

Minutes of the High-Level Group Meeting on Macro-regional Strategies

Brussels, 3 June 2015

Permanent Representation of Poland to the European Union

Overall introduction and welcome

Following a welcoming by **Mr Krzysztof Kasprzyk**, Head of the Regional and Cohesion Policy Unit in the Permanent Representation of the Poland to the European Union, **Mr Normunds Popenis**, Deputy Director General in the Directorate-General for Regional and Urban Policy of the European Commission, opened the meeting by presenting general reflection on the role of macro-regional strategies in the general context of the 2014-2020 ESIF programmes. He pointed out that macro-regional strategies are facing two main challenges. Firstly, Member States and the Commission have to ensure that the strategies are linked to real investment decisions made with European, national or regional funds. This will be critical to show the effectiveness of the strategies and the efficient use of the funds for more cooperation between the Member States and the regions. He pointed out that the strategies can help to prioritise investments. However, he reminded that more work needs to be done in this aspect. As an example he proposed that representatives of macro-regional strategies could participate as observers in the Monitoring Committees of the ESIF programmes. Transnational ERDF programmes of the 2014-2020 period will be fully aligned to macro-regional strategies in their area. The Commission will continue to support macro-regional strategies and report to the European Parliaments about the achievements in making the link. Secondly, Mr Popenis pointed out that macro-regional strategies have to show their added value in terms of enhancing synergies and complementarities among partners. Therefore, Member States and the Commission have to monitor the implementation of the strategies and ensure that their objectives are achieved.

Mr. Kasprzyk agreed that the current start of the 2014-2020 programming period is the right moment to align strategies and programmes. Programme authorities in the Member States have to see the added value of the strategies for their regions and programmes which is not a zero sum game but can result in win-win situations for all participants. It will be the role of the representatives of macro-regional strategies to explain this to managing authorities of the programmes.

State of play of macro-regional strategies

Mr Andrea Mairate, Head of Competence Centre 'Macro Regions and European Territorial Cooperation' in the Directorate-General for Regional and Urban Policy of the European Commission, welcomed the participants and took over the chair of the meeting by explained the agenda and the objective of the agenda points.

Mr Peter Schenk, Directorate-General for Regional und Urban Policy in the European Commission, presented the results of the recent review of the action plan of the EU Strategy for the Baltic Sea Region (EUSBSR). He reported about the review process that was launched in 2014 and the consultation between Commission, Member States and policy area coordinators. The revised action plan is more streamlined and focused on 13 policy areas and 4 horizontal actions (previously 17+5) under the three objectives of the EUSBSR. In addition, a new chapter on the added value of cooperation with regional organisations (e.g. CBSS, NCM, ND) that are involved in the implementation of the strategy was added. The action plan contains flagships whose implementation is considered to be important for the region. A scrutiny procedure was established to identify them and to 'label' them as flagships. During the consultations it was discussed whether policy area coordinators could rotate on a voluntary basis in order to increase ownership among the participants.

Mr Arturs Saburovs, Latvian national coordinator rotating chair of the national coordinators of the EUSBSR, presented the joint statement of the national coordinators of the EUSBSR, pointing the strong interconnection of the eight EU Member States in the region and the Baltic Sea as the connecting element between them. He reminded that one of the principles of the EUSBSR was that no new structures should be established but that this principle requires a more active commitment and an enhanced pro-activeness by the Member States' ministries and the Commission's services. Changes of policy area coordinators should be the exception and should happen only when necessary. The revised and reduced action plan that will be endorsed at the Annual Forum on 15-16/06/2015 in Jurmala (Latvia) will enable all actors to focus their activities more. Finally, he pointed out that the communication activities of the EUSBSR should be improved.

Mr Marco Onida, Directorate-General for Regional and Urban Policy in the European Commission, gave an overview on the current governance issues in the EU Strategy for the Danube Region (EUSDR) that was agreed in a ministerial joint statement of 13/05/2015. Main elements include a rotating chair of the national coordinators (currently for one year with Baden-Württemberg (Germany)) that will be embedded in a 'trio presidency'. The joint statement provides for regular ministerial meetings and meetings of the national coordinators group. The joint statement formalised procedures that were already in place informally before. In addition, a 'Danube Strategy Point' was created in the Brussels representation of Baden-Württemberg which is about to become operational. It will take over some technical assistance that was provided previously by Interact and focus on the implementation of the strategy, communication, monitoring and evaluation as well as linking the EUSDR to the Interreg V B Danube Transnational Programme. On the financing of the EUSDR, the Commission is making efforts to ensure an embedding in ESIF programmes and the Danube Transnational Programme. Furthermore, there is a need to improve the reporting and monitoring of the EUSDR, in particular with shorter reports by the national coordinators that give a real overview of the activities in each policy area. Finally the 4th Annual Forum of the EUSDR will take place on 29-30/10/2015 in Ulm (Germany) together with a ministerial meeting that will focus on funding issues.

Mr Giannantonio Ballette, Directorate-General for Regional and Urban Policy in the European Commission, reported that the EU Strategy for the Adriatic-Ionian Region (EUSAIR), adopted by the Commission on 17/06/2014, was endorsed by the European Council on 23-24/10/2014 and launched during the Italian EU presidency in December 2014. The EUSAIR counts on the participation of four EU Member States and four third countries and has as main objectives to promote sustainable economic and social prosperity in the region through growth and jobs creation and on foster EU integration of participating Western Balkan (potential) candidate countries. The strategy builds on the Adriatic-Ionian Initiative and the maritime strategy for the region and is based on four pillars: blue growth, connecting the region, environmental quality and sustainable tourism. Each pillar is coordinated by an EU Member State and a third country. With a view to the governance, a Governance Board with national coordinators and the Commission coordinates the overall development of the EUSAIR (first meeting in January 2015) and steering groups will coordinate the work in the four thematic pillars. The Interreg V B Adriatic-Ionian Transnational Programme will support the implementation and governance of the EUSAIR and a facility point will be set up as soon as the programme is adopted.

Ms Filomena Carvalho, Directorate-General for Regional and Urban Policy in the European Commission, reported about the developments in the EU Strategy for the Alpine Region (EUSALP), the most recent macro regional strategy which has not yet been adopted by the Commission. The EUSALP will include five EU Member States and two third countries and will focus on environmental, development and social challenges. The Alpine region counts already with different forms of cooperation but which are working relatively isolated. The EUSALP should bring them together to avoid/reduce overlaps. The EUSALP will focus on three thematic objectives with clear

added value and defined actions: economic growth and innovation, mobility and connectivity as well as environment and energy. A specific focus will be put on the governance of the EUSALP to ensure ownership commitment and leadership in the region. The Commission expects to adopt the Communication and the Action Plan until mid-2015. It is expected that the European Council endorses the EUSALP until the end of 2015 and a launch event is planned for January 2016 in Slovenia.



Comments from the audience:

Italy asked for the role of the High Level Group regarding the review of action plans and the selection of projects. Will the Council endorse the revised action plan for the EUSBSR? Additional question on whether the Baltic Sea Region Transnational Programme is aligned with the EUSBSR.

Mr Peter Schenk explained that the Baltic Sea Region Transnational Programme is fully aligned with the EUSBSR. Concerning the revised action plan, there will be no Council Conclusions since the document is formally a Commission Staff Working Document.

Mr Andrea Mairate pointed out that the purpose of the High Level Group is to exchange information and good practice on macro regional strategies but not to select projects.

Greece asked about the role of the civil society and academia in the EUSAIR.

Mr Giannantonio Ballette mentioned that it is currently under discussion to set up a platform to allow a broad participation in the EUSAIR. This platform will be managed in future by the facility point, once it has been established.

France asked how to make the link between ESIF programmes and the macro regional strategies. It welcomed the progress concerning the EUSALP and hopes that it can be endorsed by the Council on October.

Cross-cutting issues (governance, monitoring, embedding)

Mr Jean-Marc Venineaux, Directorate-General for Regional and Urban Policy in the European Commission, pointed out that the governance of macro regional strategies requires a change of mind-set in the delivery mode of EU policies since cooperation means dialogue and coordination within Member States and regions as well as between them. The Commission published in 2014 a report on governance of macro regional strategies and concluded that cooperation is not yet perceived as an element of strategic planning and decision making, that administrations in Member states and regions have still a too fragmented and too inward looking approach. The Commission sees room for improvement by developing and consolidating new skills and working methods through capacity building measures, exchange of practices between macro regional strategies and an evaluation of the governance process.

Ms Henriette Bastrup-Birk, Directorate-General for Regional and Urban Policy in the European Commission, outlined that the main challenge for the monitoring of macro regional strategies lies in the set-up of monitoring systems and indicators that are capable to capture 'soft' actions/projects under cooperation in diverging contexts. As result oriented monitoring might be difficult in cooperation she suggested to speak about impact of cooperation. Also the process of cooperation itself should be subject to a monitoring. Since macro regional strategies take a long term perspective and are in principle open ended types of cooperation, target setting might be difficult. The setting of milestones might be the more suitable concept.

Mr Athanasios Sofos, Directorate-General for Regional and Urban Policy in the European Commission, reported about the steps taken by the Commission to embed the macro regional strategies in programmes and spending areas. Commission services and the Joint Research Centre are actively cooperating to align funding opportunities. However, more efforts are needed to find funding in order to implement the macro regional strategies on the ground. Grants and loans from ESIF programmes are a main source, but also the EFSI (Juncker investment package) offer opportunities. As regards the ESIF, the regulation provides for opportunities to embed the macro regional strategies in the programmes and most programmes have taken them into account in their programme texts. However, it is now crucial to make sure that the opportunities are translated into concrete selection criteria that favour projects and actions that are in line with macro regional strategies. Therefore, it is crucial that national coordinators and line ministries participate in the monitoring committees of the programmes to explain the rationale of the macro regional strategies and to ensure that calls for proposal are aligned with them. In addition, programme managing authorities should be invited to participate in steering committee meetings of the strategies in order to create close contacts and to make sure that there is a general commitment to implement the macro regional strategies.



Comments from the audience:

Greece asked whether the allocation of the EFSI will be linked to specific macro regional strategies.

Italy suggested that EFSI investment platform could be linked to macro regional strategies.

Mr Athanasios Sofos explained that an allocation of the EFSI to specific regions is not provided for but to the EU as a whole. No further details on the funding conditions are available for the time being.

Mr Andrea Mairate explained that the objective of the platforms will be to explore complementarities across Member States in a sector.

Austria suggested that the starting point for monitoring of macro regional strategies should depend on the policies. The embedding the strategies should not be limited to ESIF programmes but should take other funds into consideration. Austria has rather small and very focused ESIF programmes and does not see how they can open to the strategies. Austria asked about the future role of the Commission in the years to come, also with a view to evaluation and the commitment of Commissioner Cretu. Austria considers that the Commission should have a strategic role in promoting cooperation and partnership.

Mr Jean-Marc Venineaux replied that the Commission will continue to play a strategic coordination role. The Commission sees also the need to assess what has been achieved and make sure that improvements are implemented.

Mr Marco Onida agreed with Austria that also all sources of funding are important. For the coordination of the strategies a lot was done in the past with funding provided by the European Parliament. Since this funding is phasing out, technical assistance from transnational programmes will become more important.

Slovenia suggested that the terminology of all macro regional strategies should be aligned. With a view to the Juncker package it is now the right moment to discuss how macro regional strategies can be included. When setting targets for the strategies, a right balance should be found. Too rigid targets entail the risk of not being achieved, since the outcome of macro regional strategies depend also on external factors. Slovenia asked the Commission to help to put funds in the macro regional strategies.

Finland asked how ESIF and EFSI funds will cooperation on the ground. The Commission should provide more information on this. It was also asked if the provisions laid down in Art. 70(2) of the CPR have been taken up by programme authorities. They are an important instrument to support cross border cooperation.

Presentation of Interact work programme on macro regional strategies

Ms Satu Hietanen and **Ms Baiba Liepa** of the Interact Point Turku presented the supporting activities of Interact for macro regional strategies which consisting exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches in relation to the implementation of cooperation programmes and actions as well as to the use of EGTCs. Interact aims at opening up and ensuring a dialogue between partners in the region and promoting cooperation and networking. Interact III will focus on three specific objectives: Improved management and control capacity of Territorial Cooperation programmes, Improved ETC capacity in capturing and communicating the programme results and Improved cooperation management capacity to implement innovative approaches. Interact III will focuses on supporting cooperation and networking, enhancing communication of the strategies (branding) and capitalising on different working methods and approaches. Close cooperation with macro-regional stakeholders and DG REGIO to be maintained and services need to be well coordinated with INTERREG transnational cooperation programmes.



Reporting on macro regional strategies

Mr Vicente Rodriguez Saez, Deputy Head of Unit in the Directorate-General for Regional and Urban Policy of the European Commission, gave an overview of the reporting activities on macro regional strategies. The Commission has produced so far all requested reports and will continue to do so. On a voluntary basis, the Commission has provided additional reporting on governance issues and on the added value of the strategies. However, there is room for improvement in the reporting. The Commission is proposing to produce in future one report for all strategies every two years, instead of

individual reporting for each strategy. A starting point could be 2016. The structure could include a common part for all strategies and individual sections per strategy. A single reporting would also be better for Communication purposes. As in the past, the Commission will continue to do additional reporting, if requested.

Presentation on implementing regional policies effectively by the OECD

Mr Joaquim Oliveira Martins, Head of the OECD Regional Development Policy Division, gave a presentation on the different ways and challenges of addressing multilevel governance and coordination issues between central administrations and regions in OECD countries. Vertical coordination between different levels of government and administration can be blocked if so called 'governance gaps' exist: administrative gap, information, gap, policy gap, capacity gap, funding gap, objective gap or accountability gap. Different instruments and solutions were presented to overcome the different types of gaps. However, coordination can fail due to adverse incentives like 'free riding' (benefiting from the coordination/actions of others without having to pay/participate) or 'strategic risk' (risk of being to only one to contribute to a common good). Coordination between different administrative levels can be governed by contracts with outcome indicators that set the right incentives for the participation of all parties. Mr Martins presented the in-depth analysis that has been done by the OECD in this area of governance of cooperation and the good practices identified.



Comments from the audience:

Sweden informed about the discussions on governance in the EUSBSR and the result to concentrate the thematic coordination with the policy area and horizontal action coordinators and not to establish focal point. However the major challenge for the coordinators is to establish cross-border networks. Steering groups for each policy area should be the main instrument to manage this. In general, more efforts are needed to increase coordination at local and regional level to reach an effective coordination of the policy areas in the EUSBSR.

Presentation by selected national coordinators of their experience in their strategy

Marek Souček, Deputy Director of European Policies Coordination Department, Office of the Government of the Czech Republic, and **Eliška Gerthnerová**, Executive National Coordinator for the EUSDR, Office of the Government of the Czech Republic, presented the Czech experience in implementing and coordination the EUSDR in the Czech Republic and the Czech government. An important challenge is still to communicate and explain the macro-regional concept and its added value to some stakeholders. Furthermore, the contribution to the coordination work in policy areas depends on the interests of the Member States. For the Czech case, the Member State's interest is limited to only a few policy areas.



Mr Andrea Mairate closed the meeting and concluded that it is now important to make sure that the macro regional strategies are embedded in the different ESIF programmes. The strategies themselves need to focus on targets and objectives of macro regional cooperation. Achievements need to be evaluated at a certain moment. Concerning all strategies, Member States have to continue to exchange on the governance of the strategies to make these "functional systems" more effective.