*

This is the context where the potential of the EUSDR for facilitating integration of candidate and potential candidate countries to accede the EU can be best used. The EUSDR, covering fourteen countries, nine of them EU Member States, clearly contributed to the EU enlargement and neighbourhood policy agendas by allowing intensifying thematic cooperation and enhancing the administrative culture in non-EU countries. The creation of solid networks and partnerships across sector and public/private actors, such as ministries, universities, research centres, NGOs, facilitate the stabilisation of sensitive areas.

**Examples:**

Under the auspices of the EUSDR, the first European Grouping of Territorial Cooperation (EGTC) with a non-EU country was set up (Hungary-Ukraine).

In order to fully exploit the opportunities offered by the EUSDR, Moldova set up a new coordination scheme in 2015 and clearly invested in its participation into the strategy, in particular by involving the relevant line ministries and ensuring collaboration on EUSDR relevant topics.

Progresses were made also in Ukraine, where the fact that only four regions are part of the EUSDR represents a further challenge.

*Horizontal cooperation at national level*

Spill-over effects at national level are also to be mentioned. Not only several projects would not have emerged or be further developed without the Danube strategy, but in some cases they also served to orient national policies and develop projects at regional or local level which are of benefit for larger areas, including the transnational dimension. The EUSDR strengthened the coordination between policies at national level, leading to an improved dialogue and synergies between ministries. This in turn enhances the effectiveness of policy making and implementation. This is particularly the case in countries which set up an EUSDR coordination mechanism at national level in order to better address the multi-sector and multi-

level governance nature of the EUSDR. Clearly, the coordination also facilitates links between policies and funding opportunities. Furthermore, the EUSDR facilitates reaching out to relevant stakeholders both at national and local level, as well as the dialogue with NGOs. Local authorities and NGOs are generally not aware of the potential for regional development contained in the EUSDR, and reaching out by EUSDR national coordinators to the local and NGO level led to clear improvement of the awareness, creating further potential for project development and partnerships. In some cases it also allowed for a greater involvement of the sub-national level (regional or local) in the design and implementation of national sectoral policies.

**Examples:**

The project ReStEP – Regional Sustainable Energy Policy has been inserted in 2015 in the National Reform Programme of the Czech Republic as a successful example aiming at define the energy potential of renewable sources at regional level.

In Romania the GREEN PORT Giurgiu was developed as local level project aimed at enhancing navigability, as a new intermodal goods terminal by the Romanian municipality of Giurgiu and an Austrian company active in the logistic area.

*Governance*

One of the most visible results of the EUSDR is the setup of an **Interreg Danube Transnational Programme** matching exactly the geographical area of the Danube Strategy providing support to its governance (via technical assistance to PACs the DSP) and contributing directly to the Strategy's implementation through its thematic priority axes (aligned with the Strategy's priorities). The results of the first call, completed in autumn 2016, show that the large majority of co-financed projects directly or indirectly contribute to the implementation of the EUSDR.

In 2014 the fourteen countries jointly set up a new body for facilitating the implementation of the EUSDR and the involvement of all concerned and potentially interested actors, the **Danube Strategy Point (DSP)**. Following a decision jointly taken by all participating countries on 1<sup>st</sup> September 2014, based on four applications, the DSP is hosted by the Representation of Baden Württemberg to the EU. The six members of the DSP staff were also recruited jointly by the EUSDR representatives, and the DSP has been operational since June 2015, based on a commonly agreed work-plan. In the first year and a half of activity, the DSP and has been active mainly in the area of communication (new visual identity and coherent web sites for all PAs, active information platform on ongoing activities), support to PACs (technical assistance and coordination of reporting), cooperation between PAs and monitoring. The DSP is perceived as a great potential for further enhancing the effectiveness of the EUSDR, in particular by creating links and synergies between PAs and other relevant bodies and by providing monitoring and assessment tools. An assessment of the activities of the DSP will be carried out jointly by the EUSDR countries in 2017.

The **Presidencies** by Austria (2014) and Baden-Württemberg (2015) significantly contributed to the enhancement and systematisation of the EUSDR governance. The Foreign Affairs Ministers of the EUSDR, gathering in Brussels on 13<sup>th</sup> May 2015, took note of the progress and agreed on a number of arrangements:

- in order to ensure greater continuity of the work, the rotating principle for the chair of the Strategy is expanded to a Trio Presidency where the incumbent Presidency

- prepares all major meetings and documents together with the outgoing and incoming Presidency;
- the Presidency organises and chairs at least two meetings of NCs between two Annual Fora;
  - the Presidency also organises and follows up meetings of the Priority Area Coordinators (PACs) and supports their initiatives for such meetings;
  - the Presidency convenes meetings of the Ministers for Foreign Affairs and other Ministers in charge of the EUSDR at least once a year. In addition, meetings of relevant line ministers shall be organised to deal with questions linked to the respective Priority Areas;
  - the DSP shall support the political and operational level of the EUSDR and help to ensure the linking of the Strategy to the Interreg Danube Transnational Programme and other EU financial resources.

### *Communication*

It is agreed by all actors that better communication tools are essential in order to maintain the momentum on the EUSDR, in particular by showing what is happening, and to better plan the future activities. A dedicated website of the EUSDR ([www.danube-region.eu](http://www.danube-region.eu)) presents and inform on the activities and results of the Strategy in a systematic and consistent way. In November 2016 a publication on ‘success stories from the EUSDR’ has been published by the European Commission in cooperation with the DSP.

The **Annual Forum**, conceived as main event of the year is gathering on an annual basis all stakeholders and potentially interested actors to assess the implementation of the Strategy and discuss the way ahead. Ministerial meetings (general or thematically focused) are organised back-to-back with the Annual Fora in order to keep the political momentum of the Strategy. They also feature other side events and provide ample possibilities for networking (e.g. exhibition of institutions or projects). Five Annual For a have taken place so far, the three last ones organised by the rotating presidencies of Austria (2014), Baden-Württemberg (2015) and Slovakia (2016), together with the European Commission, respectively in Vienna, Ulm and Bratislava.

### *Funding*

The priorities of the EU cohesion policy are well reflected in the areas of work of the EUSDR, which – as mentioned – concerns an area where great disparity in economic development are to be observed.

Following the requirements in the EU 2014-2020 legal framework, most of the countries have incorporated the Danube Strategy dimension in their regional, national and cooperation programmes, paving the way for better coordination and synergies during the programme implementation, which should lead to the funding of projects of macro-regional relevance. In this context, it is worth mentioning that in order to facilitate the developments of projects directly implementing the EUSDR, in 2016 new targets for each Priority Area (PA) of the EUSDR have been approved by the PAs and endorsed by the NCs.

Several possibilities can be developed to use part of the funds to co-finance actions or projects of macro-regional scope and interest. Most of the EU countries have developed measures to improve the internal coordination with the objective to facilitate the funding of EUSDR

related projects. Several National Coordinators (NCs) and Steering Group members take part in the Monitoring Committee meetings of ESIF programmes as members or as observers.

Managing authorities and Monitoring Committees should, in cooperation with the relevant EUSDR actors, develop and apply specific project selection criteria recognising the added value of macro-regional projects and their contribution to the EUSDR PA and targets. Furthermore, appropriate calls may foresee – inter alia – the allocation of bonus points to projects contributing to the implementation of the EUSDR targets and actions. Some Operational Programmes have ear-marked a certain percentage of their funds for actions which may have a macro-regional impact. Where relevant, such calls aim at allocating funds in a well-targeted manner through specific calls for EUSDR projects within Priority Axis of Operational Programmes (OPs) or to a duly justified limited geographical perimeter.

Acting as a one-stop-shop for the access to information on EU funding, the on-line platform EuroAccess Danube Region should help the EUSDR key implementers, but also directly the potential project promoters to find the right funding source for their projects.

***Examples:***

In Slovakia the Research and Innovations and the Integrated Regional OPs have included the implementation of EUSDR into the assessment and selection criteria.

In Bulgaria the Human Resource Development OP envisages a specific operation dedicated to the Danube strategy, called ‘Danube Partnerships for Growth’. With a view to increase their added value, the projects will be implemented by partners from Bulgaria and at least one Danube country.

In the Romanian Regional OP there will be a dedicated call for EUSDR projects in the fields of: energy efficiency, cultural heritage, road infrastructure and tourism, targeting only the 12 Danube countries in Romania.

The set-up of a network of European Social Fund (ESF) managing authorities in the Danube region is under way, following the successful creation of such network in Baden-Württemberg.

## **CHALLENGES**

### *Governance*

After 3 years (2012-2014) of direct support of by the Commission Technical Assistance (TA) and two years of indirect support (via the Danube Strategy Point), the EUSDR will enter into a new phase in 2017, since its bodies (mainly PAs and DSP) will receive support from the Interreg Danube Transnational Programme based on European Territorial Cooperation rules (85% co-financing rate). This is expected to further consolidate the activities of the EUSDR and enhance ownership by the participating states.

In terms of political support, overall, in the years 2014-2016, two joint statements on the EUSDR have been issued by Foreign Affairs ministers (2014 and 2015), two by Transport ministers (2014 and 2016), one by ministers in charge for EU Funds (2015) and by the ministers in charge for Research and Innovation (2016) and two by the Conference of Danube Parliamentarians (2014 and 2015). Other ministerial meetings (for example, the 2016 Ministerial Conference on Water) also echoed the EUSDR. Despite this, compared to the first years of activity, the EUSDR seems to be given a lower priority in the political narrative at national level. If on the one hand this is physiological as with any initiative reaching the implementation phase, there is a need to maintain the political momentum since the countries’

commitment directly affects the availability of human resources in the national and regional administrations, which are crucial for the good functioning of the strategy and work towards consolidation of the progress made and results achieved so far.

Recent experience shows that besides a greater awareness of the strategy, the effectiveness of PAs largely depends on the personal commitment of officials, which makes the performance of PAs volatile and fluctuating rather than continuous. Steering Groups (SG) of several PAs of the EUSDR are clearly under participated and officials taking part in SGs often do not have a clear political mandate from the respective administrations. In short, there is a gap between the formal political support (which appears to be rather strong) and the substantial support by national administrations, which is not always equally strong. Since macro-regional strategies are long-term processes, continuity in political support is crucial. The participating states must take their responsibilities and ensure sufficient quantitative and qualitative participation to meetings and joint activities. The current situation raises inevitably the question as to whether the current number of PAs in EUSDR is still adequate – or should instead be reduced in order to better match the available human resources at national level. Moreover, regardless on the possible reduction of the number of PAs, a rotation in the role of Priority Area Coordination (with a maximum of 3 years) should be implemented so as to improve the ownership of the strategy and avoid that competence on specific areas remains concentrate in the same country administrations.

As regards non-EU countries, improved coordination of funding opportunities is needed, in particular in the Western Balkan countries. Although Serbia continues to be an active partner in the PAs it coordinates, further progress is needed in the participation of these countries to the strategy. Bosnia and Herzegovina and Ukraine are still in the process of appointing national coordinators for the EUSDR. The appointment of a national coordinator and the allocation of sufficient resources for this role is the very minimum which can be expected from a country which participates in the macro-regional strategy.

The role of the European Commission is generally perceived as very important, although the insufficient and discontinuous participation of the relevant Commission services to activities of the relevant PAs remains is often quoted by PACs as critical factor which needs improvement. Still, although the European Commission will maintain its facilitation role and continue to encourage cooperation and the search for common solutions to problems, participating countries should take responsibility and make the strategy work regardless of the active involvement of the European Commission.

### *Funding*

The Ministers of Foreign Affairs and in charge of EU funds of the Danube countries have sent clear political messages on the need to unlock all available funds for the full implementation of the Strategy through the necessary investments. They have also committed, through the Joint Statements adopted in 2015, to take the necessary actions to improve the coordination of available funds at EU, state, regional and local level.

Recalling that the Danube region countries' average GDP per capita only reaches about two-thirds of the level of the EU 28 Member States and less than 60% of the level of the Organisation for Economic Co-operation and Development (OECD) countries, and that there are major development disparities within the Danube region, which hinder social, economic and territorial cohesion, Ministers reiterated that the success of the EUSDR implementation requires the alignment of relevant programmes and use of these EU funds in line with the

EUSDR PAs and targets. These commitments need to be reflected in the day by day activities of the relevant national and regional administrations.

However, the situation on the ground is very diverse. Overall, out of the 90 ESIF operational and cooperation programmes which are relevant for the EUSDR, 8 reported in 2016 on specific financial contribution to the EUSDR (for a total budget of 285 Million ERDF and 20 Million € IPA) achieved either via targeted calls of allocation of extra points. This situation can clearly be improved.

There continues to be a gap between the Strategy and the programmes, which too often divides managing authorities and officials in charge for the EUSDR, even if sometimes they sit under the same ministry. As a consequence, some programmes are willing to contribute to the implementation of the EUSDR, while others continue with their ‘business as usual’ or even see the strategy as an element of ‘disturbance’. This must be changed by ensuring effective internal coordination. The EUSDR should not be seen as red-tape but is an opportunity to make the implementation of ESI funds more coherent.

The involvement of EUSDR key implementers at national level into the work of ESIF programmes brings tangible results in the implementation, while increasing ownership. This can be a win-win since not only helps implementing the Strategy but enhances the coherence of the programmes’ actions. Steering Group members must be active in identifying the funding sources and describing the added value of the projects to the managing authorities in their respective countries. There are still cases, where there are no links even if the Steering Group members work in the same institution where the managing authority is located.

Specific challenges of coordination of funding opportunities and EUSDR relate to IPA/ENI countries. Also the integration of the macro-regional perspective in directly-managed EU funds requires improvement.

### *Monitoring*

The monitoring of the results of MRS is a challenging task. Not all results can be monitored in quantitative manner – this is particularly the case for example with the improvement in the mind-set for cooperation by the concerned administrations. Another difficulty depends on the fact that macro-regional strategies may overlap, depending on the fields of activity, with existing organisations and fora. However, there is a need to develop common tools and methodology for better identifying results and critical aspects of macro-regional strategies. The new targets identified by the PAs in 2015 and approved by PACs and endorsed by NC in 2016 are meant, where possible, to improve also the possibility of monitoring the results achieved. There is still work to do in this context. The Danube Strategy Point should provide a crucial support for the development of a sound monitoring and evaluation system for the Strategy. Monitoring also serves the purpose of avoiding possible overlaps and similar activities developed in other policy frameworks.

## **RECOMMENDATIONS**

Based on experience reported here, the following areas of improvement have been identified:

- translate political will into administrative support and ensure sufficient resources for day-to-day work on a long term basis;
- ensure adequate participation of national representatives to Steering Group meetings of priority areas and consider reducing the number and scope of current priority areas



if sufficient resources are not allocated by participating Countries within well-defined time-frames;

- introduce a mechanism for regular rotation of Priority Area Coordinators, so to enhance the overall ownership of the EUSDR by national and regional administrations;
- strengthen commitment of sectorial ministries;
- acknowledge the importance of national coordination mechanisms and reinforce them;
- enhance the potential for aligning the existing funding instruments with the priorities (e.g. Danube financing dialogue, setting-up of an investment platform that would meet the needs of SMEs);
- further develop and strengthen a dialogue between managing authorities of different funding instruments and key strategy implementers in order to achieve intended results.

## **Report on the implementation of the European Union Strategy for the Adriatic and Ionian Region**

In December 2012, the European Council requested the European Commission to present an EU Strategy for the Adriatic and Ionian Region (EUSAIR) before the end of 2014<sup>23</sup>.

Building on the lessons learnt and experience from the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region, the Commission adopted in June 2014 a Communication<sup>24</sup> on the EU Strategy for the Adriatic and Ionian Region and its accompanying Action Plan<sup>25</sup>, which was endorsed by the European Council in October 2014<sup>26</sup>. The strategy incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission in November 2012<sup>27</sup>.

Home to more than 70 million people and key for Europe's geographical continuity, the Adriatic and Ionian Region is a functional area primarily defined by the Adriatic and Ionian Sea basins. It builds on the inter-governmental Adriatic and Ionian Initiative (AII), which was launched in 2000 and involved eight countries, the same as the EUSAIR, i.e.: four EU Member States (Croatia, Greece, Italy, Slovenia) and four candidate and potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia).

### **CONTENT – PRIORITIES**

The general objective of the EUSAIR is to promote sustainable economic and social prosperity in the region by improving its attractiveness, competitiveness and connectivity. The strategy is also expected to play an important role in promoting the EU integration of the Western Balkans.

In its 2013 report<sup>28</sup>, the Commission stressed that new macro-regional strategies should focus on a limited number of well-defined objectives. Within this framework, the EUSAIR is built on four thematic pillars addressing the core challenges and opportunities identified as being of central importance for the Adriatic-Ionian Region: 'Blue Growth', 'Connecting the Region', 'Environmental Quality' and 'Sustainable Tourism'. Moreover, two cross-cutting aspects ('Strengthening R&D, Innovation and SMEs' and 'Capacity building, including communication') are to be considered across each pillar. In addition, mitigating and adapting to climate change effects, as well as managing disaster risks are recognised as horizontal principles for all pillars.

Each pillar identifies a series of topics which represent the main areas where the macro-regional strategy can contribute to improvements. The 'Blue Growth' pillar encourages innovative and maritime growth in the Adriatic and Ionian Region, by promoting sustainable economic development and job creation as well as business opportunities. In doing so, the

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<sup>23</sup> European Council Conclusions of 13-14 December 2012, point 26: '*Recalling its June 2011 conclusions, and subject to the evaluation of the concept of macro-regional strategies as foreseen in the Council conclusions of 13 April 2011, the European Council looks forward to the presentation by the Commission of a new EU Strategy for the Adriatic and Ionian Region before the end of 2014 (...)*'.

<sup>24</sup> Communication from the Commission concerning the European Union Strategy for the Adriatic and Ionian Region – 17.06.2014 - COM(2014) 357 final.

<sup>25</sup> Action plan accompanying the Communication concerning the European Union Strategy for the Adriatic and Ionian Region - 17.06.2014 - SWD(2014) 190 final.

<sup>26</sup> Conclusions of the General Affairs Council, 29 September 2014 and Conclusions of the European Council, 23-24 October 2014.

<sup>27</sup> Communication from the Commission adopting a Maritime Strategy for the Adriatic and Ionian Seas - 30.11.2012 - COM(2012) 713 final.

<sup>28</sup> Report concerning the added value of macro-regional strategies –27.06.2013- COM(2013) 468 final.

three following topics are being prioritised: blue technologies, fisheries and aquaculture, maritime and marine governance and services.

The ‘Connecting the Region’ pillar aims at improving transport and energy connectivity by: strengthening maritime safety and security and developing a port system; creating reliable transport networks and intermodal connections with the hinterland; and establishing a well-interconnected and well-functioning internal energy market. To achieve these objectives, the pillar focuses on three key topics: maritime transport, intermodal connections to the hinterland, energy networks.

‘Environmental Quality’ is essential for ensuring the economic and social well-being of the Region’s inhabitants. This pillar addresses the issue through cooperation at regional level, focusing on three topics: the marine environment, pollution of the sea, transnational terrestrial habitats and biodiversity.

Developing the Region’s potential in terms of ‘Sustainable Tourism’ can be accelerated by offering innovative and quality tourism products and services. Responsible tourism behaviour involving all actors involved in the sector is also important. To achieve the objectives of this pillar, the emphasis is put on two topics: a diversified tourism offer, and a sustainable and responsible tourism management.



**ACTORS/GOVERNANCE**

The governance and management architecture of the strategy was defined in a Joint Statement<sup>29</sup> adopted by the Ministers of Foreign Affairs (or their representatives) at the launch Conference of the strategy in November 2014. It is based on the MRS three-layers mechanism (political/ministerial, coordination, implementation) envisaged by the Commission report on MRS governance<sup>30</sup>.

<sup>29</sup> The Joint Statement adopted by the Ministers and its annex are available here: [http://ec.europa.eu/regional\\_policy/sources/cooperate/adriat\\_ionian/pdf/joint\\_statement\\_governance\\_en.pdf](http://ec.europa.eu/regional_policy/sources/cooperate/adriat_ionian/pdf/joint_statement_governance_en.pdf).

<sup>30</sup> Commission Report on governance of macro-regional strategy, COM(2014) 284 final of 20.05.2014.

At the **implementation level**, four Thematic Steering Groups (TSGs) (one per pillar), composed of representatives from relevant sectoral departments in the countries, are tasked to implement the strategy by identifying the actions and projects with a macro-regional value which will best contribute to the achievement of its objectives. Each pillar is coordinated by two Pillar Coordinators appointed from two countries (one EU Member State, one non-EU country). Given its particular nature, Pillar 2 has four Pillar Coordinators: one pair for ‘Transport’ and one pair for ‘Energy networks’.

The current country distribution, as agreed by the countries themselves, is as follows:

- ✓ Greece and Montenegro coordinate Pillar 1;
- ✓ Italy and Serbia coordinate Pillar 2;
- ✓ Slovenia and Bosnia and Herzegovina coordinate Pillar 3; and
- ✓ Croatia and Albania coordinate Pillar 4.

The governance architecture envisages a rotating system, although the duration of the current initial assignment has not been set and should be decided by the Governing Board (GB) in due course.

At the **coordination level**, acting as interface between the political/ministerial level and the implementation level, the EUSAIR GB is co-chaired by the European Commission and the country holding the rotating chairmanship of the Adriatic and Ionian Initiative (AII)<sup>31</sup>. It includes EUSAIR National Coordinators, Pillar Coordinators as well as representatives from the AII Permanent Secretariat, the European Parliament, the Committee of the Regions and the European Economic and Social Committee. Its objective is to provide strategic guidance with respect to management and implementation of the EUSAIR and its Action Plan.

In order to ensure a close coordination between the EUSAIR and the EU funds, it was agreed that each participating country should be represented in the GB by two National Coordinators, one representing the Ministry of Foreign/European Affairs, and the other representing the Ministry/national authority responsible for EU funds.

The **political level** meets in the ‘double hat’ format of Adriatic-Ionian Council/EUSAIR Ministerial meeting. In line with the approach followed at the coordination level, at the EUSAIR Ministerial meeting held in Dubrovnik (Croatia) on the occasion of the 1<sup>st</sup> EUSAIR Forum in May 2016, the Ministers of Foreign Affairs of the eight participating countries were joined by their fellow Ministers/national authorities responsible for EU funds.

The **Interreg Adriatic-Ionian (ADRION) Transnational Cooperation Programme**, covering the same territory of the EUSAIR, is contributing to the strategy’s implementation through its thematic priority axes (aligned with the strategy’s priorities). It also supports the strategy’s governance mechanisms and structures, notably via the **EUSAIR Facility Point**, a strategic project led by Slovenia and including partners of the eight countries, adopted by the ADRION Monitoring Committee in May 2016.

## RESULTS

The EUSAIR is still in its initial phase. Since the launch of the strategy, activities have so far essentially consisted in putting into place effective governance structures as well as devising a

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<sup>31</sup> Alongside the approach followed by the Adriatic-Ionian Initiative, the country ensuring the 12-month (1st June-31st May) rotating chairmanship of the AII is also at the helm of the EUSAIR for the same period. Bosnia and Herzegovina was in the lead until 31 May 2015, followed by Croatia in the period June 2015-May 2016 and by Greece since June 2016.

straightforward protocol for identifying processes, actions and projects that can contribute to the strategy's objectives.

It is worth noting that the involvement of the four Enlargement Countries in the governance process has, from the very beginning, been on a par with that of the four EU Member States. For instance, the rotating EUSAIR chairmanship is open to all participating countries and the coordination of each TSGs is ensured by a tandem made by an EU Member State and an Enlargement Country.

### *Governance*

Governance structures were put in place in record time. The first GB meeting was convened in January 2015, a mere two months after the launch Conference, and the first round of TSG meetings took place in March-April 2015.

At **coordination level**, unsurprisingly, governance-related issues dominated the agenda of the four GB meetings which took place so far.

To start off on the right foot, participating countries were keen to devise, with the support of the Commission, detailed Rules of Procedure (RoP) for a transparent and smooth functioning of the Governing Board. With regards to decision making, RoP specify that decisions are taken by consensus by National Coordinators (1 country – 1 vote).

As intended, the Governing Board proved to be the central tool for strategic coordination of the strategy and for liaising with the political/ministerial leadership level.

Important decisions taken by the GB include, inter alia:

- (1) providing the TSGs with a template for devising their Rules of Procedures – so as to ensure an harmonized approach – as well as a guidance document clarifying how they should apply the six broad criteria – included in the Action Plan – for identify actions and projects to be promoted under the EUSAIR;
- (2) determining the approach informing the EUSAIR Facility Point in providing support to the governance structures. The method chosen by National Coordinators foresees that support be given to each country to meet its needs for participating in all TSGs;
- (3) devising the concept of the Stakeholder Platform – foreseen in the Joint Statement adopted at the launch Conference – to be put in place by the EUSAIR Facility Point.

At **implementation level**, three rounds of TSG meetings took place in 2015, and a fourth round in the spring 2016<sup>32</sup>. The two first rounds of TSG meetings were mainly devoted to discussing the RoP and the scope of the TSGs' activities.

Moving into actual work, by end 2015, all TSGs had identified priority actions, among those included in the Action Plan, on which concentrate their work in an initial phase.

Activities focused next on the pillar-specific criteria/guiding principles to help shortlist and label projects as EUSAIR-relevant in their respective domain. TSG-1, TSG-3 and TSG-4 already made substantial progress in this respect.

Concerning the **political leadership**, after the launch Conference, Ministers met again on the occasion of the 1st EUSAIR Forum held in Dubrovnik on 12-13 May 2016. Commissioner Crețu participated in both the ministerial meeting and the Forum.

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<sup>32</sup> A fifth round is planned to take place in November-December 2016.

In the ‘Dubrovnik Declaration’ the Ministers re-affirmed their strong belief in, and commitment to, the strategy and provided strategic orientations to the other two levels of governance (coordination and implementation). These orientations emphasised the responsibility of the relevant national administrations for:

- a) Providing a clear mandate to TSG members and ensure that the latter are duly empowered;
- b) Allocating adequate, dedicated financial and administrative resources to support Pillar Coordinators and TSGs members in fulfilling their duties;
- c) Ensuring due involvement of sub-national governments in the TSGs’ work.

In addition to asking the TSGs to move quickly towards identifying initiatives and projects with a macro-regional dimension, the Ministers called national and regional authorities to ensure that ESIF and IPA programmes as well as any other available national/regional funds concretely contribute to the achievements of the EUSAIR objectives.

Last but not least, the Dubrovnik Declaration invited the GB to outline concrete avenues of action helping strengthen the resilience of participating countries in the face of the refugee and migration crisis. Moreover, while encouraging all EU-financed programmes in the participating countries to consider how best to address this challenge within existing programme priorities and objectives, it expressly asked the ADRION programme to provide support to specific action(s) in this regard.

#### *1<sup>st</sup> EUSAIR Forum and involvement of stakeholders*

At the 1<sup>st</sup> EUSAIR Forum in Dubrovnik (May 2016), jointly organised by the European Commission and the Government of Croatia under its chairmanship of the strategy, more than 600 participants attended, including representatives of the national, regional and local administrations of the eight participating countries, as well as a wide range of stakeholders (academia, business sector, civil society). Two high-level plenary sessions gathered political actors and experts around the topics of resilience and multi-level governance as key elements to tackle the social and economic challenges of the region. The parallel sessions and side events, targeting practitioners, and building around the strategy’s thematic pillars, aimed at identifying frameworks and funding opportunities as a starting point for the identification of project ideas and proposals of action to be implemented.

A Business to Business (B2B) session organised as a side event by the Enterprise Europe Network (EEN) brought together more than 100 participants from SMEs, universities, chambers of commerce and other stakeholders, with the objective to find partners for new projects and/or explore new business opportunities on topics such as maritime industry, maritime biotechnology, aquaculture, tourism, etc. This first such event organised in the framework of an EU macro-regional strategy forum received very positive feed-back and is expected to continue in the future.

The strategy builds on the positive experiences developed under the umbrella of the Adriatic and Ionian Initiative, including the fora of universities, chambers of commerce and cities. The annual conference of speakers of the Parliaments crucially involves and integrates the parliamentary dimension.

However, much need still to be done to involve stakeholders in the concrete strategy implementation. As first step, a Stakeholder Platform is being defined within the framework

of the EUSAIR Facility Point as a two-way communication tool between the EUSAIR key implementers and the stakeholders in the region.

### *Inter-pillar coordination*

In order to strengthen the coordination across the four pillars – viewed as interdependent – as well as between the TSGs, address their common challenges and present them in a structured way to the GB, as of the 2<sup>nd</sup> GB meeting in October 2015 it was decided to hold technical meetings of Pillar Coordinators the day preceding the GB. These meetings – which since then take place on a regular basis – facilitate discussion and decision making by the GB.

TSG-1 and TSG-3 furthermore took the initiative to coordinate their work on the topic of Maritime Spatial Planning (MSP) and Integrated Coastal Zone Management (ICZM), featuring among the priority actions identified by both TSGs. A joint session, organised by these TSGs at the 1<sup>st</sup> EUSAIR Forum in Dubrovnik, 12-13 May 2016, resulted in a list of commonly supported strategic projects to develop jointly. Among these should be mentioned pilot projects integrating MSP and ICZM, green/blue corridors linking land and sea in the Adriatic and Ionian Sea basins and tools for identifying areas suitable for co-existence between sustainable fisheries/aquaculture and other economic activities. A joint meeting between TSG-1 and TSG-3 is due in November 2016.

TSG-3 also produced a matrix showing interdependencies between the different pillars, both synergies and possible inconsistencies between the respective (tentative) targets set out in the Action Plan.

### *Regional cooperation*

With regards to coordination with other regional cooperation structures, the GB effectively coordinates EUSAIR activities with those of the intergovernmental Adriatic-Ionian Initiative (AII)<sup>33</sup>. With the entry into force of the strategy, the role of the thematic Round Tables of the AII have been overhauled so as to become auxiliary tools at the disposal of the EUSAIR TSGs. This would enable them to meet the needs of the TSGs while acting as interfaces between these Groups and the relevant stakeholders in the Region. Smooth coordination between the GB and the AII came to full expression with the decision that, in order to avoid duplication and strengthen synergies, the annual meeting of the AII Ministers of Foreign Affairs should convene as a ‘double hat’ Adriatic-Ionian Council/EUSAIR Ministerial meeting. The first such a double hat meeting took place in Dubrovnik at the 1<sup>st</sup> EUSAIR Forum in May 2016.

Furthermore, the TSGs have generally given considerable attention to synergies and complementarity with the work conducted by relevant regional cooperation structures. This concerns for instance, recommendations on the Blue Economy issued by the Union for the Mediterranean for TSG-1, the work undertaken by the SEETO and the Energy Community for TSG-2, initiatives and recommendations under respectively UNEP/MED and the Barcelona Convention for TSG-3 as well as, for TSG-4, UNESCO's programme for Cultural Heritage in South-East Europe or the work of the Council of Europe focusing on cultural routes.

On a more general note, coordination between the EUSAIR and other relevant regional organisations – e.g. the Regional Cooperation Council, the Adriatic-Ionian Euro region, the

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<sup>33</sup> The Permanent Secretary of the AII is a standing member of the GB.

Conference of Peripheral Maritime Regions of Europe, the Central European Initiative – is sought.

### *Coordination with other MRS*

Coordination with other MRS is essential. Five<sup>34</sup> EUSAIR countries are also involved in the EUSDR and two<sup>35</sup> in the EUSALP. Coordination in, for instance, the connectivity agenda in the region is mandatory between the EUSAIR and the EUSDR and, to a minor extent, with the EUSALP too. The same is true for the environment and tourism priorities, notably between the EUSAIR and the EUSDR.

Several EUSAIR TSG members are also involved in the EUSDR. This facilitates contacts and synergies, provides an opportunity for exchanging good practices, speedier responses to similar challenges and greater visibility. Participation of EUSAIR TSG members in the fellow steering groups notably in the EUSDR – and vice versa – is already taking place, e.g. the participation of the EUSDR Priority Area Coordinator for Energy in the EUSAIR TSG-2 in April 2016.

It is also worth mentioning the seminar, co-hosted by the Regional Cooperation Council and the UNEP in Sarajevo in April 2016. This event enabled key officials under respectively EUSAIR and EUSDR to compare priorities with respect to environmental challenges in the Western Balkans.

### *Coordination at national level*

Coordination within the countries, between the various levels of the administration is a distinctive requirement for a successful participation in the MRS. As good practices, it is worth mentioning, in the case of Italy, central-regional coordination mechanisms (vertical, horizontal). In Greece, coordination between EUSAIR key implementers and national ministries is in place. In Slovenia, inter-ministerial coordination is taking place, promoted by the National Coordinator of the three MRS in which the country takes part.

### *Funding*

Alignment of ESIF/IPA funds with the EUSAIR is all the more important in a region where those resources constitute a large share of countries' public investments.

Approx. 100 ESIF and 12 IPA programmes in the Region are potentially relevant for the EUSAIR. A checklist was sent to programme managers with a view to gaining a first overview of how national/regional and cooperation programmes contributed to the strategy. 17 out of the 37 respondents stated that, in different ways (e.g. extra points foreseen in calls for proposals, projects already financed, etc.), their programmes contribute to the achievement of the EUSAIR objectives.

In the ADRION programme – largely aligned with the EUSAIR pillars and topics – out of the 378 proposals submitted under the 1st call for proposals, a fair number of projects contributing to EUSAIR objectives is expected to be selected.

With the exception of the ADRION programme; at implementation level, the cooperation between TSGs and ESIF/IPA programme authorities has so far been somewhat hesitant and

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<sup>34</sup> Bosnia and Herzegovina, Croatia, Montenegro, Serbia and Slovenia.

<sup>35</sup> Italy and Slovenia.



uneven. A first meeting between these programme authorities and EUSAIR key implementers took place on 12 May 2016 in the margin of the EUSAIR Forum in Dubrovnik. The aim was to kick-start a sustained dialogue between the two worlds and secure mutual benefits of aligning EU funded programmes to strategy objectives. Follow up meetings at national level between ESIF/IPA programme authorities and EUSAIR key implementers, organised by the Commission together with the EUSAIR National Coordinator responsible for EU funds, are taking place in each country as of the fall 2016.

## CHALLENGES

### *Governance*

Since the launch of the EUSAIR, the actors in charge of bringing the strategy from ‘words to action’ have been through a steep learning curve. While these are still early days, an important gap appeared between, on one hand, the political commitment, repeatedly underlined by Ministers, and, on the other, effective follow-up on the part of their national administrations, ‘key implementers’ of the strategy. This gap stemmed in part from persistent lack of adequate human, financial, administrative and technical resources which these administrations dedicated to implementing the strategy.

Regardless of the progress achieved with respect to process and governance, the most serious hurdle to overcome undoubtedly remains lack of leadership, commitment and ownership among these administrations. Many TSG members and Pillar Coordinators were not given clear mandates and empowerment from their home administrations that would allow them to take decisions at TSG meetings. This shortcoming was compounded by delays in the designation of the standing TSG members for some countries. This entailed insufficient continuity and stability among members as well as – in some cases – strikingly poor attendance rates. This is particularly affecting some of the participating non-EU countries. In the letter they sent in January 2016 to the Ministers of Foreign Affairs and the Ministers responsible for EU funds, Commissioners Crețu and Vella clearly pointed to these shortcomings, requesting that they be addressed as a matter of urgency<sup>36</sup>.

With regards to insufficient resources allocated by national administrations to the implementation of the strategy, the EUSAIR Facility Point should provide badly needed support to Pillar Coordinators and TSGs as a whole to allow them to fulfil their tasks effectively. Bringing into full operation of what is in effect a 9-partner network will, however, not be devoid of challenges. Moreover, the approach chosen by the National Coordinators<sup>37</sup> risks being administratively cumbersome to apply, hence causing unnecessary delays in particular when it comes to implementing Work Package T1 (logistic support to TSG members). In any event, the Facility Point will not replace the need for the national/regional administrations to ensure adequate human and administrative resources for fulfilling their tasks as EUSAIR key implementers.

In the meantime – whilst by no means fungible with the effort required from national administrations to drive the strategy forward or taking away their responsibility for doing so – over this initial period, on-going Commission input proved indispensable, both in terms of logistics and substance, to prevent the entire process from stalling. Such input, however, is

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<sup>36</sup> It is worth noting here that the Dubrovnik Declaration can in effect be read as a joint reply to the Commissioners.

<sup>37</sup> Facility Point to support each country to meet its needs for participating in all TSGs, vs. Facility Point to support each TSG to meet its needs including those concerning participation of members from all eight countries.

neither sustainable nor even desirable. While the Commission should do the utmost to help, it cannot/should not replace the participating countries in the driving seat. The role of the Commission should remain that of a strategic coordinator – where its involvement brings a clear added value - in partnership with the participating countries and in accordance with the subsidiary principle. In this respect, the involvement of Commission line departments in the implementation of the Strategy needs to be substantially improved.

More concretely, at the coordination level, the rotating Presidency should provide a strong impulsion to the strategy and effectively take its lead, in close cooperation with the National Coordinators and all members of the GB. Designation of both National Coordinators (Foreign Affairs, or equivalent, and national authority responsible for EU funds) should be completed and effective participation in GB activities should be ensured.

At the implementation level, in addition to designation and attendance issues hampering decisions in TSGs, the circumstance that TSG members were faced with the, for them, often unusual – and at times uncomfortable – requirement of shifting their outlook from a purely regional/national perspective to a transnational/macro-regional one tended to further slow the pace of decision-making.

Another challenge peculiar to Pillar Coordinators has been that they all *de facto* wore four hats, namely as: (1) coordinators of the collective work involving all eight countries on the pillar concerned; (2) reporters and spokespeople and for the TSG concerned to the outside world (as was the case at the first EUSAIR Forum); (3) representatives of their own country and (4) representatives of their particular department within the national/regional administration they belong to. Whereas the two former roles seemed fully compatible with each other, there may have been instances where the national position clashes with a macro-regional perspective. Likewise, if brought to its full logic, the fourth role might have tempted the PCs (a) to put on a narrower set of lenses, privileging the topic(s) for which their department is responsible at the possible expense of the other topics under the same pillar.

More specifically, TSG-2 faced a particular difficulty owing to the dual nature of Pillar 2, covering both transport and energy. While the splitting the TSG into two subgroups provided for more focused discussions within each thematic field, its management proved quite complex. Pending resources to be made available by the TSG members' home administrations and the support to be provided by the Facility Point, the Regione Friuli Venezia Giulia put at the disposal of TSG-2 a Technical Support Unit which is assisting the four Pillar 2 Coordinators in their day-to-day work and helping execute planned TSG-2 activities.

Participation in, and contribution of, representatives from participating countries in the work of TSG 2 have been so far limited: uneven attendance rate and passive participation, lack of stable designation of members. For both Pillar-2 strands, concern was furthermore expressed about possible overlap or redundancy with other initiatives in the Region, e.g. the 'Berlin process', the Energy Community, etc.

TSG-3, for its part, underlined unsatisfactory coordination and communication among TSG-3 members, partially compromising the discussion during meetings and weakening the process of exchange of views as well as the achievement of concrete outcomes. It also called for better cross-pillars processes, evaluations and synergies, particularly on common issues and potential inconsistencies.

### *Inter-Pillar Coordination*

The technical meetings of Pillar Coordinators highlighted a number of shared challenges with respect to the TSGs' functioning, namely:

- creating synergy between the EUSAIR and the work undertaken under existing regional agreements<sup>38</sup> so as to avoid duplication;
- bringing in expertise from the other MRS;
- for countries – other than Italy – reflecting how their subnational authorities can be associated more closely with the work of the TSGs;
- ensuring intra-country coordination between ETC/national/regional funds;
- improving the visibility of the strategy.

### *Possible developments of the strategy and its Action Plan*

With regard to the scope of the EUSAIR, since the conception of the strategy the refugee and migration crisis unfolded and is likely to continue to heavily affect the region for the foreseeable future. This external shock should be taken into account in the strategy. As previously noted, in the Dubrovnik Declaration the Ministers invited the Governing Board to outline concrete avenues of action in this respect.

Finally, the incomplete coverage of the Western Balkan region in the EUSAIR is also cause of concern. Council conclusions<sup>39</sup> recently stressed the importance of the inclusiveness principle which should govern EU relations with the Western Balkan countries. They support initiatives and structures which could reinforce economic cooperation with these countries, promoting connectivity and inclusiveness within the Region and with the EU. Pragmatic ways to associate all Western Balkan countries in the work of the EUSAIR, as appropriate, should be explored.

### *Funding*

Concerning the EU funds in the Region, a long way remains to go to change mind-sets and bring the ESIF/IPA programming authorities and the EUSAIR key implementers closer together to cooperate towards their common goal: sustainable growth, jobs and prosperity in the region.

## **RECOMMENDATIONS**

Based on experience reported here, the following areas of improvement have been identified:

- as called for by the Dubrovnik Declaration, in the light of recent developments in the region, consider including a new dimension in the strategy and its Action Plan to target youth, cultural and educational exchanges, and integration of refugees and migrants into the labour market;

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<sup>38</sup> The work conducted in TSG-3 could for instance be considered a sub-regional contribution to the Barcelona Convention.

<sup>39</sup> General Affairs Council, 15 December 2015 - Council Conclusions on Enlargement and Stabilisation and Association Process.

- for Pillar 2, ensure better synergies and complementarity with existing instruments operating in the region, such as the ‘Berlin Process’, the Energy Community, etc.;
- accelerate and intensify the work of laying the foundations (governance, capacity building) of the strategy: make effective use of e.g. Facility Point and other dedicated initiatives by the European Commission, with help of experts;
- following the example of the EUSBSR, set up a pilot ERDF/CF/IPA programme authorities' network aimed at facilitating support from region and country-specific as well as multi-country operational programmes to EUSAIR implementation;
- likewise, following the example of the EUSDR, set up a network of ESF managing authorities that could focus in particular on coordination of vocational training and job creation projects involving young unemployed in the four MS alongside young refugees and young adults in need of international protection;
- building on positive experience from the EUSDR, work on the development of tools for better access to information on EU funding;
- give priority to capacity-building directed at EUSAIR key implementers as well as at programme authorities responsible for EUSAIR relevant operational programmes.

## **Report on the implementation of the European Union Strategy for the Alpine Region**

The European Council of 19-20 December 2013 invited the Commission, in cooperation with Member States, to elaborate an EU Strategy for the Alpine Region by June 2015<sup>40</sup>, recalling its conclusions of June 2011 and the Council Conclusions on the added value of macro-regional strategies of October 2013.

Building on the lessons learnt and experience from the other previous three macro-regional strategies, the Commission has prepared a Communication and an Action Plan on the EU Strategy for the Alpine Region (EUSALP), which has been adopted by the Commission in July 2015. On 27 November 2015 the Strategy was endorsed by Council of the European Union<sup>41</sup> and by the European Council on 28 June 2016.

The EUSALP covers seven countries:

- 5 EU Member States: Austria, France, Germany, Italy and Slovenia
- 2 non EU Member States: Liechtenstein and Switzerland

of which 48 Regions are involved in the process<sup>42</sup> and is home for more than 80 million people.

### **CONTENT – PRIORITIES**

The general objective of the EUSALP is to promote sustainable economic and social prosperity of the Alpine Region through growth and jobs creation, by improving its attractiveness, competitiveness and connectivity while at the same time preserving the environment and ensuring healthy and balanced ecosystems.

Three interdependent thematic objectives have been identified that focus on providing:

1. fair access to job opportunities by building on the high competitiveness of the Region;
2. sustainable internal and external accessibility;
3. a more inclusive environmental framework and renewable and reliable energy solutions for the future.

Moreover, since the existing cooperation frameworks in the Region are primarily sector-based or do not match the geographical scope of the Strategy, a cross-cutting objective aiming to build a sound macro-regional governance model for the Region.

### **ACTORS/GOVERNANCE**

The basis of the Strategy's governance system is laid down in the Milan Declaration of the Alpine States and Regions, in accordance with the Grenoble Political Resolution, the

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<sup>40</sup> Conclusions of the European Council of 19-20 December 2013, para 50.

<sup>41</sup> Council Conclusions on the EU Strategy for the Alpine Region, 27 November 2015 and the European Council, 28 June 2016.

<sup>42</sup> Austria (Burgenland, Kärnten, Niederösterreich, Oberösterreich, Salzburg, Steiermark, Tirol, Vorarlberg, Wien), France (Auvergne-Rhône-Alpes, Bourgogne-Franche-Comté, Provence-Alpes-Côte d'Azur), Germany (Baden-Württemberg, Bayern), Italy (Friuli Venezia Giulia, Liguria, Lombardia, Piemonte, Provincia Autonoma di Bolzano, Provincia Autonoma di Trento, Valle d'Aosta, Veneto), Switzerland (Aargau, Appenzell Ausserrhoden, Appenzell Innerrhoden, Basel-Landschaft, Basel-Stadt, Bern, Freiburg, Genf, Glarus, Graubünden, Jura, Luzern, Neuenburg, Nidwalden, Obwalden, Schaffhausen, Schwyz, Solothurn, St. Gallen, Tessin, Thurgau, Uri, Waadt, Wallis, Zug, Zürich).

Commission's report on governance of macro-regional strategies and the Council Conclusions of 21 October 2014. To get all main governance questions straight, the Commission has furthermore drafted a 'guidance note on the EUSALP governance' approved by the Executive Board in April 2016.

Like the other strategies the EUSALP has three inter-related levels: (1) a General Assembly/political level, (2) an Executive Board/coordination level, and (3) nine Action Groups/implementation level. The Strategy's Action Plan provides more details of the main guiding principles of the Strategy's governance arrangements.

The *General Assembly* is composed of (a) representatives from the participating States (according to each internal governance system), (b) representatives from all the Regions included in the Strategy, (c) the EU Commission (as coordinator/facilitator), and (d) the Alpine Convention (as observer); MEPS might participate upon invitation. The General Assembly is mainly responsible for laying down the general political guidelines for the Strategy. It furthermore has the possibility of organising ministerial meetings in order to create the necessary political awareness for the Strategy.

The *Executive Board* is composed of (a) seven national delegations headed by the National Coordinators, (b) the European Commission as an independent facilitator and coordinator, and (c) the Alpine Convention and the Interreg Alpine Space Programme as advisors. The Executive Board is in charge of the overall horizontal and vertical coordination of the EUSALP Action Plan. This includes inter and intra-objective coordination and coordination with the Action Groups as well as vertical coordination inside each country.

The *nine Action Groups* are composed of representatives from national, regional and local administrations – mostly empowered with decision making capacity (DMC) – as well as so-called '*advising guests*' that can enrich the expertise that is needed for an effective implementation work. The Action Groups are the main drivers of day-to-day implementation. Four of the nine Action Groups have one leader and five a tandem, which also expresses the good cooperation culture in the alpine region. Aside from that it is to be mentioned that a clear majority of the Action Groups are led by regions or organisations that are driven by regions (e.g. EGTC: EUREGIO Tyrol-South Tyrol-Trentino).

The Interreg Alpine Space Programme, covering the territory as the EUSALP, directly contributes to the Strategy's implementation through its thematic priority axes (aligned with the Strategy's objectives) and its support to the Strategy's governance mechanisms and structures.

## **RESULTS**

The Strategy is still at an initial stage, after the launch event which took place on 25-26 January 2016 in Brdo, Slovenia and the governance general principles and modalities approved by the Executive Board in April 2016. This implementation phase has started quickly and smoothly, expressing the strong willingness of the involved actors to work together in the region.

An important factor contributing for this fast launch is certainly that the majority of the seven EUSALP countries are not only involved with their national/federal administration, but also with their regional ones.

Civil society actors shown as well a great interest for the Strategy and they are or will be included in the works of EUSALP – in stakeholder seminars, action groups, Annual Forum and stakeholders platform.

Very important and positive also is the fact that the EUSALP has very quickly aroused a lot of interest among the European parliamentarians. The EP so called ‘Bresso’s report’ is a good example as well as the formation of the ‘Friends of EUSALP’ (group of MEP particularly concerned by EUSALP questions).

At this early stage and given its short time span, it’s too early to draw conclusions on the implementation of the Strategy. However, some first indications can be summarised as follows.

The General Assembly constituted itself on 25 January 2016 in Brdo, Slovenia in the context of the so-called Launch Conference and adopted the *‘Brdo Joint Statement on the European Union Strategy for the Alpine Region (EUSALP)’*. In this document the General Assembly inter alia ***‘mandated the Executive Board to supervise and coordinate the translation of the objectives and priorities laid down in the Strategy into concrete actions’*** and *‘endorsed the proposed leadership of the Action Groups’*. The General Assembly also agreed to entrust the next presidency in 2017 to Bavaria (Germany). Overall, the General Assembly has enunciated its very big political support for the EUSALP, which once more holds a lot of promise for the next steps to come.

The Executive Board had its first meeting on 19-20 April 2016 in Brussels, Belgium where it reached inter alia agreement on the main governance questions (e.g. how to guarantee objective coordination) as well as on its own Rules of Procedure. A second meeting took place on 26-27 September 2016 in Koper, Slovenia. Rules of Procedures for Action Groups were adopted. The proposal from Tyrol (Austria) to hold the Presidency of EUSALP in 2018 was accepted by the Executive Board and will be proposed to the next General Assembly for endorsement. Executive Board also took note of the intention of Italy to submit its candidature for Presidency in 2019.

All the nine Action Groups are already in place and their first meetings have been very promising with a proactive attitude among the participants. Altogether these nine Action Groups comprise approximately 225 members with a diverse background and representing all the area covered by the Strategy.

After these first nine months of implementation phase, several concrete achievements can be observed, even though not all process questions have been completely settled. Many Action Groups have already agreed upon further working methods and a (framework) work programme. Very positive is in addition that a couple of Action Groups start collaborating with other Action Groups of their objective as well as with those that address other policy fields.

This good cooperation spirit is also demonstrated by the quick setting-up of a project submitted to the Interreg Alpine Space Programme (so called AlpGov project) whose *‘main objective is to support effective and efficient EUSALP implementation in a systematic*

*transnational approach through designing and testing appropriate governance structures and mechanisms mainly on the level of Action Groups (AGs)',<sup>43</sup>*

One important objective of AlpGov is to make the EUSALP Action Groups operative while using joint standards. To do so, the project partners have decided to establish a Board of Action Group Leaders (BAGL) that shall ensure a permanent exchange of knowledge and experiences among the Action Groups. Furthermore, it aims at ensuring a smooth interface between coordination level (Executive Board) and implementation level (Action Groups).

Already on 16 June 2016 the BAGL has met for the first time in Brussels for a stocktaking of the Action Groups set up process and to work on the horizontal coherence of the Action Groups. A second meeting took place end of September 2016.

Joint efforts have started in almost Action Groups to commonly identify and develop projects aimed at implementing the Action Plan of the EUSALP.

However even if the activity in the different Action Groups is generally marked by a strong leadership, which has allowed delivering quick decisions and results, some unbalances still remain in their composition, This composition should reflect the commitment of all countries and its contribution to the dialogue. Sustainable long-term guarantees must be secured for the continuity, the stability and the empowerment of Action Group members who will represent the countries and regions involved in the Strategy. The role of national coordinators in ensuring this is crucial.

When it comes to reporting to the Executive Board all nine Action Groups should work on a common line. This is of paramount importance to guarantee a good interconnection between all the governance levels and to set the basis for effective cooperation among the nine Action Groups.

During this first year of implementation, Action Groups have shown different 'levels of maturity', also due to the fact that some Action Groups could build on existing initiatives. This is also reflected in the level of preparation and degree of completion of their work plans.

Some of the issues included in the work plans remain rather broad at this stage and need to become more focussed. The choice of some thematic priorities may also appear as a pragmatic one, more guided by the need to deliver results rapidly than by a pure strategic approach. Also some key issues identified in the Action Plan are currently not yet covered by the action plans of the groups. This will need to be fine-tuned in the medium term.

## **CHALLENGES**

The quick start of the EUSALP has raised many expectations and the first positive achievements suggest that it is going in the right direction. However, and taking into account the short time span of the implementation phase, some challenges remain crucial and need to be addressed without further delays to unlock the full potential of the EUSALP.

### *Planning and funding*

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<sup>43</sup> This project was adopted by the Interreg Alpine Space Programme on 6-7 June 2016. The design and development of AlpGov was done by all Action Groups, and has the Bavarian State Ministry of the Environment and Consumer Protection as lead partner. See p. 1 of the project description, A.2 Project summary.



Since the beginning of its elaboration, EUSALP has gradually been taken into account in several EU policy areas as well as in national policies despite uneven levels of integration of EUSALP priorities in national or regional programmes, especially those supported by the ESIF.

However, bridging the gap between the Strategy and funding opportunities is challenging and securing the alignment of funding of all programmes intervening in the area of the Strategy with the objectives of EUSALP, is vital to the success of the Strategy. Further efforts must therefore be deployed at administrative level to ensure the financial support of projects through existing regional, national and EU programmes.

The first steps of implementation of the Strategy have also shown that its integration in the existing programmes has proven difficult, as they are governed by structures, frameworks and timeframes often non compatible with the needs of a MRS.

The question is twofold: to turn the MRS to a success, Member States and Regions involved would need to consider it as a priority, and not just add it to existing frameworks or organisations. Without an efficient steering and coordination, the EUSALP role will be limited to put together projects, already set up and financed on the territory, to derive synergies, economies of scale or realise bigger projects to attract external funds, e.g. from European Investment Bank or other non-EU institutions.

### *Governance*

In this first year of implementation, EUSALP activities focused primarily on the set up of governance structures and their rules. This was done in a good cooperation spirit and has required extensive discussion and consultation among key stakeholders.

To go ahead, the Strategy requires consensus building amongst partners, and even if it is a sign of their commitment, EUSALP members will have to take care to avoid a certain competition between different interests within countries at national and regional level as well as between countries.

Concerning the challenge of the fourth goal of the EUSALP, the Governance Objective, crucial in the EUSALP context, much progress still lies ahead in. To fully secure the concrete implementation of all parts of objective on macro-regional governance, a much more active participation and taking full ownership of this objective from participating countries is required. This calls for new solutions, creative thinking, changing of mind sets, the creation of a sort of ‘Laboratory for Democracy’ where solutions for the governance of a complex system of forces and weaknesses of individuals and groups should be tested as well as ways of more or less the direct participation of citizens in political choices.

Commitment of all involved countries must be reflected in the in the composition of the Action Groups and in the contribution to the dialogue. Therefore, sustainable long-term guarantees must be secured for the continuity, the stability and the empowerment of Action Group members who will represent the seven countries involved in the Strategy. During 2017, the Commission will carefully look at this balance and will monitor if all groups are able to develop and implement a first batch of projects, and to recommend policy changes as appropriate

Likewise, the creation of several subgroups within each working group calls for a strong internal coordination which needs to be thought of (definition of the role of each subgroup, reporting arrangements to the working group, decision making process, etc.).

Even though that some Action Groups have immediately after the launch of the Strategy felt the need to coordinate their activities and to meet accordingly on a regular basis, there's a need for permanent monitoring whether the decisions made by the different groups go in the same direction (choice of focussed topics, coordination of activities, linkages between the Action Groups, monitoring of the actions, etc.) and converge towards the objectives of the Strategy. For the Action Groups that are not taking this approach of coordination, the monitoring of their activity becomes even more crucial.

In the case of pre-existing cooperation structures or networks, it is of course important to ensure their participation, where relevant, in order to build on existing expertise and to organise possible synergies among themselves, in the openness spirit that must prevail in the implementation of the Strategy. Their mapping, as it has been planned in the different Action Groups of the objective 1, goes in the right direction.

Linkages between all levels of governance need to be strengthened, and in particular the articulation/coordination between Executive Board and Action Groups is still unclear and further concrete efforts are needed to reinforce this linkage

The development of the stakeholder platform is also a challenge, as it aims at the involvement of interested stakeholders, including civil society at large, and the strengthening of their participation.

### *Monitoring*

A sound monitoring system based on result oriented actions becomes crucial for measuring, steering, explaining and promoting the progress EUSALP as well as to inform and enable decision-makers to define the policy.

During the elaboration of the Communication and the Action Plan a first attempt was made to set-up some targets and indicators, but this exercise must be fine-tuned in the upcoming months in order to put in place a robust measuring and monitoring system, which should be based on realistic and credible targets and indicators with clear baseline. Reliable and comparable data bases at the appropriate statistical level needs to be established. ESPON efforts to develop a consolidated territorial monitoring system for the Alpine region should contribute to this objective.

The Commission has also launched a number of complementary actions: the organisation of participatory workshops with the support of experts, support to dedicated territorial monitoring systems and evaluation study on MRS. The results of these actions are expected in the course of 2017. They will, however, prove useful only if key stakeholders participate and take full ownership.

### *Communication*

There is a clear need for a sound communication strategy on the EUSALP activities and its results at an early stage and throughout the process. The communication strategy should ensure coverage regarding the whole EUSALP territory and best possible involvement of all stakeholders and at all levels. It is crucial to raise awareness, to improve information flows at different levels (e.g. national, regional) and to ensure participation and involvement, also of the wider public and civil society.

In order to reach this goal, the AlpGov project is currently developing a EUSALP communication strategy which should contribute to ensure a sense of ownership of EUSALP

by those who live and work in the alpine area. The EUSALP website as integral part of the EUSALP communication strategy should become operational in early 2017.

## **RECOMMENDATIONS**

The course of action should focus on the core challenges described above. Hence, based on the implementation to date, the following areas of improvement have been identified:

- further develop objective 4 which in particular means do draft a clear work programme for that objective as decided by the Executive Board in its first meeting in Brussels on 19/20 April 2016;
- secure representative commitment, continuity, stability and empowerment of AGs members who will represent the countries involved and achieve a balanced composition of all nine Action Groups;
- complete the governance architecture and rules in order to make them effective and provide a clear framework for action;
- ensure effective cooperation between AGs leaders and national coordinators;
- monitor if the decisions made by the different AGs converge towards the four objectives of the Strategy;
- develop first ‘(lighthouse) projects’ and to launch their implementation;
- develop the so-called stakeholder platform and ensure that actors from private sector are better involve as well as keep maintaining and attracting more actors from regional and local levels;
- develop and implement quickly the EUSALP communication strategy;

In addition, the Commission will facilitate a smooth handover of the presidency from Slovenia to Bavaria. Moreover, an important next step will be in that regard to develop a sound work programme for the Bavarian presidency in 2017 and to ensure a continuous and fruitful interaction between policymakers and the implementation level.

## Annexes: Maps of the different macro-regional strategies

Annex 1: map of the EU Strategy for the Baltic Sea Region



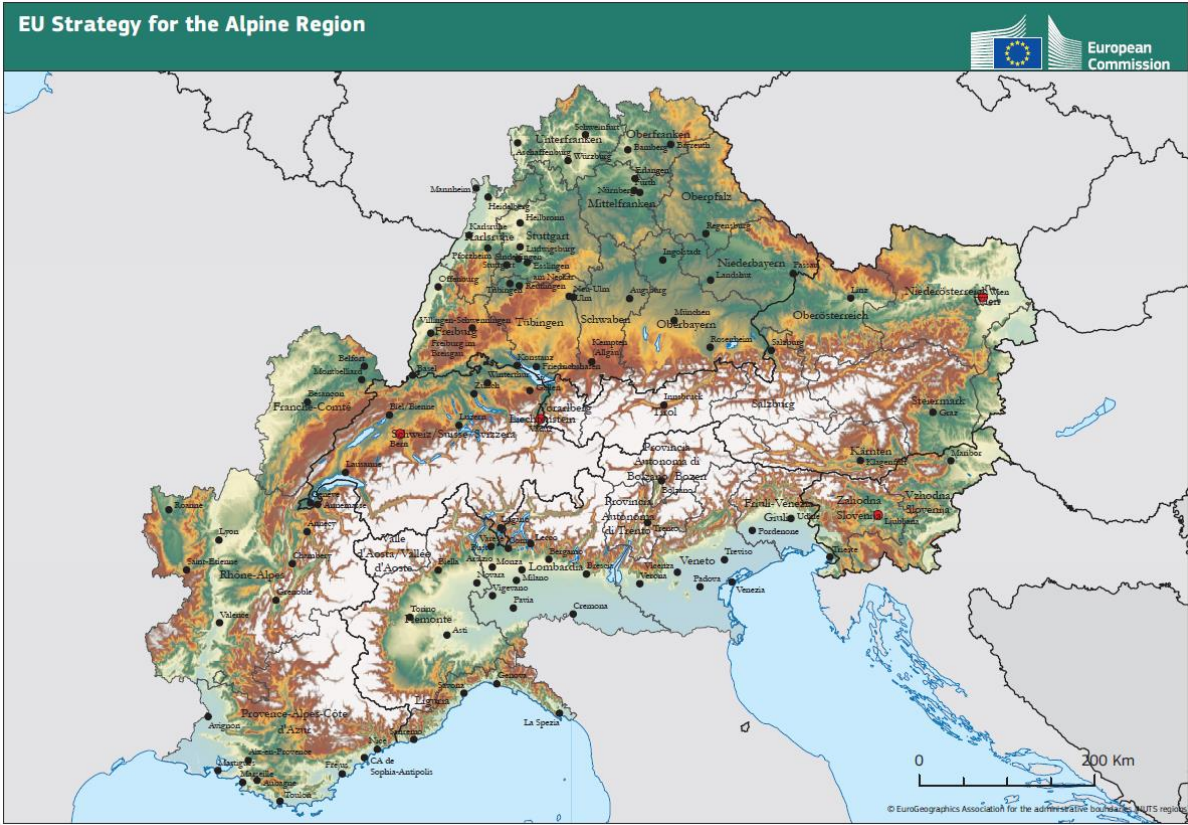
Annex 2: map of the EU Strategy for the Danube Region



Annex 3: map of the EU Strategy for the Adriatic and Ionian Region



Annex 4: map of the EU Strategy for the Alpine Region



Annex 5: map of the four EU macro-regional strategies

