



# **STUDY ON MACROREGIONAL STRATEGIES AND THEIR LINKS WITH COHESION POLICY**

FINAL REPORT



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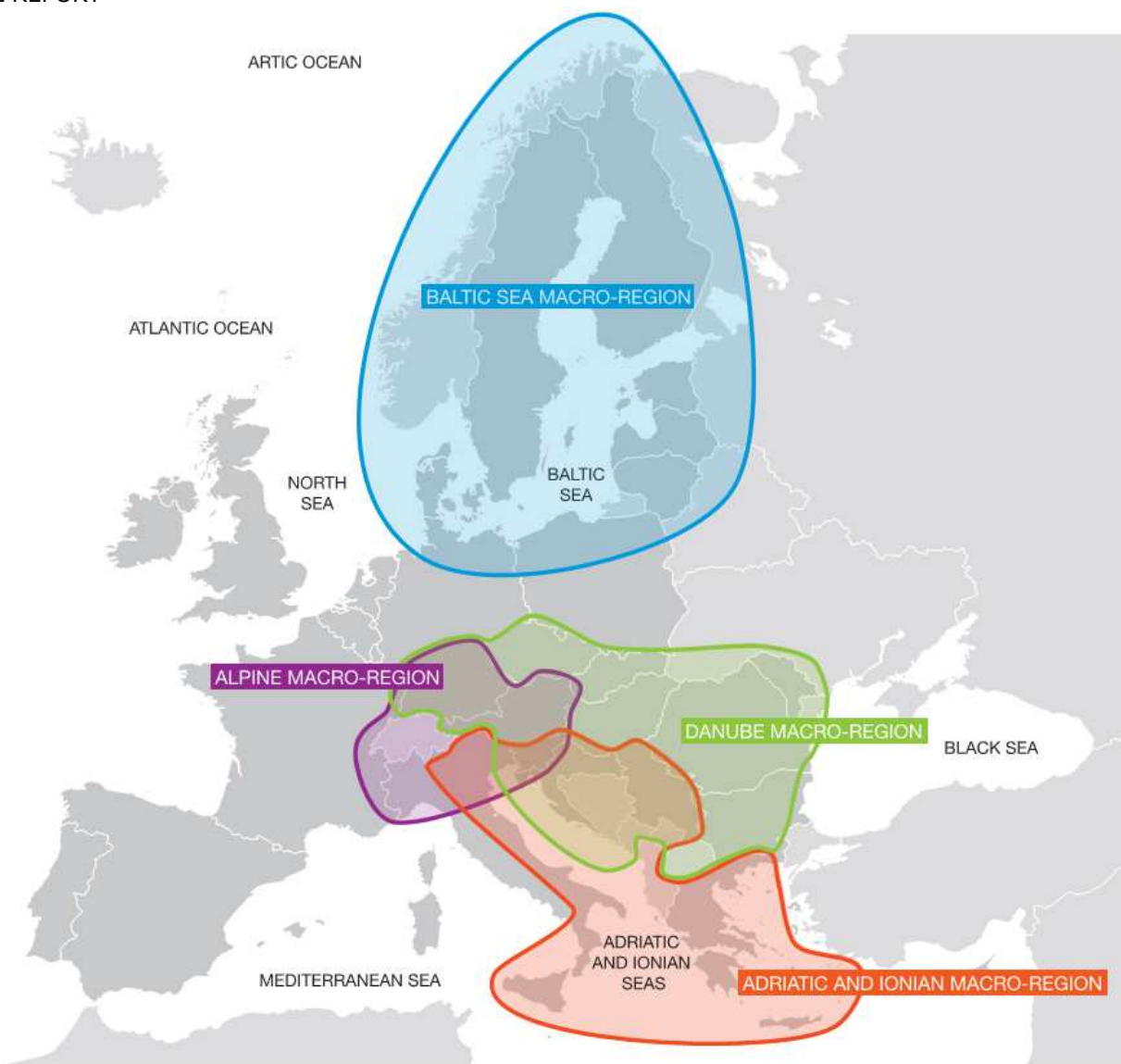
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INSTITUT FÜR HÖHERE STUDIEN  
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Vienna





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# ABBREVIATIONS

Abbreviation	Stands for
<b>AG</b>	Action Group
<b>AP</b>	Action Plan
<b>BSAP</b>	Baltic Sea Action Plan
<b>BSLF</b>	Baltic Sea Labour Forum
<b>BSN</b>	Baltic Science Network
<b>BSR</b>	Baltic Sea Region
<b>BSR Stars</b>	PA Innovation (EUSBSR) flagship
<b>BUP</b>	Baltic University Programme
<b>CBC</b>	Cross Border Cooperation
<b>CBSS</b>	The Council of the Baltic Sea States
<b>CEF</b>	Connecting Europe Facility
<b>CF</b>	Cohesion Fund
<b>CISE</b>	Common Information Sharing Environment
<b>DG</b>	Directorate-General
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EC</b>	European Commission
<b>ECTS</b>	European Credit Transfer System
<b>ECVET</b>	European Credit system for Vocational Education and Training
<b>EFTA</b>	European Free Trade Association
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ERASMUS+</b>	EU Programme for Education, Training and Sport
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF / ESI funds</b>	European Structural and Investment Funds
<b>ETC</b>	European Territorial Cooperation
<b>EU</b>	European Union
<b>EUSAIR</b>	European Union Strategy for the Adriatic-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>EWTC</b>	East West Transport Corridor Association
<b>HAC</b>	Horizontal Action Coordinator (EUSBSR)
<b>HELCOM</b>	Baltic Marine Environment Protection Commission
<b>HLG</b>	High Level Group
<b>IALA</b>	Navigation in the IMO, International Association of

	Marine Aids to Navigation and Lighthouse Authorities
<b>ICPDR</b>	International Commission for the Protection of the Danube River
<b>IHO</b>	International Hydrographic Organisation
<b>IMO</b>	International Maritime Organisation
<b>MA</b>	Managing Authority
<b>MRS</b>	Macro-regional strategy/-ies
<b>MS</b>	European Union Member States
<b>MSFD</b>	Marine Strategy Framework Directive
<b>NCs</b>	National Coordinators
<b>NCM</b>	Nordic Council of Ministers
<b>NDEP</b>	Northern Dimension Environmental Partnership
<b>NEFCO</b>	Nordic Environment Finance Corporation
<b>NGO</b>	Non-governmental organisation
<b>NUTS</b>	Nomenclature of territorial units for statistics
<b>OP</b>	Operational Programme
<b>OVI</b>	Objectively Verifiable Indicators
<b>PA</b>	Policy Area / Priority Area / Pillar / Action area
<b>PA Education</b>	Policy Area Education (EUSBSR)
<b>PA Innovation</b>	Policy Area Innovation (EUSBSR)
<b>PA Nutri</b>	Policy Area Nutrition (EUSBSR)
<b>PA Safe</b>	Policy Area Safety (EUSBSR)
<b>PA Transport</b>	Policy Area Transport (EUSBSR)
<b>PAC</b>	Policy / Priority Area Coordinator
<b>RDP</b>	Rural Development Programme
<b>S2W</b>	School to Work (PA Education (EUSBSR) flagship)
<b>SG</b>	Steering Group
<b>SME</b>	Small and medium-sized enterprises
<b>SWD</b>	Commission Staff Working Document
<b>TEN-T</b>	The Trans-European Transport Networks
<b>TO</b>	Thematic objective
<b>TNK</b>	Transnational Component
<b>TSG</b>	Thematic Steering Group
<b>VET</b>	Vocational Education and Training
<b>WFD</b>	Water Framework Directive

# 1 Executive Summary

## 1.1 English Summary

### Background

This is an opportune moment to reflect on the performance of EU macro-regional strategies (hereafter MRS), and have a discussion on their possible future role and their potential (deeper) future relationship with EU Cohesion Policy. The EU MRS were launched as a political and governance experiment in 2009. The rather general description of both the characteristics of a macro-region as well as an MRS, as well as the initial statement that there would be no new EU funding nor new institutions and legislation, did not stand in the way of a broad interest in the concept and considerable political enthusiasm for the promises of better coordination it entailed.

### From one to four strategies

Today, eight years after the launch of the first MRS (for the Baltic Sea Region in 2009), and the setting up of three more strategies since, these initiatives have become a key aspect in EU debates on policies and governance. The first step towards providing EU funding for their objectives and actions was taken in the Cohesion Policy programming period 2007-2013, which saw an alignment of the transnational European territorial cooperation programmes ('INTERREG B') to the geographical scope and goals of the MRS. The four MRS adopted to date now cover a considerable part of the EU territory and its neighbours and partly overlap each other, and what has begun as an experiment is entering maturity.

### Implementation EU policies and programme

The MRS are promoted as key instruments for the implementation of EU policies and programmes and to foster the cohesion and competitiveness across these large spaces. Such expectations, however, also raise questions over how they at the moment achieve such objectives, and how they could achieve them better in future. MRS have in earlier studies been criticised for overly complex governance arrangements, fuzzy objectives that are not always tailored well to the needs of the macro-region, and asymmetries in the leadership and support for the implementation of the joint strategies between the countries and regions involved. In response to these concerns, calls have been made for a review of governance arrangements and for a closer monitoring of the implementation of the MRS, including the development of more suitable indicators and monitoring systems.

This study	<p>What this present study finds is that each of the four MRS approved to date shows very different dynamics and trajectories, and therefore might require context-sensitive approaches to understanding their achievements, depending also on the level of maturity of cooperation in the region. This acknowledgement will also influence the discussion of objectives for cooperation, the arrangements for achieving them within different strategy areas, and the indicators and monitoring arrangements to assess their achievements and overall performance.</p> <p>The four macro-regions were analysed using 80 indicators and reviewed in terms of whether the relevant macro-regional needs is covered, the extent to which the MRS achievements can be recovered, the link to the objectives and the use of EU ESIF. The review is based on data collection through extensive desk research, an interview programme with 82 stakeholders, and an e-survey of approximately 6000 actors (April-September 2017).</p>
EUSBSR – state of the macro-region	<p><b>State of the regions and review of the macro-regional strategies</b></p> <p>The Baltic Sea macro-region is composed of both <b>mature economies and countries with a lower performance</b> on socio-economic indicators, but higher growth rates. It is characterised by a relatively high level of macro-regional integration, with migration flows mainly from the new to the old EU Member States. The performance on <b>competitiveness is quite heterogeneous</b> (with both leaders and bottom performers on the employed indicators); only resource efficiency is rather low throughout most countries. On the political dimension, <b>policy implementation is generally effective in the region</b>, but there exists a divide between the older and newer EU Member States concerning the quality of public institutions and voice and accountability.</p>
EUSBSR – review of the MRS	<p>Nine out of the twelve objectives set in the EUSBSR are found to address needs identified for the region, and all of the <b>objectives appear relevant</b> to the macro-region. Although there are clear differences between the policy areas, the MRS can present achievements both in terms of content and process in the analysed Policy Areas. For instance, the work under the EUSBSR seems to have led to an <b>increase in policy dialogue and cooperation on major issues</b> in the region. When comparing the achievements with the objectives set, all PAs <b>show progress</b>. However, when comparing the performance of the PAs against specific targets, only some PAs have reached the target set in action plan. Many targets are broadly formulated, with limited monitoring and no milestones used. Moreover, external factors have a significant influence and a direct link between the PAs and the indicators investigated is not given. Activities under the EUSBSR are mainly supported by <b>financing through the Interreg Baltic Sea Region Programme</b> and the various CBC programmes in the region. While two of the PAs work directly with ESIF (ESF and ERDF), the linking of the financing between the ESIF and the MRS is still developing through the establishment of networks with Managing Authorities (MAs). Funding is also obtained via EU programmes, such as Horizon2020, which appears to be better aligned with some of the PAs.</p>
EUSDR – state of the macro-region	<p>The Danube region is quite <b>heterogeneous</b> in terms of macro-economic performance with the lowest performance found in the EU candidate countries,</p>

and with Austria and Germany performing highest on the socio-economic indicators. Relations between most parts of the region are quite strong, and macro-regional **integration on trade, investment and energy** is found to be high. There are large variations throughout the region when it comes to competitiveness, with a notable divide between urban areas/capital cities and rural regions. Concerning the performance on political, governance, and institutional indicators, the region appears to be divided into four groups – namely of best, medium, lower, and lowest performers.

EUSDR – review of the MRS

The eleven priority areas set out in the EUSDR's Action Plan are found to **address existing needs** of the Danube region, and to be justified in the sense that they are relevant to the macro-region. Beyond process-wise achievements, this second-oldest MRS shows several achievements also in terms of content. As the other four MRS, the EUSDR has succeeded in **bringing together different actors** (e.g. private and public, across different government levels, from thirds countries). Moreover, a key achievement of the EUSDR is the increase in policy dialogue and cooperation on major issues, as well as more **cooperation with third countries** (both in and outside the macro-region). The differences found here between the Priority Areas may, for example, have to do with the fact that some of the PAs could build on pre-existing cooperation. Almost all of the PAs report **satisfactory progress** (measured on milestones). The assessment of progress on the targets against indicators, however, show both **positive and negative developments**. The key support to the EUSDR's activities comes from the **Danube Transnational Programmes**, but financing is also obtained from certain CBC programmes and EU Programmes (especially Erasmus). While it appears that national ESIF programmes have been formally aligned, stakeholders report little transnational financing thus far.

EUSAIR – state of the macro-region

The macro-economic indicators paint a very varied picture of the Adriatic-Ionian region, including variations between different regions within the same countries. **Territorial cooperation and trade-integration**, on the other hand, is rather high throughout most of the region, with Italy being the main partner for all of the region's countries. The macro-region exhibits a modest performance on overall competitiveness and innovation, low performance on resource efficiency, but advanced completion of water infrastructure. The political, governance, and institutional indicators show a strong divide between Italy, Slovenia and the other countries of the region regarding governance and voice and accountability, and a modest effectiveness of policy implementation for the region in general.

EUSAIR – review of the MRS

The EUSAIR Action Plan defines eleven topics as focus areas for the work under the EUSAIR. All of these are found to be justified, as they all are **relevant in a macro-regional context** and deal with issues relevant to the Adriatic-Ionian region, according to the indicators. As the EUSAIR is a relatively young strategy, achievements in terms of content are concentrated mainly on **capacity development**. There are, however, several process-related achievements, especially concerning the bringing together of new actors across different sectors, governance levels as well as across countries. While targets and indicators have been set for the different Pillars under the EUSAIR, limited reporting on progress has taken place yet, due to the young age of this MRS. The main sources for support of EUSAIR activities are the **Interreg ADRION**



**Programme** and the CBC programme. Although alignment with ESIF has been reported, stakeholders perceive that projects under EUSAIR are given little priority. Projects under the EUSAIR have begun to apply for funding from EU Programmes, but need more experience and capacity.

EUSALP – state of the macro-region

The Alpine region is by far the most homogeneous in terms of macroeconomic performance with mainly mature economies. Regional cooperation and integration, in terms of trade, investment, energy, migration, and remittances, lie at a high level. The competitiveness indicators show a divide between the region's countries into best, average and lower performers. While policy implementation is overall effective across the region, two different groups (Italy and Slovenia perform lower than the remaining countries) can be identified concerning performance on governance, the quality of public institutions, and voice and accountability.

EUSALP – review of the MRS

The nine Actions for the EUSALP are all found to be relevant to be **addressed in a macro-regional context**. Five are found to address needs for intervention in the Alpine region. The EUSALP is the youngest of the four strategies, and content-wise achievements are thus limited. Efforts are focused on **developing capacity and work plans**, and a positive development of process-wise achievements is generally registered. As under the EUSAIR, stakeholders broadly agree that the EUSALP manages to bring together **new stakeholders** across sectors, government levels, and countries. In particular, the increase of cooperation between the Alpine areas and the surrounding metropolitan areas have been pointed out by some stakeholders as an achievement of the MRS. Targets (and related indicators) have been set, but it is **too early for reporting progress**. Similarly, progress cannot be verified by the indicators yet. Financial support for the (only recently started) activities under the EUSALP comes mainly from the **Interreg Alpine Space Programme**. Alignment with other ESIF funding is limited so far, presumably related to the fact that the programmes were drafted before adoption of the EUSALP in 2015. Moreover, national and local regional funding is likely to play a key role in financing activities.

### **The role of the macro-regional strategies in the coordination of the EU Policies and programmes**

A MRS can be an effective and cost-efficient mechanism for delivering results of significance to the territorial cooperation space and that countries and regions cannot achieve alone. However, the results and the performance of the MRS depend on the operating environment- and the development phase.

While the MRS deliver results, the results are often not tracked consistently. Hence the key recommendation concerns development of monitoring systems and relevant indicators that can reflect the development of the MRS and the individual PAs. The phase-model presented in this chapter provides a framework for developing phase-specific indicators that capture the development of the PAs.

The three MRS development phases

A MRS, like any other governance arrangement, undergoes **phases of development**. Phase I: relates to the capacity of the internal MRS actors mainly

at the individual level; Phase II: development of the institutional capacity and performance of the internal MRS actors managing the strategy and the individual and institutional capacity of external stakeholders to respond to the strategy; and Phase III: external stakeholders and the region as a whole are performing, i.e. they are implementing MRS relevant actions and their contribution to the integration and development of the region becomes visible through the achievement of the MRS objectives.

Focus on overall targets

The MRS action plans and the overall political attention have so far focused on the overall targets and results (and indicators) that generally occur in later phases. A recently established MRS, for example the EUSAIR or the EUSALP, cannot perform at that level until capacity has been developed. As this analysis shows, only certain PAs of the EUSBSR and the EUSDR find themselves in Phase III, for example in PA Education or the EUSDR PA4 on water quality.

Adapting the monitoring to the development phases

Moreover, without an appropriate phase-specific monitoring mechanism and an understanding of the 'thresholds' in reaching the next phase and thus better performance, it will be difficult to discuss the achievements of MRS in a comprehensive manner. A monitoring system reflecting the development of the MRS will show relevant and realistic results for each phase, which will help maintain political support. A proposal for indicators has been included in this report.

### **The implication of a macro-regional approach for cohesion policy**

These recommendations focus on strengthening the alignment and coordination to allow the MRS to develop into a tool for the implementation of the Cohesion Policy and to ensure that the ESIF becomes an important source of funding for the MRSs. The following points are recommendations for improving the links - where needed and necessary - for aligning the MRSs with ESIF. It should be noted that not all (current) priorities of the MRS can/should be covered by the ESIF.

Strategy/thematic focus/alignment

There is a need for more strategic alignment between the MRSs and ESIF in order to ensure that activities in key PAs (but not necessary all areas) of the MRSs can be covered by ESIF funding. This has to be done in the programming stages and be included in the regulatory framework. It is recommended to include a requirement for cross-sectoral and cross-territorial (**strategic focus**) coordination in any new EU policy and to embed this demand centrally in EU funds (notably ESIF) and programmes of territorial relevance (notably instruments such as LIFE) in the MFF post 2020. The possibility to address **cross sectoral and cross territorial** objectives has been more firmly reflected in the regulatory framework and should be addressed already at the time of programming the ESIF funds. The currently ESIF programming period shows that it is difficult to address this after the programmes have been finalised.

**Geographical and spatial focus** - The macro-region needs to be central in determining the agenda for cooperation: what are the issues of key relevance to this region, which are not addressed sufficiently by EU policy frameworks and which cannot be dealt with by the nation-states or regions alone, but require transnational cooperation.

Coherence/coordination	<p>There must be a real match of activities between OPs and MRS PAs (road maps/strategies). The first steps towards this objective have been taken.</p> <p><b>Achievements and qualitative effects of cooperation:</b> It will be important to give due attention to the qualitative and learning effects of cooperation, and with their institutional and policy design to encourage the development of better policy solutions through joint working. <b>Bottom-up cooperation</b> will be the result of a clearly identified need for cooperation at this scale, so it will be important to support and maintain this cooperation agenda, while ensuring links to other spatially-relevant PAs. For EU MRS to perform well, they will need to be carried and driven forward by <b>engaged actors</b> from across the region. Within the different PAs (or cooperation priorities), ensuring continuity will be easier in those areas where regions can fall back on previous intergovernmental cooperation.</p>
Funding/flexibility	<p>There is a need to develop <b>new mechanisms/formats</b> beyond the traditional project format. Project clusters, project chains, or project platforms have already been tested in the EUSBSR and are proving useful, and such approaches could be disseminated to other MRS. There is a need for additional <b>flexibility</b> in the funding planning and for respecting regional competences and framework conditions. The future funding sources need to be flexible and should have longer project spans. It is important that the '<b>simplification agenda</b>' is observed. System overload is an issue which has to be addressed upfront as the last decade has seen increasing institutional capacity overburdening.</p> <p><b>Funding/activity matching:</b> The tools and procedures to match funding would come from the EU Commission in order to ensure common standards and coherence (with reference to the regulations).</p>
Governance	<p><b>Multi-level governance and multi-level coordination:</b> The MA networks need to be continued and possibly even become more focused to make sure that the MA-networks can play an important role in the next programming phase. In order to strengthen the coordination and governance of MRS – especially in relation to ESIF (and other funding), a clear definition of <b>stakeholder roles</b> (especially PACs/leaders, steering committee, etc.) both in terms of the overall governance of the PAs and the coordination between MRS and ESIF. There is a need for a more stable, <b>institutional support</b> to matchmaking between transnational collaboration proposals and funding (as presently being tried in the MA-networks). The Interreg transnational programmes could possibly take on this role if they are to assume wider <b>responsibility for facilitating transnational collaboration</b> beyond the support of single projects. The <b>capacity development</b> must address both the cooperation in the PA (policy development, implementation of EU policy) and the matching of funding capacity, which has to be developed throughout the system and the many actors.</p>
Criteria for additional MRS	<p>A not exhaustive <b>list of criteria for additional MRS</b> has been developed as part of the study. The list is structured around three types of criteria – <b>context, political and economic</b>. The context criteria include geographical and historical factors which help delimit a macro-region. The political criteria include a number of political drivers, which motivate the need for cooperation, and the economic drivers focus on effectiveness, cohesion and synergies.</p>

## 1.2 Sommaire Français

Contexte	<p>C'est un moment opportun pour réfléchir aux performances des stratégies macrorégionales (ci-après, SMR) de l'UE et débattre de leur possible futur rôle ainsi que de leur future relation (approfondie) potentielle avec la politique de cohésion de l'UE. Les SMR de l'UE ont été lancées en tant qu'expérience politique et de gouvernance en 2009. La description, plutôt générale, des caractéristiques d'une macrorégion et d'une SMR, ainsi que l'affirmation initiale selon laquelle il n'y aurait pas de nouveaux financements de l'UE ni de nouvelles institutions et législations, n'ont pas empêché l'émergence d'un large intérêt pour le concept et d'un enthousiasme politique considérable pour les promesses de meilleure coordination que celui-ci impliquait.</p>
De une à quatre stratégies	<p>Aujourd'hui, huit ans après le lancement de la première SMR (pour la région de la mer Baltique, en 2009) et la mise en place de trois autres stratégies depuis, ces initiatives sont devenues un élément clé des débats européens sur les politiques et la gouvernance. Le premier pas en faveur d'un financement européen de leurs objectifs et actions avait été donné au cours de la période de programmation de la politique de cohésion 2007-2013, qui avait permis d'aligner les programmes transnationaux de coopération territoriale européenne (« INTERREG B ») sur la portée géographique et les objectifs des SMR. Les quatre SMR adoptées à ce jour couvrent maintenant une partie considérable du territoire de l'UE et de ses voisins et elles se chevauchent en partie. Ce qui avait commencé à titre expérimental est en train d'arriver à maturité.</p>
Mise en œuvre des politiques et programmes de l'UE	<p>Les SMR sont promues en tant qu'instruments clés pour la mise en œuvre des politiques et des programmes de l'UE, et dans le but de favoriser la cohésion et la compétitivité dans ces vastes espaces. Cependant, de telles attentes soulèvent également des questions quant à la façon dont elles atteignent actuellement de tels objectifs et quant à la façon dont elles pourraient mieux les atteindre à l'avenir. Dans des études antérieures, les SMR ont été critiquées en raison de dispositifs de gouvernance trop complexes, d'objectifs flous pas toujours adaptés aux besoins de la macrorégion, et d'asymétries en ce qui concerne le leadership et le soutien apportés à la mise en œuvre des stratégies conjointes entre les pays et régions concernés. En réponse à ces préoccupations, des appels ont été lancés en faveur d'un examen des dispositifs de gouvernance et d'un suivi plus étroit de la mise en œuvre des SMR, y compris le développement d'indicateurs et de systèmes de suivi plus appropriés.</p>
Cette étude	<p>Ce que la présente étude révèle, c'est que chacune des quatre SMR approuvées à ce jour présente des dynamiques et des trajectoires très différentes et pourrait donc nécessiter des approches contextuelles afin de comprendre leurs réalisations, en fonction également du degré de maturité de la coopération mise en œuvre dans la région concernée. Cette constatation influencera également l'examen des objectifs de coopération, les modalités permettant de les atteindre dans différents domaines stratégiques, et les indicateurs et dispositifs de suivi permettant d'évaluer leurs réalisations et la performance globale.</p> <p>Les quatre macrorégions ont été analysées à l'aide de 80 indicateurs et examinées afin de vérifier si les besoins macrorégionaux pertinents sont</p>

couverts, dans quelle mesure les réalisations des SMR peuvent être récupérées, et quel est le lien avec les objectifs et l'utilisation des fonds ESI de l'UE.

L'examen s'appuie sur une collecte de données réalisée au moyen de recherches documentaires approfondies, d'un programme d'entretiens mené avec 82 parties prenantes, et d'une enquête en ligne réalisée auprès d'environ 6 000 acteurs (entre avril et septembre 2017).

### État des régions et analyse des stratégies macrorégionales

EUSBSR - état de la macrorégion

La macrorégion de la mer Baltique se compose à la fois **d'économies matures et de pays affichant une performance plus faible** au regard des indicateurs socio-économiques, mais aussi des taux de croissance plus élevés. Elle se caractérise par un niveau relativement élevé d'intégration macrorégionale, avec des flux migratoires principalement en provenance des nouveaux États membres de l'UE et à destination des plus anciens États membres. Les performances en matière de **compétitivité sont assez hétérogènes** (en affichant à la fois les meilleurs résultats et les moins bons sur les indicateurs employés) ; seule l'utilisation efficace des ressources est plutôt faible dans la plupart des pays. Sur le plan politique, la **mise en œuvre des politiques est généralement efficace dans la région**, mais il existe un fossé entre les anciens et les nouveaux États membres de l'UE en ce qui concerne la qualité des institutions publiques et la participation et la transparence.

EUSBSR - examen de la SMR

Il a été constaté que neuf des douze objectifs définis dans l'EUSBSR répondent aux besoins identifiés pour la région et que tous les **objectifs semblent pertinents** pour la macrorégion. Bien qu'il existe des différences évidentes entre les domaines d'action (DA), la SMR peut présenter des réalisations à la fois en termes de contenu et de processus dans les Domaines d'action analysés. Par exemple, les travaux menés dans le cadre de l'EUSBSR semblent avoir entraîné un **renforcement du dialogue politique et de la coopération sur les principaux problèmes** de la région. Lorsque l'on compare les réalisations avec les objectifs fixés, tous les DA **présentent des progrès**. Cependant, lorsque l'on compare les performances des DA par rapport à des cibles spécifiques, seules certains DA ont atteint l'objectif fixé dans le plan d'action. De nombreuses cibles sont formulées de manière très large, avec un suivi limité et sans utilisation de jalons. En outre, les facteurs externes ont une influence significative et aucun lien direct entre les DA et les indicateurs étudiés n'est signalé. Les activités menées dans le cadre de l'EUSBSR sont principalement **financées par le biais du programme Interreg de la région de la mer Baltique** et des divers programmes de coopération transfrontalière de la région. Alors que deux des DA fonctionnent directement avec les Fonds ESI (FSE et FEDER), la mise en relation des financements entre les Fonds ESI et la SMR se développe encore grâce à la mise en place de réseaux auprès des Autorités de gestion (AG). Le financement est également obtenu via des programmes de l'UE, tels que Horizon2020, qui semble mieux aligné avec certains DA.

EUSDR - état de la région

La région du Danube est assez **hétérogène** en termes de performances macroéconomiques, avec les performances les plus faibles des pays candidats à l'adhésion à l'UE, alors que l'Autriche et l'Allemagne obtiennent les meilleurs résultats sur les indicateurs socio-économiques. Les relations entre la plupart

des différentes parties de la région sont assez fortes et **l'intégration** macrorégionale **en matière de commerce, d'investissement et d'énergie** s'avère importante. Il existe de grandes variations dans l'ensemble de la région en matière de compétitivité, avec un fossé notable entre zones urbaines/capitales et régions rurales. En ce qui concerne les indicateurs politiques, de gouvernance et institutionnels, la région semble être divisée en quatre groupes selon les résultats obtenus, à savoir : meilleurs, moyens, faibles et insuffisants.

EUSDR - examen de la SMR

Les onze domaines prioritaires définis dans le Plan d'action de l'EUSDR s'avèrent **répondre aux besoins existants** de la région du Danube et se justifier en ce sens qu'ils sont pertinents pour la macrorégion. Au-delà des réalisations en termes de processus, cette deuxième plus ancienne SMR présente plusieurs réalisations en termes de contenu également. Comme les quatre autres SMR, l'EUSDR est parvenue à **réunir différents acteurs** (par exemple : privés et publics, à travers différents niveaux administratifs, issus de pays tiers). En outre, l'une des principales réalisations de l'EUSDR est le renforcement du dialogue politique et de la coopération sur des questions majeures, ainsi qu'une **coopération accrue avec les pays tiers** (à la fois à l'intérieur et à l'extérieur de la macrorégion). Les différences constatées ici entre les Domaines prioritaires peuvent, par exemple, avoir trait au fait que certains DA pouvaient s'appuyer sur une coopération préexistante. Presque tous les DA font état de **progrès satisfaisants** (mesurés par rapport aux jalons). L'évaluation des progrès réalisés par rapport aux cibles et aux indicateurs prévus fait toutefois apparaître des **évolutions à la fois positives et négatives**. Le principal soutien aux activités de l'EUSDR provient des **programmes transnationaux du Danube**, mais des financements sont également obtenus auprès de certains programmes de coopération transfrontalière et de programmes de l'UE (Erasmus notamment). Alors qu'il semble que les programmes nationaux des Fonds ESI aient été formellement alignés, les parties prenantes signalent peu de financements transnationaux à ce jour.

EUSAIR – état de la région

Les indicateurs macroéconomiques brossent un tableau très varié de la région adriatico-ioniennne, avec notamment des variations entre les différentes régions d'un même pays. La coopération territoriale et l'intégration commerciale, en revanche, sont plutôt importantes dans la majeure partie de la région, l'Italie étant le principal partenaire de tous les pays de la région. La macrorégion présente une performance modeste en termes de compétitivité globale et d'innovation, une performance faible en matière d'efficacité d'utilisation des ressources, mais elle présente également une réalisation avancée en termes d'infrastructures hydrauliques. Les indicateurs politiques, de gouvernance et institutionnels dénotent un fossé important entre l'Italie, la Slovénie et les autres pays de la région en ce qui concerne la gouvernance, la participation et la transparence, et une efficacité modeste de la mise en œuvre des politiques dans la région en général.

EUSAIR - examen de la SMR

Le plan d'action EUSAIR définit onze thèmes en tant que domaines d'intervention pour les travaux mis en œuvre dans le cadre de l'EUSAIR. Ils sont tous justifiés dans la mesure où ils sont tous **pertinents dans un contexte macrorégional** et traitent de questions relatives à la région adriatico-ioniennne,

selon les indicateurs. L'EUSAIR étant une stratégie relativement jeune, les réalisations en termes de contenu sont principalement axées sur le **renforcement des capacités**. Il y a, cependant, plusieurs réalisations liées au processus, notamment en ce qui concerne le rapprochement de nouveaux acteurs dans différents secteurs, selon différents niveaux de gouvernance, ainsi que dans différents pays. Bien que des objectifs et des indicateurs aient été fixés pour les différents piliers de l'EUSAIR, peu de rapports ont été transmis sur les progrès réalisés en raison du caractère récent de cette SMR. Les principales sources de soutien aux activités d'EUSAIR sont le **programme Interreg ADRION** et le programme de coopération transfrontalière. Bien que l'alignement avec les Fonds ESI ait été signalé, les parties prenantes ont l'impression que les projets relevant de l'EUSAIR bénéficient d'une faible priorité. Les projets relevant de l'EUSAIR ont commencé à demander des financements auprès des programmes de l'UE, mais ils ont besoin de plus d'expérience et de capacités.

EUSALP - état de la macrorégion

La région alpine est de loin la plus homogène en termes de performance macroéconomique avec des économies principalement matures. La coopération et l'intégration régionales, en termes de commerce, d'investissement, d'énergie, de migration et de transferts de fonds, se situent à un niveau élevé. Les indicateurs de compétitivité montrent une fracture entre les pays de la région dont les résultats sont tantôt meilleurs, moyens et faibles. Si la mise en œuvre des politiques est globalement efficace dans la région, deux groupes différents (l'Italie et la Slovénie sont moins performantes que les autres) peuvent être identifiés en matière de gouvernance, de qualité des institutions publiques, de participation et de transparence.

EUSALP – examen de la SMR

Les neuf actions de l'EUSALP sont toutes jugées suffisamment pertinentes pour être **abordées dans un contexte macrorégional**. Cinq d'entre elles répondent aux besoins d'intervention dans la région alpine. L'EUSALP est la plus récente des quatre stratégies et ses réalisations en termes de contenu sont donc limitées. Les efforts sont axés sur le **développement des capacités et des plans de travail**, et un développement positif des réalisations en matière de processus est généralement constaté. Comme dans le cas de l'EUSAIR, les parties prenantes conviennent globalement que l'EUSALP parvient à réunir de **nouvelles parties prenantes** dans tous les secteurs, niveaux administratifs et pays. En particulier, le renforcement de la coopération entre les zones alpines et les zones métropolitaines environnantes a été souligné par certaines parties prenantes comme étant une réalisation de la SMR. Des cibles (et des indicateurs connexes) ont été fixés, mais il est **trop tôt pour rendre compte des progrès obtenus**. De même, aucun progrès ne peut encore être vérifié par les indicateurs. Le soutien financier aux activités (tout récemment lancées) dans le cadre du programme EUSALP provient principalement du **programme Interreg « Espace alpin »**. L'alignement avec d'autres financements des Fonds ESI est limité jusqu'à présent, cela étant vraisemblablement lié au fait que les programmes ont été rédigés avant l'adoption de l'EUSALP en 2015. En outre, les fonds régionaux, nationaux et locaux sont susceptibles de jouer un rôle clé dans le financement des activités.

## **Le rôle des stratégies macrorégionales dans la coordination des politiques et programmes de l'UE**

Une SMR peut être un mécanisme efficace et rentable pour fournir des résultats qui soient significatifs pour l'espace de coopération territoriale et que les pays et les régions ne peuvent pas atteindre seuls. Cependant, les résultats et les performances de la SMR dépendent de l'environnement d'exploitation et de la phase de développement.

Alors que la SMR produit des résultats, souvent ces derniers ne sont pas suivis de manière cohérente. La principale recommandation concerne donc le développement de systèmes de suivi et d'indicateurs pertinents susceptibles de refléter le développement de la SMR et de chaque DA. Le modèle par phase présenté dans ce chapitre fournit un cadre pour le développement d'indicateurs spécifiques à chaque phase qui rendent compte du développement des DA.

Les trois phases de développement d'une SMR

Une SMR, comme tout autre dispositif de gouvernance, subit des **phases de développement**. Phase I : concerne la capacité des acteurs internes de la SMR, principalement au niveau individuel ; Phase II : développement des capacités institutionnelles et de la performance des acteurs internes de la SMR gérant la stratégie ainsi que des capacités individuelles et institutionnelles des parties prenantes externes à répondre à la stratégie ; et Phase III : les parties prenantes externes et la région dans son ensemble exécutent, c'est-à-dire mettent en œuvre les actions pertinentes de la SMR, et leur contribution à l'intégration et au développement de la région devient visible grâce à la réalisation des objectifs de la SMR.

Attention portée aux cibles globales

Les plans d'action de la SMR et l'attention politique générale ont jusqu'ici porté sur les cibles globales et les résultats (et indicateurs) qui interviennent généralement dans les phases ultérieures. Une SMR récemment établie, par exemple l'EUSAIR ou l'EUSALP, ne peut pas fonctionner à ce niveau tant que les capacités n'ont pas été développées. Comme le montre cette analyse, seules certains DA de l'EUSBSR et de l'EUSDR se retrouvent en Phase III, par exemple dans le DA Éducation ou dans le DA4 de l'EUSDR sur la qualité de l'eau.

Adapter le suivi aux phases de développement

En outre, sans un mécanisme de suivi approprié par phase et une compréhension des « seuils » permettant d'atteindre la phase suivante et donc une meilleure performance, il sera difficile d'examiner les réalisations d'une SMR de manière globale. Un système de suivi reflétant le développement d'une SMR présentera des résultats pertinents et réalistes pour chaque phase, ce qui contribuera à maintenir le soutien politique. Une proposition d'indicateurs a été incluse dans ce rapport.

## **L'implication d'une approche macrorégionale pour la politique de cohésion**

Ces recommandations portent sur le renforcement de l'alignement et de la coordination en vue de permettre à la SMR de devenir un outil de mise en œuvre de la politique de cohésion et de faire en sorte que les fonds ESI deviennent une source de financement importante pour les SMR. Les points suivants sont des recommandations pour l'amélioration des liens - lorsque cela est nécessaire -



afin d'aligner les SMR avec les Fonds ESI. Il convient de noter que toutes les priorités (actuelles) de la SMR ne peuvent être/ne doivent pas être couvertes par le Fonds ESI.

Stratégie/orientation  
thématique/alignement

Un alignement plus stratégique entre les SMR et les Fonds ESI est nécessaire afin de garantir que les activités des principaux DA (mais pas nécessairement tous les domaines) des SMR puissent être couvertes par le financement des Fonds ESI. Cela doit être effectué lors des étapes de programmation et être inclus dans le cadre réglementaire. Il est recommandé d'inclure une exigence de coordination intersectorielle et transterritoriale (**orientation stratégique**) dans toute nouvelle politique de l'UE et d'intégrer cette demande de manière centralisée dans les fonds de l'UE (notamment les fonds ESIF) et les programmes de pertinence territoriale (notamment dans les instruments tels que LIFE) dans le CFP après 2020. La possibilité de s'attaquer aux **objectifs intersectoriels et interterritoriaux** a été reprise d'une manière plus claire dans le cadre réglementaire et devrait être traitée dès la programmation des fonds ESI. La période de programmation actuelle des Fonds ESI indique qu'il est difficile de traiter ce point une fois les programmes finalisés. **Orientations géographique et spatiale** - La macro-région doit jouer un rôle central dans la définition du programme de coopération : quelles sont les questions essentielles pour cette région, qui ne sont pas suffisamment abordées par les cadres politiques de l'UE et qui ne peuvent être traitées par les États-nations ou les régions seul(e)s, mais qui nécessitent une coopération transnationale ?

Cohérence/coordination

Il doit y avoir une véritable concordance des activités entre les PO et les DA des SMR (feuilles de route/stratégies). Les premières mesures visant à atteindre cet objectif ont été prises. **Réalisations et effets qualitatifs de la coopération** : Il importera d'accorder toute l'attention voulue aux effets qualitatifs et éducatifs de la coopération et, avec leur conception institutionnelle et politique, d'encourager le développement de meilleures solutions politiques grâce à un travail commun. La **coopération ascendante** sera le résultat d'un besoin clairement identifié de coopération à cette échelle, et il sera donc important de soutenir et de maintenir ce programme de coopération, tout en assurant des liens avec d'autres DA pertinents sur le plan spatial. Pour que les SMR de l'UE fonctionnent correctement, elles devront être portées et soutenues par des **acteurs engagés** de toute la région. Au sein des différents DA (ou priorités de coopération), il sera plus facile d'assurer la continuité dans les domaines où les régions peuvent se reposer sur une coopération intergouvernementale antérieure.

Financement/flexibilité

Il est nécessaire de développer de **nouveaux mécanismes/formats** au-delà du format de projet traditionnel. Les groupes de projets, les chaînes de projets ou les plates-formes de projets ont déjà été testés dans l'EUSBSR et s'avèrent utiles, et de telles approches pourraient être diffusées auprès d'autres SMR. Un surcroît de **flexibilité** est nécessaire dans la planification du financement ainsi que pour le respect des compétences régionales et des conditions-cadres. Les futures sources de financement doivent être flexibles et s'appliquer à des durées de projet plus longues. Il est important que le « **programme de simplification** » soit respecté. La surcharge du système est un problème qui doit être résolu au préalable car la dernière décennie a connu une aggravation de la surcharge des

capacités institutionnelles. **Financement/correspondance des activités** : Les outils et les procédures de mise en correspondance des financements viendraient de la Commission européenne afin de garantir des normes communes et une cohérence (en référence à la réglementation).

Gouvernance

**Gouvernance multi-niveaux et coordination multi-niveaux** : Les réseaux d'AG doivent être poursuivis et même éventuellement devenir plus ciblés, afin de s'assurer que les réseaux d'AG puissent jouer un rôle important dans la prochaine phase de programmation. Pour renforcer la coordination et la gouvernance des SMR - notamment en ce qui concerne les Fonds ESI (et d'autres financements), il est nécessaire de développer une définition claire des **rôles des parties prenantes** (en particulier les PAC/leaders, le comité directeur, etc.) aussi bien en termes de gouvernance globale des DA et de coordination entre SMR et ESIF. Un **soutien institutionnel** plus stable de la mise en correspondance entre propositions de collaboration transnationale et financements (tel que cela est actuellement testé dans les réseaux d'AG) est nécessaire. Les programmes transnationaux Interreg pourraient éventuellement assumer ce rôle s'ils endossent une plus large **responsabilité dans la facilitation de la collaboration transnationale** au-delà du soutien des projets uniques. Le **développement des capacités** doit aborder à la fois la coopération au sein du DA (élaboration des politiques, mise en œuvre de la politique de l'UE) et la mise en correspondance des capacités de financement, qui doit être développée à travers le système et les nombreux acteurs.

Critères pour des SMR supplémentaires

Une **liste non exhaustive de critères pour des SMR supplémentaires** a été élaborée dans le cadre de l'étude. La liste est structurée autour de trois types de critères : **contextuels, politiques et économiques**. Les critères contextuels comprennent des facteurs géographiques et historiques qui aident à délimiter une macrorégion. Les critères politiques incluent un certain nombre de facteurs politiques, qui motivent le besoin de coopération, et les facteurs économiques sont centrés sur l'efficacité, la cohésion et les synergies.

### 1.3 Deutsche Zusammenfassung

Hintergrund

Es ist ein geeigneter Zeitpunkt um über die Leistung der Makroregionalen Strategien (im Folgenden MRS) der EU zu reflektieren und dabei deren möglichen künftigen Rolle auch in Bezug auf die EU Kohäsionspolitik zu diskutieren. Die MRS der EU wurden in 2009 als politisches und richtungsweisendes Experiment eingeführt. Die eher allgemeine Beschreibung der Eigenschaften der Makroregion und der MRS, als auch die Bekanntmachung, dass es weder neue EU Förderung noch neue Institutionen und Gesetzgebung geben wird, hinderte nichts an dem großen Interesse an dem Konzept und dem erheblichen politischen Enthusiasmus gegenüber den Versprechungen zur besseren Koordination.

Von einer zu vier Strategien

Heute, 8 Jahre nach dem Start der ersten MRS (für den Ostseeraum in 2009) und der Einführung von drei weiteren Strategien, sind diese Initiativen ein zentraler Aspekt in EU Debatten zu Politik und Regierungsführung. Mit dem Programmplanungszeitraum für die Kohäsionspolitik 2007-2013 wurden die

ersten Schritte getroffen EU Finanzmittel für die Ziele und Maßnahmen der MRS zur Verfügung zu stellen. Diese Planung sah eine Ausrichtung der transnationalen Europäischen territorialen Zusammenarbeit ('INTERREG B') nach dem geographischen Anwendungsbereich und den Zielen der MRS vor. Die vier MRS, die bis heute verabschiedet wurden, umfassen einen erheblichen Teil des EU-Gebietes und dessen Nachbarn, und überschneiden sich desweiteren in Teilen. Was als ein Experiment begann, nähert sich einer ausgereiften Initiative.

Umsetzung von EU Richtlinien und Programmen

Die MRS werden als Schlüsselinstrument für die Umsetzung von EU Richtlinien und Programmen gefördert, die dabei den Zusammenhalt und die Wettbewerbsfähigkeit der betroffenen Regionen stärken sollen. Allerdings bringen diese Erwartungen die Frage auf, wie die definierten Ziele im Moment erfüllt werden, und wie sie besser in der Zukunft erreicht werden können. Die MRS wurden in früheren Studien bezüglich deren komplexen Governance-Strukturen, den nicht klar definierten Zielen, die nicht immer den individuellen Bedürfnissen der Makroregionen angepasst sind, und Ungleichmäßigkeiten in der Führung und Unterstützung für die Umsetzung der gemeinsamen Strategien, von betroffenen Ländern und Regionen kritisiert. Als Antwort auf diese Bedenken, mehrten sich Stimmen, die eine Überprüfung der Governance-Strukturen verlangten und für eine genauere Überwachung der Umsetzung der MRS plädierten; einschließlich der Entwicklung von geeigneteren Indikatoren und Überwachungssystemen.

Diese Studie

Diese vorliegende Studie zeigt, dass die vier bis heute verabschiedeten MRS verschiedene Dynamiken und Entwicklungen aufzeigen. Von daher bedarf es einer kontextabhängigen Herangehensweise um die Errungenschaften zu verstehen, welche auch von dem Fortschritt der Zusammenarbeit in der jeweiligen Region abhängt. Dies wird die Debatte über die Ziele der Kooperation, sowie die Maßnahmen zum Erreichen dieser Ziele in den verschiedenen strategischen Gebieten, beeinflussen. Auch die Indikatoren und Überwachungssysteme zur Beurteilung der Errungenschaften und der Gesamtleistung der strategischen Gebiete werden hierdurch beeinflusst.

Die vier Makroregionen wurden anhand von 80 Indikatoren analysiert und überprüft, ob die relevanten makro-regionalen Bedürfnisse gedeckt sind. Außerdem wurde untersucht, ob und inwieweit die Errungenschaften der MRS verfolgt werden können, sowie die Verbindung zwischen den verschiedenen Zielen, und der Verwendung von EU ESIF Geldern. Diese Studie basiert auf einer Datenerhebung durch eine umfangreiche Fachliteraturrecherche, 82 Interviews mit Interessenten und betroffenen Akteuren und einer elektronischen Umfrage mit annähernd 6000 Teilnehmern (April-September 2017).

### **Status der Regionen und Überprüfung der Makro-regionalen Strategien**

EUSBSR – Status der Makroregion

Die Ostsee Makroregion besteht aus **reiferen Volkswirtschaften und Ländern mit einer geringen Leistung** bezüglich sozioökonomischen Indikatoren, welche aber ein höheres Wirtschaftswachstum aufzeigen. Die Region ist gekennzeichnet durch ein relativ hohes Niveau an makro-regionaler Integration, vor allem bei der Migration von Arbeitskraft aus den neueren EU

Mitgliedsstaaten zu den älteren. **Die Wettbewerbsfähigkeit der einzelnen Volkswirtschaften ist sehr heterogen** (mit führenden und niedrigen Leistungen bei dem Indikator Beschäftigung); nur die Ressourceneffizienz ist eher gering bei fast allen Ländern in der Region. **Die Umsetzung von Richtlinien in der Region ist generell effektiv** ist, was beim Betrachten der politischen Dimension festgestellt werden kann. Es besteht allerdings ein Unterschied zwischen den älteren und neueren EU Mitgliedsstaaten (bspw. bei der Qualität der öffentlichen Institutionen, und Mitspracherecht und Verantwortlichkeit).

EUSBSR –  
Bewertung der MRS

Neun von zwölf Zielen der EU Strategie für den Ostseeraum (im folgenden EUSBSR) befassen sich mit identifizierten Bedürfnissen der Region und **alle Ziele scheinen relevant** für die Makroregion zu sein. Obwohl es klare Differenzen zwischen den Politikbereichen gibt, kann die MRS Erfolge bezüglich Inhalten und Prozessen in den analysierten Politikbereichen präsentieren. Zum Beispiel, die Arbeit mit der EUSBSR scheint zu einer **Steigerung in Politikdialogen und Kooperationen bei wichtigen Themen** in der Region geführt zu haben. Beim Vergleich der Erfolge mit den gesetzten Zielen, zeigen alle Politikbereiche Fortschritte. Allerdings, beim Vergleich der Leistung der Politikbereiche mit den spezifischen Zielsetzungen, zeigen nur einige, dass sie die Ziele des Aktionsplans erreicht haben. Viele Ziele sind allgemein formuliert, kombiniert mit begrenzter Überwachung und keinen Meilensteinen. Außerdem haben externe Faktoren einen signifikanten Einfluss und es kann keine direkte Verbindung zwischen den Politikbereichen und Indikatoren festgestellt werden.

Die Aktivitäten der EUSBSR werden größtenteils durch die **Finanzierung aus dem Interreg Ostseeraumprogramm** und den verschiedenen grenzübergreifenden Programmen in der Region unterstützt. Während zwei der Politikbereiche direkt mit den Strukturfonds (ESF und ERFE) arbeiten, ist die Verbindung der Finanzierung zwischen dem ESIF und den MRS durch die Etablierung von Netzwerken mit den durchführenden Verwaltungsbehörden noch in der Entwicklungsphase. Desweiteren gibt es Finanzierungsmöglichkeiten mit anderen EU Programmen wie zum Beispiel Horizont 2020, welches mit manchen Politikbereichen besser abgestimmt zu sein scheint.

EUSDR – Status der  
Makroregion

Die Donauregion ist sehr **heterogen** in Bezug auf makroökonomische Indikatoren, mit Beitrittskandidaten die niedrige Werte vorweisen, und Deutschland und Österreich, die sehr hohe Werte bei sozioökonomischen Indikatoren vorweisen. Die Beziehungen zwischen den meisten Teilen der Region sind sehr stark ausgeprägt, und die makroregionale **Integration von Handel, Investitionen und Energie** ist hoch. Dabei gibt es große Unterschiede zwischen den Regionen bei der Wettbewerbsfähigkeit in urbanen Regionen/Hauptstädten und ländlichen Regionen. Beim Betrachten der Leistung von Politischen-, Regierungs- und Institutionellen Indikatoren, scheint die Region in vier Gruppen geteilt zu sein – nämlich den Besten, Mittleren, Niedrigen und Niedrigsten abschneidenden Regionen.

EUSDR – Bewertung  
der MRS

Die elf Schwerpunktbereiche des Aktion Plans der EU Strategie für den Donauregion (im folgenden EUSDR) adressieren existierende Bedürfnisse der Donauregion und zeigen Relevanz für die Makroregion. Über prozessorientierte

Errungenschaften hinaus, kann die zweitälteste MRS auch mehrere Erfolge in Bezug auf den Inhalt vorweisen. Genau wie die anderen drei MRS, war die EUSDR erfolgreich beim **Zusammenbringen verschiedener Akteure** (bspw. privater und öffentlicher, über verschiedene Regierungsebenen und von Drittländern). Außerdem ist die Zunahme von politischen Dialogen und Kooperation bei wichtigen Themen, sowie mehr **Kooperationen mit Drittländern** (in- und außerhalb der Makroregion) eine wichtige Errungenschaft der EUSDR. Die Unterschiede die zwischen den verschiedenen Schwerpunktbereichen festgestellt werden können zum Beispiel an der Tatsache liegen, dass einige Schwerpunktbereiche auf existierender Kooperation aufbauen konnten. Fast alle Schwerpunktbereiche melden einen **zufriedenstellenden Fortschritt** (gemessen an den Meilensteinen). Allerdings, zeigt die Beurteilung des Fortschritts der Ziele mit den Indikatoren **positive und negative Entwicklungen**. Die wichtigste finanzielle Unterstützung für die Aktivitäten dieser Strategie stammt von dem **Donauraumprogramm**. Es gibt aber auch Möglichkeiten der Finanzierung durch bestimmte grenzüberschreitende Programme und anderen EU Programmen (insbesondere Erasmus). Während nationale ESIF Programme formell aufeinander abgestimmt zu sein scheinen, berichten Interessenten und betroffene Akteure soweit wenig über transnationale Finanzierung.

EUSAIR – Status  
der Region

Die makroökonomischen Indikatoren zeigen ein sehr unterschiedliches Bild der Region Adria-Ionisches Meer und Variationen zwischen verschiedenen Regionen der einzelnen Länder. Dabei ist in den meisten Teilen der Region die **territoriale Kooperation und Handelsintegration** hoch, wo besonders Italien der größte Partner von allen Ländern in der Region ist. Die Makroregion zeigt eine moderate Leistung bei Betrachtung der gesamten Wettbewerbsfähigkeit und Innovation, eine geringe Leistung bei Ressourceneffizienz, aber eine fortgeschrittene Wasserinfrastruktur. Die Indikatoren zu Politik, Regierungsführung und Institutionen zeigen starke Unterschiede zwischen Italien, Slowenien und den anderen Ländern in der Region bei Regierungsführung, Mitspracherecht und Verantwortlichkeit, und eine generell bescheidene Effektivität bei der Umsetzung von politischen Richtlinien in der Region.

EUSAIR –  
Bewertung der MRS

Der Aktionsplan der EU Strategie für das Adria-Ionische Meer (fortan EUSAIR) definiert elf Themen als Fokusgebiete für die Arbeit der EUSAIR. Bezüglich der Indikatoren sind alle Themen berechtigt, da sie **relevant in einem makroregionalen relevant sind** und dabei Bedürfnisse der Makroregion beinhalten. Da die EUSAIR eine relativ neue Strategie ist, sind die inhaltlichen Erfolge soweit konzentriert im Bereich der **Kapazitätsentwicklung**. Allerdings gibt es einige Prozess-relevante Errungenschaften, insbesondere bei der Zusammenführung von neuen Akteuren zwischen verschiedenen Sektoren, Regierungsebenen und Ländern. Während für die verschiedenen Säulen der EUSAIR Ziele und Indikatoren festgelegt wurden, hat eine nur ein begrenzte Berichterstattung des Fortschrittes stattgefunden, da diese MRS noch relative neu ist. Die wichtigste Finanzierungsquelle für die EUSAIR ist das **Interreg ADRION Programm** und die grenzübergreifenden Programme. Obwohl es möglich ist Finanzierung durch ESIF zu bekommen, sind Interessenten und betroffene Akteure der Auffassung, dass EUSAIR Projekte wenig Aufmerksamkeit bekommen. Projekte in der EUSAIR haben angefangen sich für Finanzierung

durch EU Programme zu bewerben, jedoch mangelt es derzeit an Erfahrung und Kapazitäten.

EUSALP – Status  
der Makroregion

Die Alpenregion mit ihren reiferen Volkswirtschaften ist bei weitem die homogenste in Bezug auf makroökonomische Leistung. Die regionale Kooperationen und Integration bezüglich Handel, Investitionen, Energie, Migration und Geldüberweisung sind im Europäischen Vergleich hoch. Die Wettbewerbsindikatoren teilen die Länder der Region in starke-, durchschnittliche- und schwache Ökonomien. Während die gesamte Region eine effektive Umsetzung der MRS vorweist, gibt es zwei Gruppen in den Bereichen Regierungsführung, bei der Qualität von öffentlichen Institutionen, und bei Mitspracherecht und Verantwortlichkeit (Italien und Slowenien punkten geringer als die restlichen Länder).

EUSALP –  
Bewertung der MRS

Die neun Aktionsgruppen der EU Strategie für den Alpenraum (EUSALP) sind alle **relevant in einem makroregionalen Kontext**. Davon zeigen fünf die Notwendigkeit von Intervention in der Region. Da die EUSALP die jüngste der vier Strategien ist, sind inhaltliche Erfolge bis heute begrenzt. Fortschritte gibt es bereits in der **Entwicklung von Kapazität und Arbeitsplänen**. Dabei kann auch eine positive Entwicklung bei Prozessfortschritten festgestellt werden. Die EUSALP ermöglicht das Zusammentreffen verschiedener neuer Interessenten und Akteure von unterschiedlichen Sektoren, Regierungsebenen und Ländern. Dabei betonen Interessenten und betroffene Akteure, dass die MRS dazu beigetragen hat, dass die Kooperation zwischen den Alpenregionen und den angrenzenden Metropolregionen zugenommen hat. Ziele (und deren Indikatoren) wurden festgelegt, aber es ist **zu früh um Fortschritt zu melden**. In ähnlicher Weise kann der Fortschritt bei den Indikatoren noch nicht festgestellt werden. Finanzielle Unterstützung für die vor kurzem gestarteten Projekte wird hauptsächlich durch das **Interreg Alpenraum Programm** geleistet. Die Abstimmung mit anderen ESIF Förderungsmöglichkeiten ist gering, was vermutlich an der Entwicklung der Programme vor der Implementierung der EUSALP in 2015 liegt. Außerdem werden nationale und regionale Fördermöglichkeiten eine Schlüsselrolle in der Finanzierung der Projekte einnehmen.

### **Die Rolle von makroregionalen Strategien in der Koordination von EU Politik und Programmen**

Eine MRS kann ein effektiver und kosteneffizienter Mechanismus sein um signifikante Ergebnisse in der territorialen Kooperation zu erzielen, welches Länder und Regionen alleine nie erreichen könnten. Allerdings hängen die Resultate und die Leistungen der MRS auch von externen Faktoren und deren Entwicklungsphase ab.

Während die MRS Ergebnisse liefern, werden diese oft nicht konsistent verfolgt. Von daher betrifft die wichtigste Empfehlung, die Entwicklung von Überwachungssystemen und relevanten Indikatoren, die die Entwicklung der MRS und der einzelnen Politikbereiche widerspiegeln können. Das in diesem Kapitel vorgestellte Phasenmodell bietet eine Matrix für die Entwicklung phasenspezifischer Indikatoren, die die Entwicklung der Politikbereiche erfassen.

Die drei MRS Entwicklungsphasen

Eine MRS unterliegt, wie jede andere Governance-Regelung, Entwicklungsphasen. Phase I: bezieht sich hauptsächlich auf die Kapazität der internen MRS-Akteure auf individueller Ebene; Phase II: Entwicklung der institutionellen Kapazität und Leistung der internen MRS-Akteure, die die Strategie verwalten, sowie der individuellen und institutionellen Kapazität externer Interessengruppen, um die Strategie zu verfolgen; und Phase III: Die externen Akteure und Region arbeiten in ihrer Gesamtheit, d. h. sie führen MRS-relevante Maßnahmen durch, und ihr Beitrag zur Integration und Entwicklung der Region wird durch die Erreichung der MRS-Ziele sichtbar.

Fokus auf Gesamtziele

Die MRS-Aktionspläne und die allgemeine politische Aufmerksamkeit konzentrierten sich bisher auf die allgemeinen Ziele und Ergebnisse (und Indikatoren), die in späteren Phasen allgemein auftreten. Eine kürzlich eingeführte MRS, z. B. die EUSAIR oder die EUSALP, kann erst dann auf dieser Ebene tätig werden, wenn Kapazitäten entwickelt wurden. Wie diese Analyse zeigt, befinden sich nur bestimmte Politikbereiche der EUSBSR und der EUSDR in der Phase III, wie zum Beispiel der Politikbereich Bildung in der EUSBSR oder der Schwerpunktbereich 4 zur Wasserqualität in der EUSDR.

Anpassung der Überwachung an die Entwicklungsphasen

Darüber hinaus wird es ohne einen geeigneten phasenspezifischen Überwachungsmechanismus und einem Verständnis der "Schwellenwerte" für die nächste Phase (und damit besserer Leistung) schwierig sein, die Errungenschaften der MRS umfassend zu diskutieren. Ein Überwachungssystem, das die Entwicklung der MRS widerspiegelt, wird für jede Phase relevante und realistische Ergebnisse zeigen, die helfen werden, die politische Unterstützung aufrechtzuerhalten. Ein Vorschlag für Indikatoren wurde in diese Studie aufgenommen.

### **Die Implikation eines makroregionalen Ansatzes für die Kohäsionspolitik**

Die folgenden Empfehlungen konzentrieren sich auf die Stärkung der Angleichung und Koordinierung, damit sich die MRS zu einem Instrument für die Umsetzung der Kohäsionspolitik entwickeln und sicherstellen kann, dass der ESIF zu einer wichtigen Finanzierungsquelle für die MRS wird. Die folgenden Punkte sind Empfehlungen für die Verbesserung der Verbindungen - wo benötigt und notwendig - für die Angleichung der MRS an den ESIF. Dabei sollte angemerkt werden, dass nicht alle (aktuellen) Prioritäten der MRS vom ESIF gedeckt werden können/sollten.

Strategie / thematischer Fokus / Ausrichtung

Es bedarf einer stärkeren strategischen Abstimmung zwischen den MRS und dem ESIF, um sicherzustellen, dass die Tätigkeiten in Schlüssel-Politikbereichen (aber nicht in allen Bereichen) der MRS durch ESI-Fonds-Mittel gedeckt werden können. Dies muss während der Programmplanung geschehen und in den Regulativen Rahmen aufgenommen werden. Es wird empfohlen, eine sektorübergreifende und territoriale (**strategischer Schwerpunkt**) Koordinierung in jede neue EU-Politik aufzunehmen und diese Nachfrage zentral in EU-Fonds (insbesondere ESIF) und in Programmen mit territorialer Relevanz (insbesondere Instrumente wie LIFE) in dem mehrjährigen Finanzrahmen nach 2020 zu verankern. Die Möglichkeit, **bereichsübergreifende und**

**grenzübergreifende Ziele** anzugehen, wurde stärker im ordnungspolitischen Rahmen berücksichtigt und sollte bereits bei der Programmierung der ESI-Fonds-Mittel behandelt werden. Der derzeitige ESIF-Programmplanungszeitraum zeigt, dass es schwierig ist, dies nach Abschluss der Programme zu beheben.

**Geografischer und räumlicher Schwerpunkt** - Die Makroregion sollte bei der Festlegung der Agenda für die Zusammenarbeit eine zentrale Rolle spielen: Welche Themen sind für diese Region von zentraler Bedeutung, da sie in dem politischen Rahmen der EU nicht ausreichend behandelt werden und nicht von den Mitgliedstaaten alleine bewältigt werden können, sondern eine transnationale Zusammenarbeit erfordern?

Kohärenz /  
Koordination

Es muss eine ordentliche Übereinstimmung der Aktivitäten zwischen den Programmen und den MRS Politikbereichen (Road Maps / Strategien) geben. Die ersten Schritte in Richtung dieses Ziels wurden unternommen.

**Errungenschaften und qualitative Auswirkungen der Zusammenarbeit:**

Es wird wichtig sein, den qualitativen und lernförderlichen Auswirkungen der Zusammenarbeit und ihrer institutionellen und politischen Gestaltung gebührend Rechnung zu tragen, um durch gemeinsame Arbeit die Entwicklung besserer politischer Lösungen zu fördern. Die **Bottom-up-Kooperation** ist das Ergebnis eines klar identifizierten Kooperationsbedarfs in dieser Größenordnung. Daher wird es wichtig sein, diese Kooperationsagenda zu unterstützen und beizubehalten und gleichzeitig Verbindungen zu anderen räumlich relevanten Partnerorganisationen zu gewährleisten. Damit die MRS gute Leistungen erbringen können, müssen sie von engagierten Akteuren aus der gesamten Region getragen und vorangetrieben werden. Innerhalb der verschiedenen Politikbereichen (oder Kooperationsprioritäten) wird die Gewährleistung von Kontinuität in jenen Bereichen erleichtert, in denen Regionen auf frühere zwischenstaatliche Zusammenarbeit zurückgreifen können.

Finanzierung /  
Flexibilität

Es besteht die Notwendigkeit, **neue Mechanismen/Formate** jenseits des traditionellen Projektformats zu entwickeln. Projektcluster, Projektketten oder Projektplattformen wurden bereits in der EUSBSR getestet und haben sich als nützlich erwiesen, und solche Ansätze könnten auch anderen MRS zur Verfügung gestellt werden. Es bedarf zusätzlicher **Flexibilität** bei der Finanzierungsplanung und Respektierung regionaler Kompetenzen und Rahmenbedingungen. Die zukünftigen Finanzierungsquellen müssen flexibel sein und sollten längere Projektspannen haben. Es ist wichtig, dass die "**Vereinfachungsagenda**" eingehalten wird. Systemüberlastung ist ein Problem, das im Vorfeld angegangen werden muss, da im letzten Jahrzehnt eine zunehmende Überlastung institutioneller Kapazitäten zu verzeichnen war. **Finanzierungs-/Aktivitäts-Matching:** Die Instrumente und Verfahren zur Abstimmung der Finanzierung sollten von der EU-Kommission kommen, um gemeinsame Standards und Kohärenz (mit Bezug auf die Verordnungen) zu gewährleisten.

Governance

**Multi-Level-Governance und Multi-Level-Koordination:** Die Netzwerke der Verwaltungsbehörden müssen fortgeführt und möglicherweise sogar stärker fokussiert werden, um sicherzustellen, dass diese Netzwerke in der nächsten Programmphase eine wichtige Rolle spielen können. Um die Koordinierung und Lenkung von MRS - insbesondere in Bezug auf ESI-Fonds (und andere Finanzierungen) - zu stärken, werden die **Rollen der Interessenvertreter**



(insbesondere Politikbereichskordinatoren/ Leiter, Lenkungsausschuss usw.) sowohl hinsichtlich der Gesamtführung der Politikbereichen als auch in Bezug auf die Koordinierung zwischen MRS und ESIF. Es besteht eine Notwendigkeit für eine stabilere, **institutionelle Unterstützung** für Koordination zwischen transnationalen Kooperationsvorschlägen und Finanzierung (wie derzeit in den Netzwerken der Verwaltungsbehörden erprobt). Die transnationalen Interreg Programme könnten möglicherweise diese Rolle übernehmen, wenn sie eine größere Verantwortung für die Erleichterung der **transnationalen Zusammenarbeit** übernehmen sollen, die über die Unterstützung einzelner Projekte hinausgeht. Der **Kapazitätsaufbau** muss sich sowohl mit der Zusammenarbeit in den Politikbereichen (Entwicklung der Politik, Umsetzung der EU-Politik) als auch mit der Abstimmung der Finanzierungskapazitäten befassen, die im gesamten System und in den zahlreichen Akteuren entwickelt werden müssen.

Kriterien für  
zusätzliche MRS

Im Rahmen dieser Studie wurde eine nicht erschöpfende **Liste von Kriterien für zusätzliche MRS** entwickelt. Die Liste gliedert sich in drei Arten von Kriterien - **Kontext, Politik und Wirtschaft**. Zu den Kontextkriterien gehören geografische und historische Faktoren, die zur Abgrenzung einer Makroregion beitragen. Zu den politischen Kriterien gehören eine Reihe politischer Faktoren, die die Notwendigkeit einer Zusammenarbeit anregen, während sich die wirtschaftlichen Faktoren auf Effektivität, Kohäsion und Synergien konzentrieren.

## 2 Introduction, background and methodology

### Introduction and Background

The European Commission, Directorate-General for Regional and Urban Policy has commissioned the undertaking of a study on macro-regional strategies supported by the European Structural and Investment Funds (ESIF). The main purpose of this study is to explore the performance of the four existing macro-regional strategies (MRS): The EU Strategy for the Baltic Sea Region (EUSBSR), the EU Strategy for the Danube Region (EUSDR), the EU Strategy for the Adriatic-Ionian Sea (EUSAIR), and the EU Strategy for the Alpine Region (EUSALP).

The study examines the overall context of the four macro-regions and the achievements of the MRS in terms of process-oriented and content-oriented results. Furthermore, it examines the conditions which apparently contributed to positive achievements as well as to good practices and to what extent the strategies contributed to the coordination and creation of synergies between European Structural Investment (ESI) funds and other Union policies and instruments called for in the Common Strategic Framework (annexed to the "Common Provisions Regulation" (EU) No 1303/2013). The study considers to what extent a macro-regional approach, applied under the conditions identified above, could usefully contribute to the development of the future Cohesion Policy.

This study follows the General Affairs Council's conclusions on European territorial cooperation, adopted on 18 November 2015. In these conclusions, the Council acknowledges the importance to initiate a structured multi-stakeholder debate at EU level on the future of Interreg. The debate shall provide wider attention to Interreg in the framework of the debate on the future of Cohesion Policy, of which MRS are a relevant aspect.

This gives rise to a need to assess and document the performance of the MRS, given their recent development and emerging place within the broader set of European regional policy instruments. The results of this study therefore serve as a contribution to the debate on the future of Interreg.

### Methodology

The underlying study is divided into four tasks that build upon each other. The structure of this report follows this logic accordingly.

**Chapter 3** consists of an indicator-based description and analysis of the overall context of the macro-regions (Task 1). Task 1 provides an objective description of the characteristics of each macro-region in terms of their macroeconomic state of development, the overall integration of the macro-region, the performance on overall competitiveness factors, as well as the political, institutional, and governance situation. The description is informed by a benchmarking process of about 80 different indicators.

**Chapter 4** presents the overall achievements of each MRS (Task 2). This is done by a review of the MRS in terms of their relevance, achievements, correspondence between achievements and objectives and the links to the ESIF. The indicator analysis from Task 1, a comprehensive stakeholder consultation in the form of interviews and a survey, as well as a literature review, provide the evidence base for this Task.

**Chapter 5** analyses the role of MRS in the coordination of EU policies and programmes (Task 3). In more detail, Task 3 investigates the effectiveness of cooperation, the relevance of MRS to achieve future objectives (including global challenges), and identifies the conditions that support the coordination and complementarity of MRS.

**Chapter 6** finally provides an analysis of the implications that the macro-regional approach has for Cohesion Policy as well as criteria for the formulation of new MRS (Task 4). This task investigates in a first sub-task the possible links to ESIF's Operational Programmes (OP) and the degree to which the MRS managed to mobilise funding resources. A second sub-task identifies themes for which the MRS could function as an overall framework for cohesion policy i.e. where the MRS would be able to catalyse resources from ESIF and EU programmes. A final sub-task utilises the available evidence from the whole study to establish relevant criteria for (future) MRS.

All four tasks of this study are informed by an extensive data collection and analysis process under Tasks 1 and 2. The complete analysis of Tasks 1 and 2 that build the evidence base for this report can be found in a separate 'Data and Analytical Report' for each of the four MRS.

#### Acknowledgement

The study team thanks all interviewees and respondents to the surveys for their contribution to this study. Especially to the contributors to Task 2a, who provided expert insights: Alessandro Lombardo (Central European Initiative - CEI) on the EUSAIR, Andreas Pichler (CIPRA - International) on the EUSALP, Peter Schmitt (Stockholm University) on the EUSBSR, and Erhard Busek (Institute for the Danube Region and Central Europe - IDM) for the EUSDR.

### 3 State of the macro-regions (Task 1)

#### The objective

The following analysis provides a comprehensive, indicator-based description of all four macro-regions. The purpose of this task is to provide, via a set of indicators, an analysis of the overall context of each of the four macro-regions. The analysis is divided into four distinct indicator categories:

- > **Macroeconomic indicators** reflect the (socio) economic context of the individual economies as well as the macro-region as a whole. Further, they also serve as overview indicators on the overall social- and economic cohesion.
- > **Macro-regional integration indicators** describe the intensity of cooperation, integration and (economic, cultural) exchange among the countries of a macro-region, and essentially reflect the state of territorial cohesion.
- > **Competitiveness indicators** provide a more detailed insight into the (broadly defined) competitiveness of countries and macro-regions on various aspects. These indicators provide inference on factors that affect the three Cohesion objectives.
- > **Political, institutional and governance indicators** mirror the political state of a macro-region in terms of governments' accountability or effectiveness of legislation. These indicators mirror the likely capacity to effectively pursue interventions on the economic, social as well as territorial cohesion.

The purpose of this analysis is to provide an objective and descriptive picture of the macro-regions. The analysis is as a result detached from the contents of each of the MRS (i.e. objectives of the Action Plans). Rather, it focuses on the comparable assessment of the socioeconomic and macro-regional integration status within the macro-regions, as well as on the comparable investigation of their performance regarding competition and efficient institutions and governance. The highlights of the findings are presented in the form of meta-analyses in this final report. The complete analyses for each macro-region can be found in the individual Data and Analytical Reports of the four Strategies.

Note that the analysis in the Appendices includes map illustrations for each indicator, where applicable.

#### The method

A set of about 80 indicators has been selected based on the criteria of macro-regional relevance (i.e. a theme that is relevant to the majority of countries of a given macro-region) and in coordination and common agreement with DG REGIO and this study's Steering Group. The selection process made emphasis on the use of regional indicators (e.g. on the NUTS2 level), and identified only indicators that are relevant to each specific macro-region. The indicator 'nights spent at coastal tourist accommodations' is for example therefore only applied to the Baltic Sea- and Adriatic Ionian Sea macro-regions.

#### Composite Indices

All indicators with a common theme have been aggregated into composite indices. Composite indices bundle separate (component) indicators into one index which allows the values of the whole bundle expressed as only one measure<sup>1</sup>; one example taken from another context is the NASDAQ Index. In the course of gathering indicator data, the data have been grouped into sets of related indicators according to appropriately identified themes. In order to aggregate indicators together, all indicators (where possible) were benchmarked to a common scale: The "top performer" of EU28 countries (benchmarked at 150), the "lowest performer" (50) and the median performer(s) at 100<sup>2</sup>. A high benchmarking score always reflects a more "desirable" situation. The Appendices provide a more elaborate description on indexing and benchmark.

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<sup>1</sup> See <http://www.investopedia.com/terms/c/compositeindex.asp>

<sup>2</sup> The median is the point in a dataset in which a split of that dataset results in two sets with an equal number of data points. See <http://www.investopedia.com/terms/m/median.asp> for more details

## 3.1 Summary of cross-cutting findings

The following sections provide a cross-cutting summary across the four macro-regions for each of the four indicator categories. The summaries synthesise the descriptive findings of the meta-analyses in the macro-regions into the overall Cohesion Policy context, looking at issues such as disparities on the economic development between urban and rural regions, the integration among the countries of the macro-regions on for example trade, energy, or labour, as well as identifying notable differences and commonalities between the macro-regions.

### 3.1.1 Macroeconomic Situation

Regional development is a complex, multidimensional concept. Various factors influence regional development, such as endowment with natural resources, quantity and quality of labour, availability of and access to capital, investment in physical and technological infrastructure, factor productivity dynamics and sectorial structure of the economy.

The Baltic Sea, Danube, and Adriatic-Ionian macro-region are all characterised by a heterogeneous macroeconomic state, where in the case of the latter two only a handful of countries or regions have characteristics of mature economies or social systems. The Alpine macro-region consists, on the other hand, of some of Europe's most mature and competitive economies, with the exception of Slovenia.

Throughout the macro-regions, the macroeconomic gap between the EU15 Member States, on the one hand, and new Member States, on the other hand has decreased between 2008 and 2015 demonstrating that work towards achieving economic cohesion has progressed. Though for example in the Danube macro-region, the convergence is progressing rather slowly. Due to ongoing structural problems, the (potential) candidate countries have only made slow progress in converging their economies to the EU level.

In addition, there are still many macroeconomic urban-rural discrepancies in the Baltic Sea, Danube, and Adriatic-Ionian macro-region. Due to the high share of "Less Developed Regions" (as defined in the ESIF framework) in these macro-regions, a balanced economic development is fundamental to avoid that rural regions continue to lag behind thereby threatening the objective of economic cohesion.

When it comes to social cohesion, the disparity of social systems (as measured by the Social Progress Index) among the macro-regions is generally correlated with the economic development. While unemployment has overall declined, with the exception of Austria, France, Italy, Greece and the (potential) candidate countries, youth and long-term unemployment remains a challenge in all macro-regions, particularly in Italy, Greece and the new Member States.

### 3.1.2 Macro-regional Integration

In the last two decades, the fast growth of trade in intermediate inputs has contributed to enhancing growth in the countries in the macro-regions. Multinational firms account for a large share of input trade. They create global vertical production networks by locating input processing in their foreign affiliates in and across macro-regions. Vertical production networks allow multinational firms to take advantage of lower wages for labour and lower production costs, lower trade costs, and lower corporate income tax rates.<sup>3</sup>

All four macro-regions show a stronger integration than the average of the whole EU and demonstrate that from an integration perspective, the agglomeration of the respective countries into a macro-region is reasonable. Yet, it is important to point out that a comparatively stronger integration of neighbouring countries is only natural due their higher geographic (and cultural) proximity.

Transnational cooperation, as measured by the number of organisations participating in projects under Interreg IV-B programmes, varies in the macro-region. The Baltic Sea region has many cooperation structures in place next to those of Interreg, which obtain funding from particularly the Baltic Sea programme, and consequently lead to a high level of cooperation on transnational programmes under the ETC goal.<sup>4</sup> In contrast, there are wide differences in the regions of the South Eastern Member States in cooperation on transnational programmes between urban and rural regions: Rural regions exhibit notably lower transnational cooperation. This can indicate lower capacities to absorb ESI Funds in the rural regions, or a weakly institutionalised cooperation in the rural areas. Transnational cooperation of the (potential) candidate countries under Interreg-B dates not as far back as for other regions, such as for example in the Baltic Sea region. In the EU context, Interreg-B is therefore in comparison a novelty. Further, it only occurs under ENI or IPA instruments, which means that their capacity to cooperate on the scale as Member States do as well as the financial stakes involved is still limited.

Looking at territorial integration through labour migration and the flow of remittances within the macro-region, the Alpine and Adriatic-Ionian macro-regions have the highest territorial cohesion. A general trend is that labour force migrates to the EU-15 Member States, and sends its remittances back to new Member States or (potential) candidate countries. The evidence suggests thus that territorial cohesion on labour opportunities exists, yet the migration flow is still primarily towards the EU-15 Member States. The countries of former Yugoslavia (except for FYROM, which is not part of any macro-region) already demonstrate a strong integration of labour among themselves.

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<sup>3</sup> Hanson, G. H., R. Mataloni Jr. M. J. Slaughter (2003). Vertical production networks in multinational firms. NBER Working Paper Series. Working Paper 9723  
<http://www.nber.org/papers/w9723>

<sup>4</sup> ESPON, 2013, TERCO - European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life, Final Report- Scientific Report Part I

### 3.1.3 State of Competitiveness

The chosen set of competitiveness indicators show, on a diverse range of themes, whether there is a need for intervention to ensure smart, inclusive, and/or sustainable growth, also to benefit the cohesion of the macro-region. In recent years, efforts at regional level have been intensified to improve location-specific conditions for production and services and/or the performance of headquarters functions, and coupled with a more focused approach to attract potential investors. Regions no longer delegate the acquisition of foreign, direct investment to the national level but engage themselves in such activities with region-specific institutions and instruments (for example in the form of an autonomous regional brand management).<sup>5</sup> As a result, the markets are shaped more according to regional instead of national boundaries. Thus, competition takes place not only at national (country) level but also among the regions inside a country.

The set of competitiveness indicators is highly diverse and therefore results in a complex overall picture. Strongly generalised, it can however be said that those regions with the most/least competitive economies are also those scoring 'strong/weak' respectively on the competitiveness indicators. Any conclusion based on such generalisation would however be misleading. Generally, the countries with the lowest performances are the new Member States (particularly South-East Europe), and Italy and Greece.

Due to the specificity of the competitiveness indicators, which are specially created for one theme, e.g. the Regional Competitiveness Index<sup>6</sup>, most available competitiveness indicators only cover EU Member States. Eurostat has further been used as the primary source for indicators to ensure a consistent background methodology among countries. The number of available indicators in Eurostat on (potential) candidate countries is however close to none. This hinders the ability to conclude on any competitiveness characteristics in these countries. In order to enable a more representative context description of macro-regions with a high share of (potential) candidate countries (or neighbouring countries), such as the Adriatic-Ionian macro-region or the Danube macro-region, an improved coverage of indicators for those countries is necessary.

### 3.1.4 Political, Institutional, Governance situation

The political and institutional framework and the quality of governance are important aspects of the implementation of policies and the ability to meet the set objectives. Accordingly, a strong political, institutional and governance framework can go in hand with governments' capacity to achieve Cohesion Policy objectives as well as the interventions that lead to those.

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<sup>5</sup> Grozea-Helmenstein D., C. Helmenstein, T. Slavova (2009). Who is the best? Insights from the benchmarking of border regions. *Trames. Journal of the Humanities and Social Sciences*, 13(63/58), (3). pp. 285-302.

<sup>6</sup> EU Commission, DG Regio, European Regional Competitiveness Index, [http://ec.europa.eu/regional\\_policy/en/information/maps/regional\\_competitiveness/](http://ec.europa.eu/regional_policy/en/information/maps/regional_competitiveness/)



Based on the World Governance Indicators, the Alpine and Baltic macro-regions can be considered generally effective at policy implementation. The Danube macro-region has on the other hand ten (out of 13) countries with a quality of governance clearly below the EU-median. The Adriatic-Ionian macro-region is in addition characterised by a quality of governance that is in all countries notably below the EU-median. The comparison of year 2015 to year 2008 however shows that, with the exception of Bosnia-Herzegovina, all candidate countries have improved on the quality of governance, mainly due to improvements in regulatory quality. This shows that progress has occurred in the candidate countries in meeting the governance standard found among EU Member States. The only potential candidate country in the four macro-regions (Bosnia-Herzegovina) has however not been able to demonstrate an improvement and remains notably below the quality of governance found in the Adriatic-Ionian macro-region.<sup>7</sup>

The divide inside Europe between the EU-15 and the new EU members is also evident in the quality of public institutions, which among others reflects institutional capacity. The EU-15 Member States, with the exception of Greece and Italy, show strong public institutions. Although newer Member States and candidate countries show general improvements between the years 2008 and 2015, South-Eastern Europe is characterised by public institutions that are notably weaker than the EU-median.

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<sup>7</sup> Bosnia-Herzegovina is a potential candidate country for EU Enlargement. Albania, Montenegro and Serbia are on the other hand candidate countries. See more under: [https://ec.europa.eu/neighbourhood-enlargement/countries/check-current-status\\_en](https://ec.europa.eu/neighbourhood-enlargement/countries/check-current-status_en)

## 3.2 EUSBSR Meta-Analysis

### 3.2.1 Macroeconomic Situation

#### Economic Performance

Countries of the Baltic Sea macro-region are at different stages in their economic development. Within the macro-region, there are mature economies such as Denmark, Sweden, Finland and Germany.<sup>8</sup> These countries are characterized by a high GDP per capita and a high level of labour productivity and low to moderate growth rates. These are also the countries that have the most advanced social systems, as measured by the Social Progress Index. Other economies such as Estonia, Latvia, Lithuania and Poland have lower GDP per capita and lower productivity levels but higher GDP growth rates compared to the other group. Their GDP growth differential to the other group takes yearly values of about 1.5 to 2 percentage points. Thus, convergence is currently taking place at a moderate pace. Their social systems need to progress to narrow the gap to the advanced countries in the group.

Since their accession to the European Union, the new Member States have undergone major economic and social changes. Further, in the last ten years, structural change has been the result of an adjustment to the new environment induced by the financial and economic crisis. The crisis changed their growth model fundamentally. In the period preceding the crisis, the strong growth was primarily driven by private consumption and investment, fuelled by extensive crediting with money from abroad. In the aftermath of the crisis, economic growth became increasingly driven by exports and internal demand. GDP growth became more moderate, but the differential to the economically advanced countries in the group allowed them to progress towards catching up and narrowing the development gap. They have made considerable progress in the convergence process. Between 2008 and 2015, the gap to the EU average GDP per capita was reduced by 14 percentage points in Poland and by 12 percentage points in Lithuania. Estonia and Latvia also made progress, albeit with values below 10 percentage points. Progress continues, fuelled by the EU financial support through the EU Cohesion Funds. Poland has the highest absorption degree compared to the other new Member States.

#### Employment

At the same time, unemployment has been reduced considerably in recent years in all new Member States, and the activity rates increased. However, reducing youth unemployment and long-term unemployment are still outstanding issues, especially in the new Member States of the macro-region.

Inside the individual countries of the macro-region and especially inside Poland, being a large country compared to the Baltic countries, there are (large)

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<sup>8</sup> Investopedia, 2017: "A mature economy is the situation where the country's population has stabilized or is in decline, and where the pace of economic growth has also slowed. A population has stabilized or is in decline when the birth rate is equal to or less than the mortality rate. A mature economy is characterized by a decrease in spending on infrastructure, and a relative increase in consumer spending." Read more: [Mature Economy http://www.investopedia.com/terms/m/mature-economy.asp#ixzz4vedfmFgg](http://www.investopedia.com/terms/m/mature-economy.asp#ixzz4vedfmFgg)

economic and social disparities. Urban regions and especially the capital region show higher development levels and growth rates compared to the other regions in Poland. "Agglomeration advantages" in terms of e.g. the number of companies or research institutions in the urban regions support high GDP and skilled labour force concentrations and fast growth in urban centres. Businesses may benefit from lower transport costs as they are closer to their markets and their infrastructure is better developed. They may take advantage of learning from others, as they are closer to information sources, and they may be part of clusters where the availability of skilled and more productive workers is higher. Furthermore, the overall regional productivity may increase in such urban agglomerations due to more intensive use of infrastructure by a larger number of firms.

To conclude, there are disparities inside the macro-region on the macroeconomic and social fronts between the advanced EU members and the new EU Member States. However, these disparities have been continually reduced since the outburst of the financial and economic crisis in 2008. There are large internal disparities (especially in Poland) between the urban regions and the rural and peripheral regions in the individual countries. Slow progress in reducing the internal disparities has been observed, and progress has so far mainly been concentrated in the urban centres.

### 3.2.2 Macro-regional Integration

#### Trade Integration

Turning to the trade and investment relations between the countries of the macro-region, besides the strong role of multinational companies, traditional, neighbourhood and historical relations dominate the picture. Integration in the macro-region is high and above the EU median. Germany is the main partner for all countries except Estonia. Relations are very strong among the Scandinavian countries and also between the Scandinavian countries and Germany. A large share of trade and investment takes place inside this group, and they are the main trade partners for each other (Germany and Sweden are Denmark's and Finland's main trade partners, Germany and Denmark are Sweden's main trade partners). Germany is also the main trade partner for Poland. Sweden, Finland, Latvia, and Lithuania are the main trade partners for Estonia. Lithuania, Estonia, Germany, and Poland are among the top 5 partners of Latvia. Also Latvia, Germany Poland, and Estonia are among the top 5 partners of Lithuania. As a result, two groups can be observed inside the macro-region: one is made up of the three Scandinavian countries and Germany, and the other is made up of the three Baltic Sea countries, Poland and Germany (since it is a main trade partner for both groups). Compared to the EU average, the Baltic Sea macro-region shows an above average integration intensity, which had increased slightly in 2015 compared to 2008.

#### Labour Integration

The data on migration as well as remittances also show a high degree of integration inside the macro-region (above the EU28, except for Germany), however less strong than in the Alpine or Adriatic Ionian macro-regions. The flow of migrants mostly goes from East (Poland, Estonia, Latvia, and Lithuania) to West (Germany, Sweden, Finland, and Denmark) or from the new EU Member

States to the EU-15 EU Member States, whereas the flow of remittances takes the opposite direction. Integration in student exchanges reflected in the share of mobile students from abroad is below the EU median. However, one has to bear in mind the scarce data for the macro-region and the EU (data are available only for 17 EU countries and in the Baltic Sea macro-region not for Germany).

Capital Integration	Capital integration in the Baltic Sea macro-region is rather heterogeneous. Three countries (Latvia, Estonia, and Lithuania) perform above the EU median, and another three countries (Denmark, Finland, and Poland) perform averagely. Germany and Sweden score below the EU median. Between 50 and 60% of the exports of the Baltic States are absorbed by other countries in the macro region, while only 9% of Germany's exports stay in the region. Furthermore, this share decreased from 2008 to 2015. Because of the small part of Germany that is part of the macro-region, its capital integration, measured through foreign direct investment (FDI), compared to the other countries in this macro-region is almost non-existent. All the other countries show a high degree of capital integration.
Energy Integration	On energy integration, it is noted that Denmark trades most within the region, followed by Estonia, Latvia, and Sweden. Other large exporters like Germany and Poland show rather low connectivity within the region. Overall, just about 8% of the energy products exported by the macro-region stays within the region.
Accessibility Potential	Concerning the accessibility potential in the Baltic Sea macro-region (i.e. the ease of getting around from place to place), Germany is the top performer. Berlin does better in every single category (road, rail, air, multimodal) than the other regions. The low accessibility in Sweden and Finland can be traced to the low population density.
Territorial Cooperation	Territorial Cooperation is a major aspect of territorial cohesion and also one of the three cornerstones of the EU Cohesion Policy. The Nordic and the Baltic Member States score highest in the macro-region. Organisations in the countries of the macro-region were strongly involved in the implementation of regional cooperation programmes. A divide between the urban regions with more organisations being part of strong networks and rural regions with less organisations is observed, which shows that transnational cooperation is less organised in rural regions. It is noted that there is a wide gap between the high and low performing regions in Poland. Pomorskie scores highly while Swietokrzyskie is one of the EU's lowest-performing regions.

### 3.2.3 State of Competitiveness

As mentioned above (see section 3.1.3 above), the markets follow regional rather than national boundaries; a factor that sparks interregional competition. The regions are therefore struggling to adapt to the constantly changing

conditions to at least maintain competitiveness and, if possible, to increase it.<sup>9</sup> In the framework of this study, competitiveness has been analysed by using various indicators. The overall competitiveness indicators show a similar picture to that gained from the macroeconomic overview and integration. The best performing regions are located in Sweden, Denmark, Finland and Germany. Estonia, Latvia, Lithuania and some Polish regions show average performance on competitiveness. The lowest performing regions are found in Poland. Still, the average and low performers managed to improve their scores on some competitiveness indicators in the recent scoreboards. Generally, the performance on competitiveness in the macro-region is very heterogeneous.

Among the key competitiveness factors of the macro-region are the leadership role in innovation, a strong position on digitalization and good transport infrastructure, especially in air and multimodal transport modes.

#### Economic Competitiveness

The EU Regional Competitiveness Index (RCI) shows that the best performing regions in the Baltic Sea macro-region are located in Sweden (Stockholm), Denmark (Hovedstaden), Finland (Helsinki-Uusimaa), and Germany (Hamburg). The Baltic countries, Estonia, Latvia, and Lithuania scored averagely and were able to improve their competitiveness position in 2016 compared to 2013. The lowest performing regions were located in Poland (Podlaskie, Warminkso-Mazurksie, Kujawsko-Pomorskie). Still, the latter two regions were able to improve slightly compared to 2013.

#### Innovation, Digitalisation and Education

Crucial indicators for competitiveness are innovation and digitalisation. Denmark and Sweden are the leader countries on both indicators. While Finland belongs to the "big three" by the Digitalisation Index, Germany joins the two Scandinavian countries as leaders in innovation. The Baltic Sea macro-region shows a strong performance by another important indicator for competitiveness: education. The top ranked regions are Hovedstaden (Denmark), Stockholm and Övre Norrland (Sweden), and Helsinki-Uusimaa (Finland). The top performance can be attributed to a qualitatively strong education system with a high tertiary education attainment, as well as a low NEET rate. On a NUTS-2 region basis, Germany, Latvia, and Estonia scored only slightly above the EU median. An explanation is that these regions have a high rate of early leavers from education and training.

#### Transport

Performance on the completion of the trans-European transport infrastructure (TEN-T) for road and rail is mixed, while the completion of water infrastructure is quite advanced, with top performance values in almost every country. Only Germany, Finland, Sweden, and to a lesser extent Denmark score above the EU median on the completion of the trans-European transport network.

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<sup>9</sup> Grozea-Helmenstein D., C. Helmenstein, T. Slavova (2009). *Who is the best? Insights from the benchmarking of border regions*. *Trames. Journal of the Humanities and Social Sciences*, 13(63/58), (3). pp. 285-302.

Tourism and fisheries are less important to the Baltic Sea macro-region. Only Berlin and Stockholm (tourism), and Estonia and Finland (fisheries) show notable scores above the EU median in these two areas.

Energy

Energy efficiency and the usage of renewable energy are relatively heterogeneous in the region. Denmark had the lowest energy intensity among the countries in the Baltic Sea macro-region. Estonia, which was located on the other end of the scale, needing more than five times the energy than Denmark to produce the same amount of economic output. Between 2000 and 2014, Estonia also had the lowest improvements in energy intensity.

Environment

Scores on air pollution and water quality are mixed in the macro-region. Estonia and Finland score highest on air quality and river status. Sweden, on the other hand, scores around the EU median in terms of air pollution and has the lowest values concerning the status of its waterbodies. Nevertheless, data show that the Baltic Sea macro-region has excellent performances in soil erosion compared to other regions in Europe. Performance on resource efficiency is for most of the countries relatively low. Scores on potential climate change vulnerability, air pollution and water quality show a mixed picture for the macro-region.

### 3.2.4 Political, Institutional, Governance situation

Governance

Overall, the macro-region can be considered effective in terms of policy implementation. The divide inside the region between the EU-15 and the new EU members is also evident when looking at governance performance (government effectiveness and regulatory framework), quality of public institutions and voice and accountability, showing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and free media. However, the less advanced countries are progressing towards narrowing the gap to the best performers.

The analysis of the composite indicator Governance shows a similar picture. High performers are Finland, Sweden, and Denmark followed by Germany and Estonia. Lithuania was also able to stay above the EU median. Latvia is slightly below the EU median whereas Poland has the lowest scores in the macro-region. All countries improved their governance scores in the period from 2008 to 2015.

Public Institutions

In 2016, Finland was EU's top performer when it came to Public Institutions. Apart from Finland also Sweden and Estonia were able to improve their scores compared to 2008, of which Estonia's Public Institutions developed as the only Baltic State into the EU's solid top performing half. The performance of Denmark and Germany went in the opposite direction. Although Latvia and Poland are located at the bottom of the spectrum, they could also show an improvement in the quality of their public institutions.

Crime

Between 2010 and 2012, Poland had the highest number of identified victims of human trafficking. About half of the victims were found in the United Kingdom. Other victims were identified in Poland and in the Netherlands. In the same

timeframe, Germany and Latvia also reported a high number of victims. While most victims were registered in their own countries of origin, citizens from the new EU Member States like Poland, Latvia and Lithuania were also registered as victims of human trafficking in other EU countries. Poland reported a relatively small number of drug seizures, although it is a production site for synthetic drugs for the European market.<sup>10</sup>

A summary of political, institutional, and governance factors in Germany, Denmark, Finland, Sweden results show good to top performance. Estonia, Latvia, and Lithuania are located around the EU median. Poland can also participate by the most indicators in this range, except for Human Trafficking and Drug Seizures. Improvements in the low-performing countries are observed.

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<sup>10</sup> European Monitoring Centre for Drug and Drug Addiction (2016): European Drug Report, Trends and Developments, Luxembourg: Publications Office of the European Union, 2016, ISBN: 978-92-9168-890-6, doi:10.2810/04312

## 3.3 EUSDR Meta-Analysis

### 3.3.1 Macroeconomic Situation

#### Economic Performance

The Danube macro-region is heterogeneous. Countries of the Danube macro-region are at different stages of their economic development. Within the macro-region, there are mature economies such as Germany and Austria.<sup>11</sup> These countries are characterised by a high GDP per capita (well above the EU average), labour productivity and low to moderate growth rates. These are also the countries that exhibit the most social progress, as measured by the Social Progress Index. A second group consists of the more advanced Member States like the Czech Republic, Slovenia, and Slovakia with relatively high GDPs per capita (about and above 80% of EU average) and productivity levels and moderate growth rates. Their social systems are less advanced compared to the former group. A third group comprises the remaining Member States, Bulgaria, Croatia, Hungary, and Romania with GDPs per capita varying between 47% in Bulgaria and 68% in Hungary of EU average, moderate to low productivity and high GDP growth rates. The GDP growth differential to the other group takes yearly values of about 1.5 to 2 percentage points. Thus convergence is currently taking place at a moderate pace. The performance of their social systems is much lower than in the other two groups and needs to progress to reduce the gap to the advanced countries in the group.

A fourth group of countries is made up of the candidate countries Montenegro, and Serbia, the potential candidate country, Bosnia and Herzegovina, and the neighbouring countries, Moldova and the Ukraine. These countries exhibit much lower levels of GDP per capita compared to the EU countries in the macro-region. While the country with the lowest GDP per capita, i.e. Bosnia and Herzegovina, managed to raise its GDP per capita in the period 2008 to 2014 by a modest two percentage points, the GDP per capita in Montenegro, Serbia and the Ukraine decreased in the same period.

Between 2008 and 2015, the GDP per capita gap to the EU average was reduced by 8 percentage points in Romania and by 6 percentage points in both Hungary and Slovakia. As a result of the severe impact of the economic and financial crisis, Croatia and Slovenia saw a drop of 5 and 7 percentage points.

#### Employment

At the same time, unemployment has been reduced considerably in the latest years in all new Member States, and the activity rates have increased. Reducing youth unemployment and long-term unemployment remains a challenge, especially in the new Member States of the macro-region. The investigated

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<sup>11</sup> Investopedia, 2017: "A mature economy is the situation where the country's population has stabilized or is in decline, and where the pace of economic growth has also slowed. A population has stabilized or is in decline when the birth rate is equal to or less than the mortality rate. A mature economy is characterized by a decrease in spending on infrastructure, and a relative increase in consumer spending." Read more: [Mature Economy](http://www.investopedia.com/terms/m/mature-economy.asp#ixzz4vedfmFgg) <http://www.investopedia.com/terms/m/mature-economy.asp#ixzz4vedfmFgg>



indicators on unemployment, youth unemployment and long-term unemployment show low unemployment rates for Moldova and the Ukraine, and therewith high scores on the benchmark. However, for the Western Balkan countries all three indicators show high unemployment levels, and hence low scores on the benchmark. Moreover, they also show an increasing trend from 2008 to 2015, which suggests persistent structural problems on the labour markets in these countries. Problems may be due to a mismatch between the available qualifications and the requirements of employers and also to an active informal job market, which may rather reinforce than reduce poverty.<sup>12</sup> The economic activity and employment rates are relatively low, whereas a gender gap in employment can be observed.

#### Social Progress

The performance on social progress of Serbia and Montenegro is comparable to that of Romania and Bulgaria, while Moldova and the Ukraine show a lower performance compared to the above-mentioned candidate countries.

Inside the individual countries of the macro-region and especially inside the third and fourth groups of countries, there are large economic and social disparities. Urban regions and especially the regions where the capital cities are located show higher development levels and growth rates compared to the other regions in the countries. "Agglomeration advantages" in terms of e.g. the number of companies or research institutions in urban regions support high GDP and skilled labour force concentrations and fast growth in urban centres. Businesses may benefit from lower transport costs as they are closer to their markets and their infrastructure is better developed. They may take advantage of learning from others, as they are closer to information sources and they may be part of clusters where the availability of skilled and more productive workers is higher. Furthermore, the overall regional productivity may increase in such urban agglomerations due to more intensive use of infrastructure by a larger number of firms.

To conclude, there are large disparities inside the macro-region on the macroeconomic and social fronts between the advanced EU-members and advanced new members and the other EU and non-EU Member States. However, these disparities have been continually reduced since the outbreak of the financial and economic crisis in 2008. There are large internal disparities (especially in Romania, Bulgaria, Hungary, Slovakia) between the urban regions and the rural and peripheral regions in the individual countries. Slow progress has been observed in lowering internal disparities. So far, progress has mainly been concentrated on the urban centres.

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<sup>12</sup> See Williams, C., 2014, The Informal Economy and Poverty: Evidence and Policy Review, [https://www.researchgate.net/profile/Colin\\_Williams/publication/260453006\\_The\\_Informal\\_Economy\\_and\\_Poverty\\_Evidence\\_and\\_Policy\\_Review/links/02e7e5319cc6d0fcf6000000/The-Informal-Economy-and-Poverty-Evidence-and-Policy-Review.pdf](https://www.researchgate.net/profile/Colin_Williams/publication/260453006_The_Informal_Economy_and_Poverty_Evidence_and_Policy_Review/links/02e7e5319cc6d0fcf6000000/The-Informal-Economy-and-Poverty-Evidence-and-Policy-Review.pdf)

### 3.3.2 Macro-regional Integration

#### Trade Integration

Turning to the trade and investment relations between the countries of the Danube macro-region, besides the strong role of multinational companies, traditional, neighbourhood and historical relations dominate the picture. Integration in the macro-region is high, above the EU average. Germany and Austria are main trade and investment partners for all countries in the macro-region and for each other. However, due to the small part of Germany that is part of the Danube macro-region and the fact that Germany, as a large country, has a more diversified pool of trade partners compared to the small countries in the macro-region, only about 8% of its exports stay in the region.

Bosnia and Herzegovina, Croatia, Hungary, and Serbia present the highest trade integration among the countries in the Danube macro-region, with a share of the macro-region in their total exports accounting for about 50%. A similarly large share of the macro-region in total exports of 45% or more is seen in the Czech Republic, Slovakia and Slovenia; countries that have strong ties with Germany. They are all part of the supply chain for the German automobile industry.

A medium degree of integration can be observed for another group of countries (Bulgaria, Romania, and Moldova) with shares of macro-region's exports in total exports ranging from 30% in Bulgaria to about 37% in Romania. The relations are traditionally very strong among the following groups of countries: Czech Republic and Slovakia, Austria and Germany, Romania and Hungary, Serbia, Croatia and on the one hand Montenegro and Bosnia and Herzegovina on the other hand. Slovenia and Croatia also have a big share in each other's exports. Romania has a large share in Moldova's exports. A large part of trade and investment takes place inside these groups. The Ukraine is more integrated with the Commonwealth of Independent States (CIS). Compared to the EU average, the Danube macro-region shows an above average integration intensity. Trade integration within the macro-region increased in 2015 compared to 2008 in all countries except for Bosnia and Herzegovina, Montenegro, Serbia, and Moldova.

#### Labour Integration

The data on migration as well as remittances also show a high degree of integration inside the macro-region (above the EU28), however less strong than in the Alpine or Adriatic Ionian macro-regions. The flow of migrants mainly goes from East to West (Germany and Austria) or from the new EU Member States and non-EU countries to the EU-15 Member States, whereas the flow of remittances takes the opposite direction. In addition, there is a flow between the countries in the groups mentioned above. Integration in student exchanges mirrored in the share of mobile students from abroad is however below the EU average. However, one has to bear in mind the scarce data for the macro-region and the EU (data are available only for 17 EU countries).

#### Energy Integration

The macro-region displays an above EU average integration in the energy sector. Around 10% of all energy products produced are exported to countries in the macro-region. The highest integration is seen in Bosnia and Herzegovina where 100% of its energy exports stay in the macro-region. Generally, there is high integration between the countries of former Yugoslavia. Due to reasons

mentioned above, Germany's integration in the energy sector within the Danube macro-region is very low.

#### Accessibility Potential

The Danube macro-region is faced with a remarkable regression of accessibility (i.e. the ease of getting around from place to place) from the north-west towards the south-east. The highest values are registered in Germany and Austria. On the contrary, Bulgaria, Romania, and Croatia show low values for accessibility. The whole Danube macro-region is characterised by wide differences inside the countries. Romania, for example, is home to one of the best performing regions (Bucuresti – Ilfov) but also to one of the poorest performing regions (Sud-Est).

#### Transnational Cooperation

Organisations in the countries of the macro-region were strongly involved in the regional cooperation programmes. The region Zahodna Slovenija (Slovenia) hosts most organisations involved in territorial cooperation with as many as 118 organisations, followed by Vienna (Austria) with 80. It is noted that there is a divide between the urban regions with more organisations being part of strong networks and rural regions with less organisations.

### 3.3.3 State of Competitiveness

#### Economic Competitiveness

The regions are struggling to adapt to constantly changing conditions in order to at least maintain competitiveness and, if possible, to increase it.<sup>13</sup> In the framework of this study, competitiveness has been analysed by using various indicators. The overall competitiveness indicators show a similar picture to that identified from the macroeconomic overview and integration. The top ten performing regions were all located in Germany. Austria's regions Niederösterreich and Vienna and Slovakia's region Bratislavský kraj followed. Regions that include the capital cities in Slovenia, Hungary and Romania show average achievement on competitiveness. The lowest performing regions are found in Romania and Bulgaria. The average and low performers maintained their positions over time and did not manage to improve their scores on any of the competitiveness indicators in the recent scoreboards. With respect to sectorial competitiveness, there are wide disparities between urban regions and regions where the capital cities are located and rural regions.

#### Innovation and Digitalisation

In 2016, only Germany registered regions marked as "Leader" in the Regional Innovation Scoreboard. Austria was listed as "Strong" as were regions in Slovenia and Slovakia. Bulgaria and Romania were at the bottom of the list. The EU Digitalisation Index showed almost the same picture. Germany and Austria scored slightly above the EU median, followed by Slovenia, the Czech Republic, and Slovakia. Romania had the lowest score in the macro-region, and also throughout the EU. Almost every country was able to improve their scores except for Bulgaria and Romania.

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<sup>13</sup> Grozea-Helmenstein D., C. Helmenstein, T. Slavova (2009). *Who is the best? Insights from the benchmarking of border regions*. *Trames. Journal of the Humanities and Social Sciences*, 13(63/58), (3). pp. 285-302.

Education	<p>A crucial factor for competitiveness is education. The highest scores were observed in Karlsruhe (Germany), Praha (Czech Republic), Zahodna Slovenija (Slovenia), and Bratislavský (Slovakia). Austria and Slovenia scored highest in "Participation rate in education and training", because of the well-established dual vocational education system. At the other end of the spectrum, Romania, Bulgaria, and Hungary displayed the highest rates of young people outside education/training and employment.</p> <p>While Montenegro and Serbia are performing relatively well on the investigated education indicators with a low share of early school leavers and a high share of the population aged 30-34 having completed tertiary or equivalent education, Bosnia and Herzegovina showed relatively lower performance on these indicators. Since 2008, all three countries have registered improvements. Moldova has a high share of early school leavers and also a high share of population with tertiary achievement. Compared to 2008, it is noted that there is a slight deterioration on both indicators in 2015 and 2014 respectively.</p>
Transport	<p>The outcomes of the completion of the trans-European Transport Network (TEN-T) are quite heterogeneous in the Danube macro-region. Slovenia (100%) and Austria (97%) were the leaders in completing the TEN-T road core network. Hungary (81%), Croatia (61%), and Germany (59%) followed. Croatia was the leader by the indicator Conventional Rail, followed by Bulgaria. The completion of TEN-T inland waterways are quite advanced in the region. Only the regions in Germany, Romania, and Hungary lag behind. The quality of transport infrastructure is low for road and railway and good for air and multimodal transport modes.</p>
Tourism	<p>The tourist hotspot, measured in number of tourism arrivals per capita, in the Danube macro-region is Austria, followed by Croatia and Germany. Croatia even registered the highest increase since 2008. Undoubtedly, there is a huge potential for growth in the new EU Member States. Low figures for non-residents staying in hotels and similar establishments per inhabitant are observed in the candidate and potential candidate countries and the non-EU country Moldova. The best performing country of this group is Montenegro. In all other countries, the arrivals per inhabitant are very low. A positive development between 2008 and 2015 indicates however that tourists are slowly discovering destinations in these countries.</p>
Energy	<p>In terms of Energy Efficiency, the countries in the Danube macro-region are grouped near the EU median, albeit with large disparities in Energy Intensity. While Austria needed about 100 tonnes of oil equivalent per million euros of GDP, Serbia needed almost 500 tonnes of oil equivalent per million euros. However, Serbia was found to have improved the most since 2000. Austria is also the leader when it comes to the use of renewable energy with a share of 33% in final consumption. All the countries in the region had managed to increase their share of renewable energy since 2008.</p>
Environment	<p>Except for Austria and Germany, all other countries in the Danube macro-region reported higher CO<sub>2</sub> emissions per unit of GDP. The best air quality was found in</p>

Slovenia, followed by Austria, and Romania. Also the "worst" performer in the Danube macro-region, Slovakia, is by far above the EU bottom-line.

Resource efficiency and eco-innovation indicates Germany's and Austria's leader role in the Danube macro-region. The other countries are located next to the EU median or below it, with Bulgaria at the bottom.

Bathing water quality is good in most countries. In Romania and Bulgaria, bathing water quality is lower. The Danube macro-region has a moderate level of soil erosion. About half of the NUTS-2 level regions in the Danube macro-region perform better than the EU median. Overall, higher homogeneity is observed between the regions closest to the Danube valley. The lowest values are found in the mountainous and coastal areas.

To summarise, among the key competitiveness factors of the macro-region are the relatively high growth in the SME sector, a medium but steadily improving position on digitalization, progress in completing the Composite TEN-T infrastructure for road and water. The macro-region shows a mixed performance when it comes to education and sustainable energy use as well as tourism, air pollution and water quality.

### 3.3.4 Political, Institutional, Governance situation

#### Governance

Overall, the macro-region can be considered to be effective in terms of policy implementation. The divide inside the region between the EU-15 and the new EU members is evident when looking at governance performance (government effectiveness and regulatory framework), quality of public institutions and voice and accountability, showing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and free media.

The performance on governance reveals wide disparities within the Danube macro-region and allows for segregation of countries into three groups. The first group is Germany and Austria, which are the only countries that performed above the EU median. Germany even managed to improve its quality of governance. The second group with scores in the range of the bottom half of EU countries consists of the remaining EU Member States of the macro-region and Montenegro. Serbia has a quality of governance only slightly below the EU's lowest performing country, while Bosnia and Herzegovina and Ukraine exhibit a quality far below that. The candidate countries show thus a quality of governance close to what can be found in the bottom end of the EU, while the potential candidate country Bosnia and Herzegovina still needs major improvements.

#### Public Institutions

A similar picture is seen for the indicator Public Institutions. Germany and Austria are the only two countries in the region that perform above the EU median. The (potential) candidate countries are far from this level and have to tackle a lack of quality in public institutions.

## Crime

In 2010 and 2012, Romania reported 6,101 victims of human trafficking. Romania was followed by Bulgaria (3,043), Hungary (1,046), and Slovakia (477). Most of the victims were found in Romania, the United Kingdom, Italy, and Spain. Romania and Bulgaria also underperform in terms of the number of drug seizures. Although one of the main heroin trafficking routes passes through both countries, reported seizures were 27/million inhabitants in Romania and 24 seizures/million inhabitants respectively.<sup>14</sup> These figures are considerably lower than the corresponding figures for top performing countries, such as Croatia (344).

In summary, looking at political, institutional, and governance factors, Germany and Austria are high-quality performers. The new EU member states score below the EU median. However, the less advanced countries are progressing towards closing the gap to the best performers.

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<sup>14</sup> European Monitoring Centre for Drug and Drug Addiction (2016): European Drug Report, Trends and Developments, Luxembourg: Publications Office of the European Union, 2016, ISBN: 978-92-9168-890-6, doi:10.2810/04312

## 3.4 EUSAIR Meta-Analysis

### 3.4.1 Macroeconomic Situation

#### Economic Performance

The macro-region is has a heterogeneous composition in terms of economic development: It consists of advanced countries like Italy and Slovenia, less advanced countries like Croatia and Greece and (potential) candidate countries, of which particularly the latter group is in a process to economically converge towards the EU's leading economies. The Adriatic Ionian macro-region is home to some of the countries that were hit hard by the economic and financial crisis. While Slovenia and Croatia managed to recover, Italy and Greece still face banking and debt crises. Since 2008, Greece has lost 25 percentage points of its GDP per capita, while the performance of the Italian economy fell below the EU average. The candidate and potential candidate countries, Serbia, Montenegro, Albania and Bosnia-Herzegovina, are characterised by low levels of development and a slow convergence progress due to deep structural problems in their economies that still need to be addressed. While the northern regions of Italy and Slovenia perform above average on the Social Progress, other regions need to improve significantly.

Whereas regional disparities between urban and rural regions are wide in Italy and Greece as well as in the candidate and potential candidate countries, disparities in Slovenia and Croatia are lower. Urban regions and especially the regions where the capital cities are located show higher development levels and GDP growth rates compared to the other regions in the countries.

"Agglomeration advantages" in terms of e.g. the number of companies or research institutions in these regions support high GDP and skilled labour force concentrations and fast growth in urban centres. Businesses may benefit from lower transport costs as they are closer to their markets and their infrastructure is better developed. They may take advantage of learning from others, as they are closer to information sources and they may be part of clusters where the availability of skilled and more productive workers is higher. Furthermore, the overall regional productivity may increase in such urban agglomerations due to more intensive use of infrastructure by a larger number of firms.

#### Employment

While unemployment has been reduced considerably during the recent years in Slovenia and Croatia, it is still very high in Greece at about 23%, Bosnia and Herzegovina (28%) and the three candidate countries, Serbia, Montenegro, and Albania (above 17%) and quite high in Italy (about 11%). Youth unemployment is very high in Bosnia and Herzegovina and in the candidate countries.

Unemployment rates rose strongly following the economic and financial crisis. In the last two years, some progress has been made in reducing unemployment. The activity rate is very low in some Italian and Greek regions as well as in Bosnia and Herzegovina. Challenges remain with regard to further reducing overall unemployment, and in particular youth unemployment and long-term unemployment in the countries of the macro-region.

To conclude, there are wide disparities inside the macro-region on the macroeconomic and social fronts in the individual countries. There are large

internal disparities (especially in Italy and Greece as well as in the candidate and potential candidate countries) between the urban regions and the rural and peripheral regions in the individual countries. No progress has been observed towards lowering these internal disparities.

### 3.4.2 Macro-regional Integration

#### Trade & Energy Integration

Looking at the trade relations between the countries of the macro-region, besides the strong role of multinational companies, traditional, neighbourhood and historical relations dominate the picture. Integration in the macro-region is high, above the EU average. Italy is the main partner for four countries. However Italy's, Greece's and Slovenia's integration in the macro-region are comparably low. This is explained by the fact that the macro-region is economically not as important of a trade partner as the rest of Europe. Albania, on the other hand, exhibits the highest trade integration within the countries of the Adriatic Ionian macro-region. All countries in the region, except Italy and Greece show very high levels of energy integration, much higher than the EU median.

#### Capital Integration

Capital integration in the macro-region is however lower than the EU average. The new Member States and the (potential) candidate countries are host countries to FDI from Italy and Greece.

The relations are very strong among the countries of former Yugoslavia. A large share of trade, investment and migration takes place inside this group. They are main trade partners for each other. Compared to the EU average the Adriatic Ionian macro-region shows an above average integration intensity, which increased in 2015 compared to 2008.

#### Labour Integration

The data on migration as well as remittances also show a high degree of labour integration in the Adriatic Ionian macro-region (above the EU average). The highest labour integration level is observed for Albania, Bosnia-Herzegovina, Montenegro, Croatia, Slovenia and Serbia. Italy has the lowest labour integration level with the countries in the macro-region. Statistical evidence discloses the importance of geographical proximity, historical and cultural ties and language for labour integration. The flow of migrants goes from east to west (Italy and Greece) or from the candidate and potential candidate countries to the EU-15 Member States, the flow of remittances takes the opposite direction. The organisations in the countries of the macro-region were strongly involved in the regional cooperation programmes. A divide between the urban regions with more organisations being part of strong networks and rural regions with less organisations is observed. The macro-region displays an above EU-average Integration intensity in the energy sector.

#### Accessibility Potential

Generally, road transport infrastructure needs to be improved, especially in the new Member States and in the (potential) candidate countries. Considerably progress has been made in recent years in enhancing the primary high capacity road network, expressways and motorways, mostly with co-financing from the



EU Cohesion Funds.<sup>15</sup> Budgetary limitations make extensive renovation and upgrading of railway infrastructure difficult. Relatively, the regions (particularly the northern ones) in Italy as well as regions in Slovenia and Croatia show the best accessibility values for all transport modes in the macro-region. Serbia has medium accessibility in terms of road and by rail transport while Albania, Montenegro, Greece, and Bosnia-Herzegovina have the lowest accessibility of the macro-region for all transport modes, being best accessible by multimodal transport modes or by air.

### 3.4.3 State of Competitiveness

#### Economic Competitiveness

In the framework of this study, competitiveness has been analysed by using various indicators. The overall competitiveness indicators measured by indicators such as EU Regional Competitiveness Index, Regional Innovation Scoreboard, EU Digitalisation Index, and Education places the Adriatic/Ionian macro-region in a modest position. The best performing regions are located in Slovenia (Zahodna Slovenija), Northern Italy and Attiki in Greece. The Croatian regions perform averagely on competitiveness. Low performing regions are found in Southern Italy and Greece. For the EU candidate and potential candidate countries, data availability on competitiveness is very limited. Only slight improvements on these indicators are observed for these countries.

#### Education

The two education indicators available for the (potential) candidate countries show that Montenegro and Serbia are good performers with a low share of early school leavers and a high share of the population aged 30-34 years having completed tertiary or equivalent education. Bosnia and Herzegovina and Albania, on the other hand, perform poorer on these indicators. However, since 2011, all four countries were able to improve their performance.

#### Business environment

The sluggish economic development in the countries of the macro-region after the economic and financial crisis is reflected by the unfavourable development in the indicator 'business population growth' between 2012 and 2014. The only region showing positive development in this period was Jadranska Hrvatska (which is located at the Adriatic coast of Croatia), whereas the vast majority of regions performing significantly below the EU median. The SMEs play an important role in the macro-region, thus their share of total value added is above the EU average in all countries, except in Croatia.

#### Transport

Looking at the completion of the trans-European transport network, Greece is the best performer in the macro-region, followed by Italy and Slovenia, which are both medium performers. Croatia lags behind, partly due to its young EU membership status. The completion of transport infrastructure for road and rail is at different levels, while the completion of water infrastructure is at a quite

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<sup>15</sup> Examples are the newly built Ionian highway in Greece, or the East Slovenian part of the Maribor-Slivnica-Draženci-Gruškovje motorway. See, [http://ec.europa.eu/regional\\_policy/en/newsroom/news/2017/09/09-05-2017-smoother-faster-road-connections-in-greece-thanks-to-eu-investments](http://ec.europa.eu/regional_policy/en/newsroom/news/2017/09/09-05-2017-smoother-faster-road-connections-in-greece-thanks-to-eu-investments), and [http://ec.europa.eu/regional\\_policy/index.cfm/en/projects/slovenia/major-new-link-in-europes-motorway-network](http://ec.europa.eu/regional_policy/index.cfm/en/projects/slovenia/major-new-link-in-europes-motorway-network) for more information.

advanced level. The best performing country on logistics (LPI) is Italy, while the rest of the countries need to improve substantially.

#### Tourism

Among the key competitiveness factors of the macro-region is its relatively good position in tourism, with the best performers being Croatia, Montenegro and Slovenia. On the other hand, fisheries are relatively important to regional output in general. With respect to employment, this can only be said for some Croatian and Greek NUTS-3 regions. Italy is the best performing country on blue growth while the other countries in the macro-region perform below the EU median.

#### Energy and Environment

Performance on eco-innovation and energy efficiency is for most of the countries below the EU average. However, Serbia and Montenegro as the countries with the highest energy intensity of this macro-region have shown substantial improvements in the 2008-2014 period. Yet, when compared to the overall improvement seen in the EU, this development shows only little improvement on the benchmark score of Serbia.

The performance on environmental indicators is mixed, with some Greek and Italian regions performing better than other regions, however the performance is relatively low, if compared to the rest of the EU. Overall, all countries in the macro-region show a strong performance on inland waterbodies compared to the EU-wide performance. In comparison, the status of waterbodies in the sea is less sound. The share of coastal and transitional waterbodies with good ecological status is highest in Greece and Croatia and lowest in Italy. Being considered a hotspot for biodiversity,<sup>16</sup> the macro-region performs relatively well on biodiversity, but generally has high soil erosion rates; the highest being recorded in the Italian NUTS-2 regions. This is due to prevalent climatic and topographical conditions.

### 3.4.4 Political, Institutional, Governance situation

#### Governance

The development of governance from 2008 to 2015 shows a mixed picture. The scores on the Governance indicator improved among the candidate countries, mainly due to considerable improvements on the indicator on Regulatory Quality.<sup>17</sup> At the same time, scores deteriorated in the EU Member States, resulting in lower performance on both the regulatory quality and government effectiveness indicators in 2015. However, the lowest scores are found in the macro-region's potential candidate country (Bosnia-Herzegovina). This shows the progress of the candidate countries in reaching the governance standard of the EU, apart from the potential candidate country (Bosnia-Herzegovina), which is still far below that standard.

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<sup>16</sup> Final Ex-Ante Strategic Environmental Assessment Adriatic-Ionian Cooperation Programme 2014 - 2020 & IUCN, 2017, Atlas of the Mediterranean seamounts and seamount-like structures

<sup>17</sup> The indicator on Governance consists of the World Governance Indicators on Government Effectiveness and Regulatory Quality. Please refer to the 'Data and Analytical Report' of the EUSAIR for more details.

Public Institutions	All countries of the macro-region are performing below the EU median on the indicator 'Public Institutions'. <sup>18</sup> The best performing country is Slovenia while Montenegro is the second best performer, surpassing even Greece and Italy. The quality of public institutions in the macro-region has improved from 2011 to 2016 in most countries. The performance of Bosnia-Herzegovina and Serbia declined slightly.
Voice and Accountability	The countries of the macro-region also perform poorly on the indicator Voice and Accountability. While Italy and Slovenia score slightly below the EU median Greece and Croatia perform in the lower half of the EU spectrum. Between 2011 and 2016, the performance of these two countries even declined. The (potential) candidate countries also perform in the lower end of the EU spectrum.
Crime	<p>Italy and Greece have the highest number of identified human trafficking victims in the macro-region. The victims originate nearly exclusively from the new Member States. Victims of human trafficking from Croatia, Serbia, and Slovenia have mostly been registered as victims in their countries of origin. Croatia and Slovenia record the highest number of drug seizures per 1 million inhabitants. These two exhibit higher activity than the EU median. The lowest number of drug seizures in the region are found in Greece, which is remarkable since one of the main heroin trafficking routes, the Southern route, passes Greece.</p> <p>To summarise, the macro-region is a relatively modest performer on effectiveness of policy implementation. The divide inside the region between Italy and Slovenia and the other countries is evident when looking at the performance regarding governance (government effectiveness and regulatory framework), quality of public institutions and voice and accountability.</p>

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<sup>18</sup> This composite consists of indicators on 'property rights', 'ethics and corruption', 'undue influence', 'public-sector performance', and '(public) security'. Please refer to the 'Data and Analytical report' on the EUSAIR for more details.

## 3.5 EUSALP Meta-Analysis

### 3.5.1 Macroeconomic Situation

#### Economic Performance

The countries of the Alpine macro-region are homogeneous group in terms of economic development. Within the macro-region there are mature economies, such as Germany, France, Austria, Italy, Liechtenstein and Switzerland. These countries are characterized by a high GDP per capita (well above the EU average) and labour productivity and low or moderate growth rates. These are also the countries that have advanced social systems. Slovenia is an economically advanced new Member State with lower GDP per capita and productivity levels than the rest of the macro-region. Due to the serious consequences of the economic and financial crisis and a long recovery period, the country also struggles with low GDP growth rates. Slovenia's social system needs to progress towards narrowing the gap to the advanced countries in the group.

Since its accession to the European Union, Slovenia has undergone major economic and social changes as a response to the financial and economic crisis. The crisis thus fundamentally changed Slovenia's growth model. In the period preceding the crisis, strong growth was primarily driven by private consumption and investment, fuelled by extensive crediting with money from abroad. In the aftermath of the crisis and burst of the housing bubble, economic growth became increasingly driven by exports and internal demand in Slovenia.

While the GDP per capita increased between 2008 and 2015 in Austria, Germany, and Switzerland, it almost stagnated in France and dropped in Slovenia and Italy. Italy still faces a debt and banking crisis.

#### Employment

While unemployment fell considerably in some countries of the macro-region (Germany, Slovenia), it increased in others (Austria, France, and Italy). However, reducing youth unemployment and long-term unemployment remain a challenge especially in Italy. There are no wide regional disparities between urban and rural regions of the macro-region, except for France. Generally, urban regions dominate the macro-region.

### 3.5.2 Macro-regional Integration

Integration is very high among all countries in the macro-region, and above the EU average. This is evident when looking at trade, investment, migration, remittances and student exchange indicators. Compared to the EU average, the Alpine macro-region shows an above average integration intensity, which had slightly decreased in 2015 compared to 2008.

#### Labour Integration

The Alpine macro-region displays the highest degree of labour integration among all analysed macro-regions (Adriatic and Ionian Sea, Baltic Sea, and Danube). The highest values are reported in Liechtenstein, Switzerland, and Austria. Also located above the EU median are Germany, Slovenia, Italy, and France.

Trade Integration	Looking at the trade and investment relations between the countries of the macro-region, besides the strong role of multinational companies, traditional, neighbourhood and historical relations dominate the picture. Austria and Slovenia have the highest trade integration within the macro-region. About 45% of Austria's exports stay in the region. A medium degree of integration has been observed for Germany, France, Switzerland, and Italy. These countries have registered macro-regional export shares between 23% and 30%. However, compared to 2011 the share of exports within the macro-region diminished.
Capital Integration	The Alpine macro-region shows a high degree of capital integration. The macro-region scores on average almost as high as EU's most integrated Member State and significantly higher than the EU-median.
Energy Integration	On energy integration, Slovenia performs better than the EU-level top-performer, followed by Austria. The rest of the countries is either above, or just below the median, showing overall high levels of integration compared to the EU average.
Accessibility Potential	Accessibility Potential (i.e. the ease to get from one place to another place) also shows high values for the Alpine macro-region. Every country in the macro-region scores above the EU median. Best ranked is Zürich (Switzerland) followed by Vienna (Austria). Although every country performs well compared to the other regions in the EU, there are relatively wide disparities within the countries. This is due to the mountainous topography of the Alpine macro-region. Data on territorial cooperation show that organisations in the countries of the macro-region were strongly involved in the regional cooperation programmes. The Alpine macro-region comprises Zahodna Slovenija (Slovenia) which is the EU top performer in this category. There are 118 organisations participating in Territorial Cooperation. On the other hand, the Alpine macro-region also includes EU's bottom performer, Oberpfalz in Germany. On a country level, Italy hosts most organisations followed by Austria, and Slovenia.

### 3.5.3 State of Competitiveness

Regions are struggling to adapt to constantly changing conditions in order to at least maintain competitiveness and, if possible, to increase it.<sup>19</sup> In the framework of this study, competitiveness has been analysed by using various indicators. The overall competitiveness indicators show a picture similar to that gained from the macroeconomic overview and integration.

Economic Competitiveness	In 2016, the seven best performing regions on EU Regional Competitiveness Index were all located in Germany. Austria's regions Niederösterreich und Vienna were rated eight. The best performing French region was Rhône-Alpes ranked thirteen. Slovenia (Zahodna Slovenija) and Italy (Lombardia) follow on with positions as number 20 25 respectively. Italy's Valle d'Aosta/Vallée d'Aoste
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<sup>19</sup> Grozea-Helmenstein D., C. Helmenstein, T. Slavova (2009). *Who is the best? Insights from the benchmarking of border regions*. *Trames. Journal of the Humanities and Social Sciences*, 13(63/58), (3). pp. 285-302.

was found to be the poorest performing region. Unfortunately, no data were available for Switzerland and Liechtenstein.

#### Innovation and Digitalisation

Key factors for competitiveness are innovation and digitalisation. Among eleven NUTS-2 regions in Germany, ten are ranked as "Leader" by the Regional Innovation Scoreboard. The eleventh region, Oberpfalz, was ranked as a "Strong" innovator. All six regions in Austria and France were ranked as "Strong" innovators. Italy shows a diverse picture. Just two regions out of eight were ranked as "Strong" innovators. While remaining regions were categorised as "Moderate" innovators, no region in the Alpine macro-region was ranked as a "Modest" innovator. In terms of digitalisation, the macro-region performs averagely. Austria and Germany are the only countries that score above the EU median. Slovenia and especially Italy lag far behind. However, nearly all countries showed significant progress compared to 2014.

#### Education

A well-educated labour force represents a critical input to the economic performance of a region. The highest values on the composite indicator Education in 2015 are found in Switzerland, Germany, and Slovenia. The best benchmark values regarding the rate of Young people neither in employment nor in education and training (NEET) are found in Germany and Austria. The German region Oberbayern outperforms even the top benchmark country. The low NEET rates in Germany and Austria can be attributed to a well-established vocational education and training system. The lowest performing NUTS-2 regions were located in Italy. Even the best performing region in Italy is below the EU median.

#### Transport

Turning to performance on transport, the countries in the Alpine macro-region can be divided into two groups: Austria, Germany, and France with very good performance rates, and Italy and Slovenia that lag behind the first group, albeit above the EU median. The Logistics Performance Index shows a similar picture. Germany tops the ranking, followed by Austria, Switzerland, and France. While Italy managed to stay slightly above the EU median, Slovenia lies far below it.

#### Tourism

Italy and France top the ranking in the macro-region in terms of total arrivals at tourist accommodation establishments. Considering the number of inhabitants, Austria has the highest intensity in the tourism sector with about 4 arrivals/inhabitant, followed by France (2.8 arrivals/inhabitant).

#### Energy

Compared to the other macro-regions, the Alpine macro-region is quite homogenous when it comes to energy intensity. Italy, Austria, Germany, and France require between 100 and 120 tonnes of oil equivalent (toe) worth of energy to produce a million worth of GDP. Only Slovenia is standing apart with its 177 toe/million euros GDP. However, Slovenia managed to improve its energy intensity substantially compared to year 2000. The picture is more diverse in terms of usage of renewable energy in the macro-region. While Austria scores highest followed by Slovenia and Italy, Germany and France lag behind scoring below the EU median.

#### Environment

On the Eco-Innovation Scoreboard, the Alpine macro-region performs quite well. All the countries perform above the EU median. Except for Slovenia, the results

on resource efficiency are even better. France, Germany, and Austria show quite similar values, while Italy managed to be the European top performer. However, there is still room for improvement in air quality and air pollution. Only Switzerland, Germany, and Italy were able to score above the EU median in terms of air pollution. Turning to air quality, only two countries managed to score above the EU median (Slovenia and Austria).

The extent of soil erosion in the countries in the Alpine macro-region varies greatly within the macro-region. The least affected region of all NUTS-2 regions within the Alpine macro-region is Vienna. On the other hand, Tirol is at the extreme end of the spectrum. Areas such as Tirol are distinguished by their mountainous topography and therefore more prone to erosion due to human and weather impacts.

In the Alpine macro-region, the average share of afforested areas is 41%. The highest share is found in the Italian NUTS-2 region Liguria (more than 70%), followed by Provincia Autonoma di Trento (68.8%) and the Austrian NUTS-2 regions. The lowest share is found in the Austrian capital city, Vienna.

In summary, the Alpine macro-region has above-average competitiveness. The most competitive countries in the region are Germany and Austria (and Switzerland and Liechtenstein – where data are available), followed by France. The lowest performing regions are located in Italy and Slovenia. However, the average and low performers managed to improve their scores over time.

Among the key competitiveness factors of the macro-region are the leadership role in innovation, a strong position on digitalization, good transport infrastructure, especially in air and multimodal transport modes. The macro-region shows a strong performance in education, sustainable energy use, and tourism. Performance on the completion of road transport infrastructure is mixed, while the completion of rail and water infrastructure is at a quite advanced level. Performance on eco-innovation and resource efficiency is above the EU average for most of the countries and regions.

### 3.5.4 Political, Institutional, Governance situation

#### Governance and Public Institutions

Overall, the macro-region can be considered effective in terms of policy implementation. A divide inside the region between Switzerland, Liechtenstein, Germany and Austria and Italy and Slovenia can be observed when looking at governance performance (government effectiveness and regulatory quality), quality of public institutions and voice and accountability, showing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and free media.

More specifically, the highest scores on the indicators 'Governance' and 'Public Institutions' were observed in Switzerland, Germany, and Austria. Despite almost every country (except for Austria) had been able to improve its

governance performance since 2008, (except for Switzerland) the quality of public institutions deteriorated in the period.

Voice and  
Accountability

Switzerland tops the ranking on Voice and Accountability in the Alpine macro-region. Scores for Germany, Austria, and Liechtenstein are quite similar. France also performs above the EU median. Italy and Slovenia are below the EU median.

Crime

France, Germany, and Italy are reported as destination countries for human trafficking from countries such as Romania, Bulgaria, and Hungary. Switzerland reported significantly lower numbers, but the victims registered also originated from Romania, Bulgaria, and Hungary.

When it comes to drug seizures, there are no data available for France, Switzerland, and Liechtenstein. The other countries for which data are available, show a medium performance. In 2014, Austria recorded the highest number of drug seizures in the macro-region (311 seizures per million inhabitants). Germany and Slovenia were also able to perform slightly above the EU median.

The Alpine macro-region consists of some of Europe's strongest performing countries on governance, public institutions and voice and accountability, being most commonly Austria, Germany, Liechtenstein, and Switzerland. Italy and Slovenia are on the other hand countries that perform on these indicators below the EU-median. France exhibits a median score on all of these indicators.



## 4 Review of the macro-regional strategies (Task 2)

The second part of the analysis of the four macro-regional strategies (MRS) is a review of the strategies in terms of their relevance, achievements, correspondence between achievements and objectives and the links to the ESIF<sup>20</sup>.

The analysis is divided into four separate sections as presented in the following. The data for the analysis of the relevance of the objectives were collected mainly part as part of the indicator analysis described in chapter 1. For the remaining parts of the analysis, data were collected through interviews, desk research and a comprehensive survey among stakeholders in all the four MRSs.

### 4.1 Cross-cutting findings

This summary highlights the findings across strategies for the four themes explored as part of the review of the strategies. The summary is based on the analysis of the four strategies. The detailed analysis is included in four reports (one per MRS) prepared as part of this study. The cross-cutting findings are based on the following summaries as well as data included in the reports.

- > review of the objectives
- > review of the achievements
- > comparison between objectives and achievements
- > relation to ESIF funds.
- > For each of these four reviews, reflections on the findings across the strategies are included.

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<sup>20</sup> When referring to ESIF, in this report in general we refer to the mainstream and not the Interreg, unless otherwise stated.

#### 4.1.1 Review of the objectives

##### Review of the objectives

The review of the objectives of the action plans shows that the strategies overall address relevant themes that constitute needs or opportunities. In the case of the EUSBSR and EUSALP, the review assesses that two and four objectives respectively do not correspond to an identified need for action, based on the chosen indicators.

Table 4-1 Assessment of action plan objectives for the four strategies

	Corresponds to need	Macro-regionally relevant	Traffic Light
EUSBSR	9 out of 12 Sub-Objectives	12 out of 12 Sub-Objectives	9 Green; 3 Yellow
EUSDR	11 out of 11 Priority Areas	11 out of 11 Priority Areas	11 Green
EUSAIR	11 out of 11 Topics	11 out of 11 Topics	11 Green
EUSALP	5 out of 9 Actions	9 out of 9 Actions	5 Green; 4 Yellow

This observation does however not imply that the six objectives are not strategically relevant. It rather demonstrates that these objectives are less essential under the framework of Cohesion Policy; as Cohesion Policy pursues the objective to achieve a cohesive 'performance' throughout all regions of the EU (economic, social, and territorial). Accordingly, action should primarily focus on themes and geographies, where regions bear a risk of 'falling behind' the cohesive picture (as is a similar case with ESIF's Cohesion Fund). In other words, such a characterisation adds to the justifiability, but is not an essential condition for strategic action in a macro-regional context.

The added value of the macro-regional approach is in turn more relevant. As the review also shows, all objectives demonstrate in various forms that the macro-regional approach provides concrete added value.

One form is the approach towards challenges and opportunities that come about from the EU Single Market and Cohesion Policy itself. The EUSBSR and EUSDR each address the challenge of crime in a transnational context, which according to Kegö & Leijonmarck (2011) becomes, particularly in the transnational context, ever more relevant as a result of improved globalization; which are both enforced via the EU Single Market and Cohesion Policy.<sup>21</sup> The Strategies also utilise arising opportunities, such as the promotion of transnational clusters (PA 8 in EUSDR), or the contribution to the EU's Energy Union (Sub-objective 2.2 in EUSBSR, PA 2 in EUSDR, topic 2.3 in EUSAIR).

The potentially added value is also seen in addressing needs that naturally require a common approach of multiple regions, like climate change adaptation (Sub-objective 3.4 in EUSBSR, PA 5 in EUSDR, Action 8 in EUSALP), landscape fragmentation of the Alps (Action 7 in EUSALP), or the environmental

<sup>21</sup> Kegö, W. & Leijonmarck, E. (2011), Countering Cross-Border Crime in the Baltic Sea region, [http://isdpc.eu/content/uploads/images/stories/isdpc-main-pdf/2011\\_kego-leijonmarck\\_countering-cross-border-crime.pdf](http://isdpc.eu/content/uploads/images/stories/isdpc-main-pdf/2011_kego-leijonmarck_countering-cross-border-crime.pdf)

safeguarding of the Baltic or Adriatic/Ionian Sea (Sub-objectives 1.1-1.4 in EUSBSR, 1.3, 3.1.a/b, 3.2 in EUSAIR).

Added value is also seen by the fact that the Strategies utilise the common geographical feature that defines the macro-regions: Secure shipping in the Baltic Sea (sub-objective 1.3), waterway mobility on the Danube (PA 1), 'Blue Growth' (topics 1.1, 1.2) and environmental governance of the Adriatic Ionian Sea (topic 1.3), and ecosystem connectivity of the Alps (Action 7).

### 4.1.2 Achievements of the four strategies

Achievements of the four strategies

The achievements of the MRSs are numerous, but difficult to accumulate and synthesize. The achievements of the strategies is analysed through analysed PAs are summarized below by means of a number of key recent examples in sections 4.2-4.5.

This summary provides an overview of the findings across the four strategies. As the four strategies are at different stages of maturity and age, findings will be addressed together where relevant and otherwise separately for the two older strategies. Below is an overview of some of the most important survey findings in terms of 'content-wise' achievements. Table 4-2 shows the results of the survey in terms of results in the medium to longer term (3-5) years, which renders the findings most relevant to the EUSBSR and the EUSDR.

Table 4-2 Survey results (all MRSs): What are the results (medium/longer term, 3-5 years) of the cooperation in the policy/priority/thematic area?<sup>22</sup>

Colour codes	EUSAIR (82 respondents)	EUSALP (46 respondents)	Agree <sup>23</sup>		Disagree <sup>24</sup>		Do not know		Too early to say	
	EUSBSR (165 respondents)	EUSDR (91 respondents)								
There has been an increase in the technical capacity of actors	49%	27%	27%	22%	2%	4%	22%	48%		
	63%	68%	10%	21%	16%	8%	11%	3%		
New tools (technical excellence) have been developed in the area	39%	31%	34%	19%	2%	4%	24%	46%		
	57%	69%	12%	21%	15%	3%	15%	5%		
New or improved services/products/training have been developed	33%	26%	40%	20%	6%	11%	21%	43%		
	57%	59%	13%	31%	16%	4%	13%	5%		
Common standards have been developed in the area	30%	39%	44%	18%	5%	9%	21%	43%		
	40%	43%	28%	40%	20%	5%	12%	12%		
New funding concepts have been developed (e.g. private, International Financial Institutions)	32%	30%	42%	22%	7%	7%	20%	41%		
	38%	46%	33%	42%	18%	5%	10%	7%		
Increase in implementation of EU polices in the macro-region	41%	37%	34%	16%	7%	2%	17%	46%		
	63%	69%	11%	15%	13%	7%	12%	9%		

<sup>22</sup> Survey results per 14.09.17 (policy level).

<sup>23</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>24</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

The results have led to changes and improvements in national policy	33%	21%	40%	22%	2%	9%	16%	4%
	24%	38%	27%	48%	16%	4%	16%	10%

Results of the cooperation

The top results for both strategies are 'increase in capacity', 'new tools' and 'implementation of EU Policies': The scores for the EUSDR are somewhat higher than for the EUSBSR. The lowest score is given to 'the results have led to changes and improvements in national policy'. Again, the EUSBSR scores lower than the EUSDR, which may in part be explained by a large percentage of respondents who have chosen 'do not' know and 'too early to say'. The results indicate that achievement of the strategies are still at the cooperation and coordination level and that real impacts on national policy and standards will need to be seen in the future. The case studies point in this direction, emphasising that policy effects are mainly in PAs with and EU or an external policy framework (EU Directive or international standards/agreements).

For the EUSALP and the EUSAIR, the top scores are 'common strategy' and 'bringing stakeholders together' Table 4-3 – again the level of scores is higher in the EUSALP than in the EUSBSR, possibly reflecting that the EUSALP is building more on existing cooperation than the EUSAIR.

Table 4-3 Survey results (all MRSs): What is/was the progress in the initial years (the first 1-2 years) in your policy/priority/pillar/thematic area?<sup>25</sup>

Colour codes	EUSAIR (84 respondents)	EUSALP (46 respondents)	Agree <sup>26</sup>		Disagree <sup>27</sup>		Do not know	
	EUSBSR (170 respondents)	EUSDR (91 respondents)						
Increase in capacity for cooperation transnational networks			72%	71%	26%	29%	2%	0%
			74%	69%	9%	19%	17%	11%
Developed common strategy/work plan/road map with common sub-objectives			68%	85%	30%	16%	2%	0%
			69%	71%	13%	17%	18%	11%
Developed tools for cooperation (websites, platforms, labels)			51%	70%	43%	31%	6%	0%
			66%	77%	17%	12%	16%	11%
Bringing stakeholder of the macro-region together through activities			63%	78%	32%	22%	5%	0%
			78%	83%	7%	7%	14%	9%
Rules, procedures, and processes for the cooperation are developed and functioning			55%	59%	39%	42%	6%	0%
			54%	65%	28%	25%	18%	10%

Added value

Also when it comes to added value of the MRSs, the four strategies overall show a high level of agreement. The top score for all are 'bringing together actors' across sectors and across countries. This is followed by 'bringing together actors

<sup>25</sup> Survey results per 14.09.17 (policy level)

<sup>26</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>27</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

across sectors levels' for the two mature strategies, and for the EUSALP and the EUSAIR 'facilitation of synergies between policies' is ranked third. There is little doubt that a key achievement of the four MRSs is that they have brought together stakeholders across countries, sectors and levels. The two first groups are in particular brought together in the early life of an MRS whereas the multilevel governance occurs at a later stage. This was a prominent finding from the analysis and also confirmed by the interviewees. The importance of multi-level cooperation is emphasized in both the EUSBSR and EUSDR case studies, especially in sectors such as transport and innovation/competitiveness. The two area receiving the lowest score is 'facilitating access to funding'. For three of the four strategies, the lowest score is given to this statement. Only the EUSBSR scores 'cooperation with third countries' lower. This is because the EUSBSR was developed as a Member State strategy.

Table 4-4 All MRS: What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>28</sup>

Colour codes	EUSAIR (85 respondents)	EUSALP (46 respondents)	Agree <sup>29</sup>		Disagree <sup>30</sup>		Do not know	
	EUSBSR (171 respondents)	EUSDR (93 respondents)						
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)			91%	98%	6%	2%	4%	0%
			85%	88%	10%	12%	6%	1%
The MRS process brings together actors across countries			88%	98%	8%	2%	4%	0%
			93%	94%	4%	4%	4%	1%
The MRS process brings together actors across levels (national/regional) and type (public/private)			87%	82%	8%	17%	5%	0%
			81%	85%	14%	12%	5%	3%
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)			39%	60%	55%	29%	6%	11%
			67%	64%	25%	36%	8%	1%
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges			74%	76%	21%	17%	5%	7%
			77%	79%	16%	20%	6%	0%
The MRS process facilitates/deepens cooperation with third countries			73%	70%	22%	24%	6%	7%
			52%	77%	35%	16%	12%	6%
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level			87%	85%	8%	13%	5%	2%
			76%	78%	18%	20%	6%	1%

### 4.1.3 Review of objectives vs. achievements

Review of objectives vs. achievements

This section provides an analysis of the objectives (from the action plan), targets, achievements (progress reports), and indicators (where available) of the PAs analysed for the MRSs. For each PA, the progress towards targets and

<sup>28</sup> Survey data per 14.09.17 (policy level).

<sup>29</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>30</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

objectives is tracked through the identification of examples of achievements and the progress registered in the progress reports and entered into a logframe (prepared by the study team). All logframes in the four strategies show a link between the activities, outputs, results and targets. It is noted that targets are at very different levels and not always supported by measurable indicators. Progress is reported in progress reports of different extent and level of detail. Only some of them measure progress on specific indicators across the four strategies. It thus difficult to measure progress on objectives.

Table 4-5 Analysis of progress towards targets for all four strategies

MRSs	Results setting	Logframe	Progress activities	Progress	Indicators
<b>EUSBSR</b>	broadly formulated, targets and indicators set at different levels (limited or no monitoring and reporting on indicators)	illustrate a 'link' between the activities/outputs and the targets (impacts, results, outputs)	Progress reported in progress report – no milestone used and indicators only used for some PAs	The assessment of progress against indicators on targets (from Task 1/2a) show mixed progress	Overall positive and negative developments. PA Education (number of foreign students) has strongest improvements
<b>EUSDR</b>	Results, targets and indicators set at different levels; generic monitoring on indicators	The logframes illustrate a 'link' between the activities/outputs and the targets (impacts, results, outputs)	Almost all PAs report satisfactory progress (measured on milestones)	The assessment of progress against indicators on targets (from Task 1/2a) show good progress	Overall positive and negative developments. Impact indicators are influenced by a number of outside factors
<b>EUSAIR</b>	Targets and indicators set at different levels (result and impact)	Logframe illustrates a 'link' between the activities/outputs – some targets not directly linked to current activities (e.g. hotel standards)	Reports do not measure progress yet	No recording of progress against indicators yet (due to maturity)	Indicators/benchmarks (e.g. tourist arrivals) show very different levels in the regions (high performers and low performers), and on average below EU
<b>EUSALP</b>	Targets and indicators set at different levels (result and impact)	Logframe illustrates a 'link' between the activities/outputs – some targets not directly linked to current activities	Reports do not measure progress yet	No recording of progress against indicators yet (due to maturity)	AG6 Indicator/benchmark (eco-innovations scoreboard) high performers and medium performers;

Progress against indicators

Across the two mature strategies, the analysis of the OVI shows favourable and unfavourable developments among the PAs. Given that an OVI measures an impact and that this impact is determined by external factors as well, an exclusive cause and effect relationship between the PAs and OVIs should be avoided. In the EUSBSR, only PA Education demonstrates a clearly positive development when measured by students from abroad, while PA Safe has a strong increase in the number of shipping accidents per 1,000 crossings (an increase by 36%). The remaining three PAs are characterised by mixed or little developments. In the EUSDR, only a subset of indicators under each PA shows positive developments, while other subsets show unfavourable developments. One example is that although the "Logistics Performance" improved under PA1A (Waterways Mobility), the actual cargo transport on the Danube River decreased.

The young age of the EUSAIR and the EUSALP leads to a situation where it is too early to record progress and where the documentation framework in both Strategies are still under development. Consequently, no objectively verifiable achievements can be reported, but the development of relevant processes that can contribute to positive impacts has been observed.

#### 4.1.4 ESIF funding of MRS

##### ESIF funding of MRS

Funding of the EUSBSR is a concern to many of the stakeholders in the four MRSs. A relatively high percentage of the survey participants agrees that it is difficult to find/obtain funding for both the specific project and activities and for the administration and coordination of the strategy. The survey respondents furthermore find that the competition in EU programmes is very high as shown in Table 4-6. Although the added value of the strategy itself is regarded as high as shown above in section 4.1.2, the added value of being part of the MRS when it comes to finding funding receives a very low score in all four MRSs (only 33% of respondents agree in the EUSBSR and the EUSALP).

Table 4-6 Survey results - financing available for collaboration within the policy/priority/pillar/thematic area?<sup>31</sup>

Colour codes	EUSAIR (82 respondents)	EUSALP (45 respondents)	Agree <sup>32</sup>		Disagree <sup>33</sup>		Do not know	
	EUSBSR (161 respondents)	EUSDR (90 respondents)						
It is difficult to find financing for the projects/activities			80%	78 %	16%	16%	4%	7 %
			58%	81%	30%	17%	12%	2%
Funding for the administration and the coordination is not available or difficult to find			77%	80%	21%	18%	2%	2%
			52%	77%	37%	19%	11%	4%
The competition for funding is very high in EU Programmes (Horizon 2020, LIFE, etc.)			78%	84%	13%	4%	10%	11%
			74%	89%	11%	1%	14%	10%
There is an increase in alignment between the macro-regional strategy and ESIF funding – it is easier to get ESIF funding			50%	28%	34%	29%	16%	42%
			45%	41%	18%	37%	37%	21%
There is no added value being part of a MRS when applying for EU funding (labelling does not make a difference)			57%	33%	36%	49%	7%	18%
			33%	59%	49%	28%	18%	12%

##### Alignment with ESIF

A key point of investigation of this study is the relationship between and alignment of the four MRSs and the ESIF. The survey shows that this alignment scores very low (Table 4-6). The analysis finds that, in all four strategies, the link to the ESIF funds is weak if not absent. Even in the two mature strategies EUSBSR and EUSDR, the cooperation between the MRS and the Managing Authorities (MAs) of the ESIF programme is in its very early days.

<sup>31</sup> Survey data 14.08.17 (policy level).

<sup>32</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>33</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

The ESIF are very nationally oriented; few countries have committed to allocating funds to transnational cooperation and even fewer are actively funding transnational cooperation. An alignment of ERDF funding for national infrastructure projects is however seen in the EUSDR. ESF and ERDF funded activities have also been observed in the EUSBSR. Interviewed stakeholders indicate that the final alignment is not operationalised and that this will be difficult considering that the mind-set of the MAs is very nationally oriented and would have to be redirected to focus more on opening up to transitional cooperation. Interestingly, many ESIF operational programmes report that they are aligned with the priorities of the MRS. There is, however, broad agreement among MRS stakeholders that this is a very formal alignment.

Table 4-7 Alignment and funding of the four MRSs

	Alignment of ESIF	Interreg	ESIF	EU Programmes	Other financing
<b>EUSBSR</b>	45%	Key support is the Interreg Baltic Sea Region Programme and the various CBC programmes in the Baltic Sea Region	PAs working directly with ESIF (non-Interreg) are: PA Education and PA Innovation. Other PAs express wish for closer alignment.	EU Programmes (Horizon, (BONUS), (LIFE), Erasmus+) are also active in supporting projects.	Yes (especially Sweden and Finland)
<b>EUSDR</b>	41%	Key support is the Danube Transnational Programme (Interreg) and some CBC programmes (not mentioned frequent)	Examples of ESIF (ERDF) funding of national activities	EU Programmes (Horizon, LIFE, Erasmus+) are also active in supporting projects	Yes (especially Austria)
<b>EUSAIR</b>	50%	Interreg ADRION and the CBC Programme are key sources – but concerns that the EUSAIR projects have little priority	EUSAIR projects have little priority Alignment with ESIF reported by MAs – stakeholders in Pillar 4 did not perceive this yet	Competition for EU Programmes considered high and prohibitive (no expertise and capacity)	Not reported
<b>EUSALP</b>	28%	Interreg Alpine Space Programme and the CBC programme are key sources	Limited Alignment with ESIF reported by MAs (EUSALP only approved in 2015)	Stakeholders in AG6 have no reflection on EU Programmes	Yes (regional funding, CH)

## 4.2 Review of the EUSBSR

Review of the EUSBSR objectives

Task 2a reviews the objectives in the action plan of each Strategy. This is done by examining the strategical relevance of each objective in the macro-regional context. In other words, this task scrutinises whether a given objective (1) corresponds to an identified need or opportunity for intervention, and (2) whether the macro-regional approach provides a concrete benefit. The need or opportunity for intervention is primarily identified through a pre-defined set of indicators that have been developed and are reported on in the Task 1 report,



and the macro-regional relevance is established through expert knowledge and external literature.<sup>34</sup>

*Text Box 4-1 Definition of macro-regional relevance*

A sub-objective shows 'macro-regional relevance', when the analysis identifies a possible advantages or benefits in the macro-regional context. These benefits can take various forms such as synergies, opportunities to learn from others, common problems that require common solutions, or challenges and opportunities related to territorial cohesion and the EU Single Market.

The assessment of macro-regional relevance has been tested with experts in the macro-region.

The review demonstrates that the majority of the objectives chosen for scrutiny corresponds to an observed need or opportunity and are also of macro-regional relevance (see Table 4-8). The objectives of the EUSBSR individually address common problems that require common solutions (esp. Sub-Objectives 1.1, 1.2, 1.3); they address issues that are not affected by national borders (esp. Sub-Objective 3.4) and new opportunities arising from the European Single Market (esp. Sub-Objectives 3.3) as well as the opportunities arising from increased territorial cohesion (esp. Sub-Objectives 1.4, 2.1 - 2.4, 3.2).

The assessment shows that only three of the twelve investigated objectives do *not* demonstrate a need for common action according to the chosen indicators: Sub-Objectives '2.3 Connecting people', '2.4 Fighting cross-border crime', and '3.1 Frontrunner on the Single Market'.<sup>35</sup> These sub-objectives turn out nevertheless to be strategically relevant in the macro-regional context.

The results from the survey support the assessment that the EUSBSR action plan overall addresses the relevant needs of the macro-region, which are also well-suited for regional cooperation.

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<sup>34</sup> Data and Analytical Report EUSBSR/EUSDR/EUSAIR/EUSALP

<sup>35</sup> The chosen indicators for the underlying Sub-Objectives are as follows. 2.3 'Connecting people': Aggregated number of projects under transnational Interreg IV-B programmes. 2.4 'Fighting cross-border crime': i) Number of identified Human trafficking victims in 2014, and ii) Number of drug seizures in 2010-2012

Table 4-8 Summarised review of the EUSBSR's objectives

Objective	Theme of intervention	SWOT	Traffic Light
1.1 Clear water in the sea	Environmental Sea Status	Weakness	Corresponds to need + Macro-regionally relevant
1.2 Rich and healthy wildlife	Biodiversity	Threat	Corresponds to need + Macro-regionally relevant
1.3 Clean and safe shipping	Sustainable shipping	Threat	Corresponds to need + Macro-regionally relevant
1.4 Better Cooperation	Maritime Cooperation & Coordination	Weakness	Corresponds to need + Macro-regionally relevant
2.1 Good transport conditions	Infrastructure Quality	Opportunity	Corresponds to need + Macro-regionally relevant
2.2 Reliable energy markets	Energy	Weakness	Corresponds to need + Macro-regionally relevant
2.3 Connecting people	Transnational Cooperation	Strength	Macro-regionally relevant
2.4 Fighting cross-border crime	Crime	Threat	Macro-regionally relevant
3.1 Frontrunner for deepening and fulfilling the single market	Single Market	Opportunity	Macro-regionally relevant
3.2 EU2020 implementation	EU2020	Opportunity	Corresponds to need + Macro-regionally relevant
3.3 Improved global competitiveness	Competitiveness	Strength	Corresponds to need + Macro-regionally relevant
3.4 Climate change adaptation, risk prevention and management	Potential Climate Change Vulnerability	Threat	Corresponds to need + Macro-regionally relevant

#### Achievements of the EUSBSR

The achievements of the EUSBSR are plentiful. This review concentrates on identifying the key content achievements and process achievements in recent years in five selected case policy areas. The five policy areas are: PA Education, PA Innovation, PA Nutri, PA Safe and PA Transport. The achievements are identified on the basis of specific primary data collected as part of this review: A EUSBSR-wide survey (henceforth: the survey) and interviews with stakeholders in the five policy areas. Furthermore, the identification is informed by the consultation of progress reports in the selected policy areas.

A key added value in the investigated policy areas of the macro-region is that the strategy brings together new actors across sectors, countries and levels. This is a clear conclusion from the interviews and it is also demonstrated in the survey results in Table 4-9 below.

Table 4-9 Survey results (EUSBSR): What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>36</sup>

Percentage distribution of answers/ Sub-question	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Do not know	Respondents
Continuing on from previous cooperation and building on existing transnational networks <sup>37</sup>	45%	46%	3%	1%	5%	182
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)	39%	46%	8%	2%	6%	171
The MRS process brings together actors across countries	61%	32%	3%	1%	4%	171
The MRS process brings together actors across levels (national/regional) and type (public/private)	32%	49%	12%	2%	5%	171
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)	13%	54%	20%	5%	8%	171
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges	26%	51%	15%	1%	6%	171
The MRS process facilitates/deepens cooperation with third countries	8%	44%	28%	7%	12%	171
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level	26%	50%	16%	2%	6%	171
Total						n/a

#### Achievements

A key part of the MRS study has been to assess the content and process achievements of the EUSBSR in five selected policy areas. In the following these achievements have been grouped into categories of achievements. Thereby it is possible to observe similarities and differences between areas. The key categories are shown below **in bold**. For each category, the policy areas where the achievement in question is observed is indicated. Furthermore, the overall survey score for the category in question is included for reference. The indicated percentage shows the share of respondents who somewhat or fully agree. For concrete examples of the achievements the main text must be consulted.

#### Content achievements

The content achievements concern the actual types of results and ultimately the impacts that the activities/projects of the policy areas will deliver. The results and the impacts are very different from one policy area to another. The content achievements increase over time as cooperation and coordination develop. Stakeholders point to the fact that content achievements are very dependent on trust developing and experience with the cooperation being gained before a policy area begins to perform.

<sup>36</sup> Survey data per 14.09.17 (policy level). Note that this table does not provide totals, as it integrates questions from different parts of the survey.

<sup>37</sup> From question: What are the drivers for collaboration within your area/topic?

Table 4-10 Summary of content achievements for EUSBSR (selected policy areas)<sup>38</sup>

Types of achievements	Survey %	PA Education	PA Innovation	PA Nutri	PA Safe	PA Transport
More policy dialogue across countries Increase development of common/joint policy in macro-region	76	H	M	M	H	H
Increase in mobilization of finance for projects	38	H	M	H	H	M
Increase in (joint) generation of ideas for specific projects/activities/actions	74	H	H	H	M	M
Increased cooperation on major issues in the macro-region	88	H	M	H	H	M
Increase in implementation of (regional/EU) policies in the macro-region	64	H	M/H	H	H	M

The review finds that content achievements depend on key parameters. Table 4-10 shows the survey results and a summary of the findings. The findings are summarised below.

- > Increase in **policy dialogue** and implementation of joint/common policy (MSR survey score: 76%). Key achievements were in particular found in PA Transport, PA Education and PA Innovation. Policy dialogue is developing within the framework of EU policies such as TEN-T and SMART specialisation. Policy level actors, who primarily are used to orient themselves nationally, have increased their capacity to operate on a transnationally. The analysis found that improving the policy dialogue requires time and trust among actors.
- > Increase in **mobilisation of finance** (MRS survey score: 38%) The most significant achievements were found in PA Education, PA Nutri and PA Safe. However, this is where least progress is observed and where most of the PA's report lack of development. Generally, stakeholders do not find that the necessary long term, flexible financing has been made available to support the work in the policy areas, especially financing of cooperation and coordination activities (running the PA, etc.)
- > Joint development of **projects and generation of ideas** (MRS score: 74%). Specific achievements were found in PA Education, PA Innovation and PA Nutri. The cooperation has resulted in an increase in the capacity to develop cooperation projects/activities jointly and through strategic or framework processes. Different policy areas approach the idea generation differently. Some PA's focus on developing platforms which in turn will be the basis for developing specific project and actions. Other PA's have developed a strategy as a key tool (PA Nutri and PA Innovation) for cooperation and development of joint activities.
- > Increase in cooperation on **major issues** (MRS score: 88%). Key achievements were found in PA Education, PA Nutri and PA Safe. The

<sup>38</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

cooperation with the PA's is moving towards more important needs and is now addressing the major issues in the region. Key problems such as nutrients are being addressed by PA Nutri, and PA Safe has made progress on rescue operation. As noted above under policy dialogue, these developments take time and need cooperation with other actors in the region. The relatively high score for EUSBSR in the survey indicates that the EUSBSR has higher level of cooperation.

- > Implementation of **EU policy** (MRS Score: 64%). Achievements were in particular found in PA Innovation, PA Transport and PA Nutri. Progress in implementation of common policy is particularly visible in areas with a specific EU Policy which can provide a common framework for the cooperation such as PA Innovation (SMART Specialisation), PA Transport (TEN-T) and PA Nutri (WFD, MSFD). International regulation such as that of the maritime transport serves a similar purpose. The PA's can thus function as implementation coordinators for the policy framework.

Process-achievements

The second type of results identified for the five policy areas is the process achievements. Normally, these achievements are already traceable in the early years of the life of a policy area. However, many policy areas continue to improve processes over time. This is very much the case of the EUSBSR, and it is partly because new opportunities and challenges demand changes in operations and partly because there is a demand for and an effort to perform better as a policy area develops. It should also be noted that several of the policy areas of the EUSBSR have undergone changes over the years, e.g. PA Innovation is a merger of three other policy areas and only recently began operating in its current setup.

Table 4-11 Summary of process achievements for EUSBSR (analysed policy areas)<sup>39</sup>

Types of achievements	Survey %	PA Education	PA Innovation	PA Nutri	PA Safe	PA Transport
The MRS-process brings together (new) actors across sectors (cross sectoral cooperation)	85					
The MRS –process brings together actors across countries (all countries in the MRS)	93	H	M	M	H	H
The MRS-process brings together actors across levels (national/regional) and type (public/private)	81	H	M	H	H	M
Cooperation with relevant EU Commission Services	-	H	H	H	M	M
Increase in cooperation with third-countries (in and outside the MRS)	52	H	M	H	H	M

- > Bringing together **new actors** in all PA's – **across sectors** and **across countries** (MRS score 85% and 93%). The main achievers are the policy areas PA Safe, PA Education and PA Transport. Generally, all analysed policy areas find that the EUSBSR has made it possible to include new actors and especially to increase cross-sectoral cooperation. The PA's

<sup>39</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

provide a platform for cooperation (through flagships and events) which did not exist earlier. The platforms make it possible for different actors to meet and to include organisations which were not involved before.

- > Supporting **multilevel governance** (MRS Score 81%). Key efforts are made in PA Innovation, PA Education, PA Nutri. This aspect of the cooperation is possibly the most important, judging from assessment of the interviewed stakeholders. The involvement of various levels of government extending cooperation to regions (PA Innovation) and municipalities (PA Transport) has been a very important addition to the existing cooperation. The progress approach of PA Innovation, PA Transport and PA Education also allows more private sector participation.
- > Increase in cooperation with relevant **EU Commission Services**. PA's with EU Acquis such PA Nutri and PA Transport are generally closer to the EU Services. The involvement of the EU COM Services is part of the extended cooperation. This has particular relevance for topics with an EU Policy as a framework for the cooperation. Moreover, in PA Transport the cooperation with the TEN-T coordinator has been an important development for the PA and has provided the link to EU policy implementation. Although PA Nutri focuses on the implementation of several EU directives, a strong link to DG ENV still has to be established.
- > Increase in cooperation with **third countries** (MRS Score 52%). PA's with 'natural' linkages outside the macro-region such as PA Transport and PA Safe place more emphasis here which is due to the cooperation with third-countries in necessary for developing maritime safety. However, cooperation with third countries is relatively limited and underlines the fact that the EUSBSR is a MS strategy (especially when compared with the other strategies).

#### Comparison of the achievements with the objectives

The analysis has compared the achievements with the objectives. The objectives, targets, achievements and indicators (where available) of the five selected policy areas were analysed. Indicators are not, however, used to any great extent to monitor progress (except in PA Innovation and PA Safe), and results of individual projects are not collected in a structured manner (and are not included in the progress reports). Currently work is on-going to establish a monitoring system with indicators for the PA's<sup>40</sup>. The key findings of this comparative analysis are summarized below:

- > Results are broadly formulated and targets and indicators are set at different levels (limited or no monitoring and reporting on indicators)

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<sup>40</sup> Moreover, the European Grouping on Territorial Cooperation ESPON intends to develop a tailor-made monitoring system for each of the four macro-regions (<https://www.espon.eu/call-tenders-european-and-macro-regional-territorial-monitoring-tool>)

- > The logframes illustrate a 'link' between the activities/outputs and the targets (impacts, results, outputs)
- > The assessment of progress against indicators on targets (from Task 1/2a) show mixed progress
- > Note that impact indicators are influenced by external factors.

**PA Education.** The output and results (achievements) are found to contribute to the overall objective and the targets. They do so by strengthening the framework for educational activities and cooperation. Establishing platforms for multi-level governance has been key here, as these provide a communication tool for policy discussions, initiating new projects and building partnerships. PA Education has set four targets (progress on these is not monitored in the reports), of which two can be verified via external indicators – the progress on both of them is positive. The composite 'Share of mobile students from abroad' of the 'Labour Integration Index' shows that the countries in 2015 hosted on average a slightly higher share of students from abroad and within the Baltic Sea Region than the EU median. Furthermore, the number of mobile students from abroad has increased by 19% between 2013 and 2015.

**PA Innovation.** A key tool of the policy area is the six developed flagships. The flagships function as mini-policy areas for specific sub-topics. It is the conclusion that the activities and outputs/results contribute to targets set for PA Innovation. Although the PA's strategy foresees to track the inputs of flagships and projects, the PA's progress reports do not yet describe progress on the chosen indicators. Using the 'Regional Innovation Scoreboard' as an externally verifiable indicator for PA Innovation, it is seen that the innovation score has stagnated between 2008 and 2016. Nine regions improved their innovation performance, but seven regions show a decreased score in the BSR.

**PA Nutri.** PA Nutri targets are set in HELCOM<sup>41</sup> and MSFD, and the activities for PA Nutri are designed to support these activities. Overall, the PA has 10 on-going and 4 finalised flagships with tangible content and results, such as tools to prevent nutrient loss from farming. The progress measured by the indicators for nitrogen and phosphorus reduction cannot be clearly attributed to PA Nutri. However, it is thought that the activities of PA Nutri will contribute to progress on the targets. No significant change in the reduction trend of nitrogen and phosphorus can be identified when compared to the pre 2008 reduction. In terms of the target to achieve good environmental status, the majority of waterbodies is still below the desirable status.

**PA Safe.** PA Safe has one target traced through a relevant indicator: number of accident in the Baltic Sea per 1,000 ship crossings (see progress report Table 2 33). New indicators are currently under development. Despite the production of

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<sup>41</sup> The implementation of the Helsinki Convention (EU is Contracting Party to the Convention) is part of the EU Acquis and thus the Convention and the EUSBSR have similar geographical scope.

several outputs and results, such as technologies for accident prevention, the number of accidents per 1,000 ship crossings has increased between 2008 and 2013 by a rather dramatic degree of 36%. The macro-region is thus moving away from its set target. It should be noted that a number of factors influence the number and it is difficult to discern the reasons for the increase in the number of accidents.

**PA Transport.** PA Transport focuses on initiating networks, setting up communication and preparing projects and communication. The work in PA Transport seem to progress especially through the flagships, all of which address important aspects of the objectives. A key focus of PA Transport is to build up the cooperation with TEN-T corridors, and the cooperation with relevant EU Commission bodies (e.g. TEN-T core network corridor forums) has increased recently. The progress reports do not yet report on the progress towards targets. The external indicators for the TEN-T corridor have barely moved forward between 2013 and 2014 and are below the EU median completion level for road and conventional rail. The external indicators furthermore show that multimodal accessibility has decreased relative to the benchmark between 2011 and 2014. The macro-region has thus made little progress.

ESIF and the  
EUSBSR

The use of ESIF programmes for funding projects and activities in the policy areas vary considerably from one area to the other. Interviewed stakeholders find that national ESIF programmes have formally been aligned, so that the potential for funding exists in the programmes themselves. However, they also find that little real alignment has taken place yet. This may partly be due to the newness of the possibility of financing (alignment) and partly due to the fact that some policy areas are not directly relevant for the ESIF, but more aligned with EU Programmes such as Horizon and LIFE. MAs in several ESIF programmes surveyed by DG REGIO explained that the operational programmes support the EUSBSR. Thus, policy and activities may be supported by the ESIF OP with explicit involvement.

The key funding sources in the EUSBSR are currently:

- > Interreg Baltic Sea Region Programme and the various CBC programmes in the Baltic Sea Region
- > EU Programmes (Horizon, BONUS, LIFE, Erasmus+) are also active in supporting projects
- > The European Regional Development Fund (ERDF) and European Social Fund (ESF) are relatively new to funding the cooperation under the EUSBSR. The PA's working directly with ESIF (non-Interreg) are PA Education and PA Innovation. Other PA's express wish for closer alignment.

### 4.3 Review of the EUSDR

Review of the  
EUSDR objectives

Task 2a reviews the objectives in the action plan of each Strategy. This is done by examining the strategical relevance of each objective in the macro-region



context. In other words, this task scrutinises whether a given objective (1) corresponds to an identified need or opportunity for intervention, and (2) whether the macro-regional approach provides a concrete benefit. The need or opportunity for intervention is primarily identified through a pre-defined set of indicators which have been developed and are reported on in the Task 1 report, and the macro-regional relevance is established through expert knowledge and external literature.<sup>42</sup>

*Text Box 4-2 Definition of macro-regional relevance*

A sub-objective shows 'macro-regional relevance', when the analysis identifies a possible advantages or benefits in the macro-regional context. These benefits can take various forms such as synergies, opportunities to learn from others, common problems that require common solutions, or challenges and opportunities related to territorial cohesion and the EU Single Market.

The assessment of macro-regional relevance has been tested with experts in the macro-region.

The review shows that all Priority Areas correspond to existing needs in the macro-region and are of macro-regional relevance. The macro-regional relevance is demonstrated by addressing issues that are not influenced by national borders, but affect the whole macro-region (especially PA's 4-6), by establishing a larger geographical framework to optimise and improve the utilisation of economic resources (e.g. human or RDI resources, especially PA's 7-9) or by capitalising on the new opportunities and addressing the new challenges that are created by the European Single Market (especially PA's 1-3, 10-11).

The strongest evidence for a need for or opportunity of action has been identified based on unfavourable indicator values of the (potential) candidate, neighbouring countries and new Member States. For those Priority Areas where data was available for the (potential) candidate and/or neighbouring countries, i.e. Priority Areas 1, 2, 3, 6, and 10, the chosen indicators generally showed performances below the lowest performing country in the EU.<sup>43</sup>

The review identified one Priority Area with a less prominent macro-regional relevance: Priority Area 8 (Competitiveness of Enterprises), as competitiveness is overall an EU-wide issue. However, the EUSDR's composition with some of Europe's least competitive regions (particularly candidate and potential candidate countries) as members requires a more specific tailoring of the interventions to the Danube region's specific needs.

The survey shows that the majority of the respondents at least somewhat agree that the action plan addresses present and future needs and opportunities. The

<sup>42</sup> Data and Analytical Report EUSBSR/EUSDR/EUSAIR/EUSALP

<sup>43</sup> The specific indicators are as follows. PA1: 'Logistics Performance Index', 'Accessibility Potential'; PA2: Partially on 'Energy Integration'; PA3: 'Arrivals at tourism accommodation establishments'; PA6: '% of territory as designated area' and 'Quality of public institutions'

identified needs and opportunities are, from a geographical perspective, accordingly also relevant for regional cooperation; one fifth of the respondents, however, disagree.

Table 4-12: Summarised review of the EUSDR's priority areas

Priority Area	Theme of intervention	SWOT	Traffic Light
A.1 Improve Mobility and Multimodality	Transport infrastructure	Weakness	Corresponds to need + Macro-regionally relevant
A.2 Encourage more Sustainable Energy	Energy	Weakness	Corresponds to need + Macro-regionally relevant
A.3 Promote Culture and Tourism, People to People Contacts	Culture and Tourism	Weakness	Corresponds to need + Macro-regionally relevant
B.4 Restore and Maintain the quality of waters	Environmental Status of Inland Waterbodies	Weakness	Corresponds to need + Macro-regionally relevant
B.5 Manage Environmental Risks	Climate Change Adaptation & Environmental Risks	Threat	Corresponds to need + Macro-regionally relevant
B.6 Preserve Biodiversity, Landscapes, and the Quality of Air and Soils	Human Environmental Impact	Weakness	Corresponds to need + Macro-regionally relevant
C.7 Develop the Knowledge Society through Research, Education, and Information Technologies	Knowledge Society	Weakness	Corresponds to need + Macro-regionally relevant
C.8 Support the Competitiveness of Enterprises, including Cluster Development	Competitiveness	Weakness	Corresponds to need + Macro-regionally relevant
C.9 Invest in People and Skills	Human Capital	Weakness	Corresponds to need + Macro-regionally relevant
D.10 Step up Institutional Capacity and Cooperation	Institutional Capacity & Cooperation	Weakness	Corresponds to need + Macro-regionally relevant
D.11 Work together to Promote Security and Tackle Organised and Serious Crime	Crime	Weakness	Corresponds to need + Macro-regionally relevant

#### Achievements of the EUSDR

The achievements of the EUSDR are numerous. This review concentrates on identifying the key content achievements and process achievements in recent years in five selected priority areas, PA1A Waterways mobility, PA4 Water Quality, PA7 Knowledge society, PA8 People and Skills and PA11 Security. The achievements are identified on the basis of specific primary data collected as part of this review: a EUSDR-wide survey (henceforth: the survey) and interviews with stakeholders in the five priority areas. Furthermore, the identification of achievements is informed by the consultation of progress reports in the selected priority areas.

A key added value in the investigated priority areas of the macro-region is that the strategy brings together new actors across sectors, countries and levels. This is a clear conclusion from the interviews and it is also demonstrated in the survey results. It is noticeable that also legitimacy and cooperation with third countries are very strong in the EUSDR.

Table 4-13 Survey results (EUSDR): What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>44</sup>

Percentage distribution of answers/ Sub-question	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Do not know	Respondents
Continuing on from previous cooperation and building on existing transnational networks <sup>45</sup>	45%	47%	3%	4%	1%	96
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)	51%	37%	10%	2%	1%	93
The MRS process brings together actors across countries	63%	31%	4%	0%	1%	93
The MRS process brings together actors across levels (national/regional) and type (public/private)	47%	38%	10%	2%	3%	93
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)	13%	51%	26%	10%	1%	93
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges	30%	49%	15%	5%	0%	93
The MRS process facilitates/deepens cooperation with third countries	32%	45%	10%	6%	6%	93
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level	31%	47%	16%	4%	1%	93
Total						n/a

## Achievements

A key part of the MRS study has been to assess the content and process achievements of the EUSDR in five selected priority areas. In the following, these achievements have been grouped into categories of achievements. Thereby it is possible to observe similarities and differences between areas. The key categories are shown below **in bold**. For each category, the priority areas where the achievement in question is observed is indicated below. Furthermore, the overall survey score for the category in question is included for reference. The indicated percentage shows the share of respondents who somewhat or fully agree. For concrete examples of the achievements the main text must be consulted.

## Content achievements

The content achievements concern the actual types of results and, ultimately, the impacts that the activities/projects of the priority areas will have. The results and the impacts differ significantly from one priority area to another. For all priority areas, content-related achievements in terms of increases in policy dialogue, mobilisation of financing, joint generation of ideas and projects, cooperation on major issues in the macro-region and implementation of EU policies are found. However, it is noteworthy that in many cases, survey respondents only 'somewhat agree', and while interviewees see progress, they also see room for improvement.

<sup>44</sup> Survey data per 14.09.17 (policy level). Note that this table does not provide totals, as it integrates questions from different parts of the survey.

<sup>45</sup> From question: What are the drivers for collaboration within your area/topic?

Table 4-14 Summary of content achievements for EUSDR (selected priority areas)<sup>46</sup>

Types of achievements	Survey %	PA1A Waterways mobility	PA4 Water quality	PA 7 Knowledge society	PA 9 People & skills	PA 11 Security
More policy dialogue across countries Increase development of common/joint policy in macro-region	78	H	H	M	M	H
Increase in mobilization of finance for projects	46	H	M	H	M	H
Increase in (joint) generation of ideas for specific projects/activities/actions	69	H	M	M	M	H
Increased cooperation on major issues in the macro-region	89	H	M	M	M	H
Increase in implementation of (regional/EU) policies in the macro-region	72	H	H	M	H	M

The review finds that content achievements depend on key parameters. Table 4-14 shows the survey results and an overview of the findings. The findings are summarised below:

- > Increase in **Policy dialogue** and implementation of joint/common policy (MSR survey score: 78%). Significant achievements were found in the priority areas PA1A Waterways mobility, PA4 Water quality, and PA11 Security. In PA1A, this can be exemplified by a concrete output in terms of the issuance of three ministerial declarations, for example concerning fairway rehabilitation and maintenance. The increased levels of policy dialogue in general, recorded for several, but not all PA's, show that the PA's are not necessary at the same level of development. For some PA's it will take more time to develop a policy dialogue.
- > Increase in **mobilisation of finance** (MRS survey score: 46%). The achievements in this area by far are the least positive for the EUSDR. The best achievements were found in PA1A Waterways mobility, PA7 Knowledge society and PA11 Security. In general, the interviewed stakeholders indicate improving levels of mobilisation of funding. The positive result with respect to finding funding are connected to skilful PA management (PA1A) and to the availability of dedicated funds such as the CEF.
- > Joint development of **projects and generation of ideas** (MRS score: 69%). Specific achievements were found in PA1A Waterways mobility and PA11 Security. Networks and other supporting initiatives have been established to support the development of joint project ideas in some of the PA's (PA1A and PA11). It indicates that a framework for the development is necessary – a roads map or a strategy are important tools for directing the work of a PA and support the development and generation of project ideas. However, lack of financing will still be a key issue.
- > Increase in cooperation on **major issues** (MRS score: 89%). Important achievements here were found in PA11 Security and, according to

<sup>46</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

interviewees, especially PA1A Waterways mobility. Although interviewed stakeholders of PA9 and PA7 were more hesitant about whether the MSR work addressed major issues within their respective priority areas, they still indicated that overall cooperation on major issues was promoted through the EUSDR.

- > Implementation of **EU policy** (MRS score 72%). Key achievements were found in the priority areas PA1A Waterways mobility, PA4 Water quality, and PA11 Security, related especially to the harmonised implementation of River Information Services, based on Directive 2005/44/EC. PA7 and PA9, on the other hand, did not observe an effect of MRS work on EU policy implementation, most likely due to less EU acquis in these priority areas. The importance of an EU Policy framework is seen in the overall cooperation, and policy dialogue often depends on the existence of policy framework.

Process achievements

The second type of results identified for the five priority areas are the process achievements. Normally, these achievements are already traceable in the early years of the life of a priority area. However, many priority areas continue to improve processes over time. Partly because new opportunities and challenges demand changes in operations, partly because there is a demand for and endeavours to perform better as a priority area develops.

Table 4-15 Summary of process achievements for EUSDR (analysed priority areas)<sup>47</sup>

Types of achievements	Survey %	PA1A Waterways mobility	PA4 Water quality	PA 7 Knowledge society	PA 9 People & skills	PA 11 Security
The MRS-process brings together (new) actors across sectors (cross sectoral cooperation)	89					
The MRS –process brings together actors across countries (all countries in the MRS)	94	H	H	M	M	H
The MRS-process brings together actors across levels (national/regional) and type (public/private)	85	H	H	M	H	M
Cooperation with relevant EU Commission Services	-	H	M	H	M	H
Increase in cooperation with third-countries (in and outside the MRS)	77	M	M	M	H	H

- > Bringing together **new actors** in all PA’s **across sectors** and **across countries** (MRS score 89% and 94%). The latter is the highest scoring achievement of the survey, indicating that the EUSDR clearly promotes cooperation. Also on the project level, the involvement of new actors from new thematic areas or geographies was rated as important (88%) in the survey. Currently, the main achievers are PA1A Waterway Mobility, PA4 Water quality, and PA11 Security. The EUSDR has brought actors together

<sup>47</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

in working groups and other fora, an achievement directly attributable to the work under the MRS, which did not happen before the EUSDR.

- > Supporting **multilevel governance** (MRS Score 85%). Significant achievements are found in PA1A Waterway Mobility, PA7 Knowledge society and PA9 People and skills. Vertical cooperation across different levels of governance and between different types of actors is viewed as a significant achievement in the analysed areas and score relatively high in the survey. The bringing together of policy level and project level actors, e.g. from the private sector and NGO's is one of the key changes to previous or early cooperation. This points to a more integrated approach to the different priority areas.
- > Increase in cooperation with relevant **EU Commission services** – this was indicated as an important aspect of the MRS cooperation (ensuring policy and financing links). Key efforts here are found in PA1A Waterway Mobility, where interviewed stakeholders described relatively high levels of cooperation with Commission Services (DG MOVE, DG REGIO, DG ENV, and sometimes DG ENERGY and DG RESEARCH). The cooperation is considered very important by interviewed stakeholders and where the cooperation with EU COM services is not well developed yet, there are requests for more involvement.
- > Increase in cooperation with **third countries** (MRS score 77%). Important achievements are found especially in PA's with 'natural' linkages outside the macro-region, such as PA1A Waterway Mobility, PA4 Water quality and PA9 People and Skills. The levels of and partners for cooperation vary between the PA's. Increased cooperation is observed with in particular Serbia in some areas. However, there are difficulties in cooperating with countries outside the macro-region: The level of cooperation with Ukraine and Moldova varies – partly due to obstacles, and partly because of lacking relevance. There is thus an indication that the cooperation with the candidate countries is developing faster than that with ENI countries.

Comparison of the achievements to the objective

The analysis has compared the achievements with the priority areas' objectives. The objectives, targets, achievements, and indicators (where available) of the five selected priority areas were analysed; indicators are, however, not used to any great extent to monitor progress (except in PA1A, Waterway Mobility). Furthermore, the results of individual projects are not collected in a structured manner (and are not included in the progress reports). The following paragraphs summarise the key findings of this comparative analysis:

**PA1A Waterway mobility.** A comparison of the priority area's objectives with its achievements is done in the priority area's status report. Satisfactory progress is reported on 4 out of 5 targets. All the actions foreseen in the priority area have been launched. The priority area's database includes 111 projects in support of the actions. However, the assessment of the indicators shows no progress on the 'completion of TEN-T Inland Waterways' and that the Danube macro-region improved its performance on the 'Logistics Performance Index' by

9% between 2010 and 2016. The Danube macro-region performs, nevertheless, still below the EU-wide level on the 'Logistics Performance Index'. The progress towards the overall target of increased cargo transport on the Danube shows a delayed progress, due to an actual decrease in cargo transport (-6.7% since 2010).

**PA4 Water quality.** A number of activities support all five targets of PA4. Coordination activities are conducted, projects are being prepared and financed, a road map has been developed, and implementation activities in relation to the river basin management plan have been initiated. The progress report records satisfactory progress on all targets. The external verification of this target shows that 65% of the rivers and lakes of the Danube countries<sup>48</sup> have an ecological status below 'good', and thus a fair majority of waterbodies require further reduction of nutrient inputs. The picture of the chemical status is, by comparison, positive: Only 6% have a chemical status below 'good', which results in a benchmarking value of 115 which is above the EU median level.

**PA7 Knowledge society** – Activities include the development of projects and their financing, development of websites and platforms, and the organisation of stakeholder events. Outputs and results are still very much focused on making the cooperation function in terms of establishing networks (the Danube Funding and Coordination Network was established) and platforms (the Steering Platform on Research for the Western Balkans). The verification of the target through external indicators shows that, on average, the Member States of the EUSDR improved by merely one benchmark point on the 'EU Digitisation Index' between 2014 and 2017, and that the number of EPO patent applications decreased by 9% between 2010 and 2014. However, if Austria and Germany are excluded, the number of applications actually increased.

**PA9 People and skills.** The recorded achievements are described more as outputs than results. Outputs focus on networking, communication and organisation of events to improve cooperation. The direct link to the targets is implicit in that these activities create a framework contributing to the targets. The verification of the target through external indicators shows that the employment rate improved by 9 points on the benchmark between 2010 and 2015. The indicator of the rate of young persons "neither in education, nor employment or training" (NEET rate) shows, in contrast, that no change has been achieved in the EUSDR's first five years of existence. Nevertheless, the score of 105 demonstrates that the Danube region manages to perform approximately as strongly as the EU-wide median.

**PA11 Security.** The activities of PA11 focus on communication and events to bring stakeholders together (symposia, workshops, and more). Projects are prepared and finalised. Contextual indicators show that the Danube region executes a lower number of drug seizures than other EU countries, as the

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<sup>48</sup> The implementation of the Danube River Protection Convention (EU is Contracting Party to the Convention) is part of the EU Acquis as the Convention and the EUSDR have similar geographical scope.

benchmarking value of 81 reveals. In addition, the Danube exhibits a very high level of human trafficking. The World Governance Indicators (WGI) show that the rule of law has made substantial improvements within the EUSDR's first five years as the 14% improvement of the indicator reveals. The control of corruption has, however, remained at a constant, low level.

#### ESIF and the EUSDR

The use of ESIF programmes for the funding of projects and activities in the priority areas varies considerably from one area to the other. Interviewed stakeholders find that national ESIF programmes have formally been aligned, so that the potential for funding exists in the programmes themselves. However, they also find that only little alignment has taken place so far. This may partly be due to the newness of the possibility of alignment, partly due to the fact that some priority areas are not directly relevant for the ESIF programmes but more aligned with EU Programmes such as Horizon and LIFE. The MAs of several ESIF programmes, as surveyed by DG REGIO, explained that the Operational Programmes support the EUSDR. Thus, policy and activities may be supported by the ESIF programmes with an explicit involvement.

The key funding sources in the EUSDR are currently:

- > The Danube Transnational Programme (Interreg) and the various CBC programmes in the Danube Region
- > EU programmes (Horizon, LIFE, Erasmus+) are also active in supporting projects
- > The European Regional Development Fund (ERDF) and the European Social Fund (ESF) are relatively new to funding the cooperation under the EUSDR.

## 4.4 Review of the EUSAIR

Task 2a reviews the objectives in the action plan of each Strategy. This is done by examining the strategical relevance of each objective in the macro-regional context. In other words, this task scrutinises whether a given objective (1) corresponds to an identified need or opportunity for intervention, and (2) whether the macro-regional approach provides a concrete benefit. The need or opportunity for intervention is primarily identified through a pre-defined set of indicators which have been developed as part of Task 1 (see chapter 3.2) and the macro-regional relevance is established through expert knowledge and external literature.<sup>49</sup>

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<sup>49</sup> Data and Analytical Report EUSBSR/EUSDR/EUSAIR/EUSALP



*Text Box 4-3 Definition of macro-regional relevance*

A sub-objective shows 'macro-regional relevance', when the analysis identifies a possible advantages or benefits in the macro-regional context. These benefits can take various forms such as synergies, opportunities to learn from others, common problems that require common solutions, or challenges and opportunities related to territorial cohesion and the EU Single Market.

The assessment of macro-regional relevance has been tested with experts in the macro-region.

Review of the  
EUSAIR topics

The assessment demonstrates that all topics have a need for intervention and, furthermore, all appear to be macro-regionally relevant. The macro-regional relevance is demonstrated in several ways, such as addressing issues that, among other things, require a communal approach to an effective solution (especially Topics 1.3, 3.1.a, 3.1.b), build on a wider geographical scope to optimise the utilisation of resources (especially Topics 1.1, 1.2, 2.3), harvest from the advantage of common features (especially Topics 1.1, 1.2, 2.1, 4.1, 4.2), are not affected by national borders (especially Topics 3.1.a, 3.1.b, 3.2) or enforce territorial cohesion (especially Topics 2.1, 2.2, 2.3).

The EUSAIR's constellation, numbering two new Member States and four (potential) candidate countries out of eight countries in total, includes a high share of countries that are either the EU's least developed regions or still in the pre-accession process. The (potential) candidate countries generally score low on the chosen indicators (where data is also available). The performance is, however, in some cases better than the lowest performing region of the EU.

The choice of the Strategy's Topics is particularly relevant for the future accession of the (potential) candidate countries as the addressed themes are also relevant for some EU key policies (e.g. targets 1, 2, and 4 of the EU Biodiversity Strategy, the EU Energy Union, the Blue Growth Strategy, or the Water Framework Directive).

Overall, the survey results support the conclusion that the EUSAIR's Action Plan addresses relevant needs and opportunities. This holds for the major current challenges and opportunities as well as future global challenges and opportunities. Similarly, there is broad agreement with the macro-regional relevance of the needs identified in the action plan: They are suitable for cooperation in the region and mostly reflect the national/local priorities.

Table 4-16: Summarised review of the EUSAIR's topics

Topics	Theme of intervention	SWOT	Traffic Light
1.1 Blue technologies	Blue Innovation	Weakness	Corresponds to need + Macro-regionally relevant
1.2 Fisheries and Aquaculture	Fisheries and Aquaculture	Weakness	Corresponds to need + Macro-regionally relevant
1.3 Maritime and Marine Governance and Services	Maritime & Marine Governance	Threat	Corresponds to need + Macro-regionally relevant
2.1 Maritime Transport	Maritime Transport	Weakness	Corresponds to need + Macro-regionally relevant
2.2 Intermodal Connections to the Hinterland	Accessibility	Weakness	Corresponds to need + Macro-regionally relevant
2.3 Energy Networks	Energy Integration	Threat	Corresponds to need + Macro-regionally relevant
3.1.a The Marine Environment - Threat to coastal and marine biodiversity	Marine Biodiversity	Threat	Corresponds to need + Macro-regionally relevant
3.1.b The Marine Environment - Pollution of the Sea	Marine Pollution	Weakness	Corresponds to need + Macro-regionally relevant
3.2 Transnational Terrestrial Habitats and Biodiversity	Terrestrial Biodiversity	Threat	Corresponds to need + Macro-regionally relevant
4.1 Diversified Tourism	Diversified Tourism	Weakness	Corresponds to need + Macro-regionally relevant
4.2 Sustainable and responsible tourism management	Sustainable Tourism	Weakness	Corresponds to need + Macro-regionally relevant

#### Achievements of the EUSAIR

The review of achievements concentrates on the identification of key content achievements and process achievements since the EUSAIR's inception in one case pillar – TSG4, Sustainable tourism. The identification of achievements builds on specific primary data that was collected as part of this review: A EUSAIR-wide survey (henceforth: the survey), and interviews with stakeholders in the pillar. Furthermore, the identification of achievements is informed by the consultation of progress reports of pillar 4.

The main added value of the EUSAIR is that it brings together actors across countries, sectors, (national and regional) levels, and public/private spaces. This result is identified in the survey (Table 4-17) as well as the case study.

Table 4-17 Survey results (EUSAIR): What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>50</sup>

Percentage distribution of answers/ Sub-question	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Do not know	Respondents	Standard deviation
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)	45%	46%	4%	2%	4%	85	0,91
The MRS process brings together actors across countries	53%	35%	8%	0%	4%	85	0,9
The MRS process brings together actors across levels (national/regional) and type (public/private)	43%	44%	8%	0%	5%	84	0,95
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)	12%	27%	40%	15%	6%	85	1,04
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges	18%	56%	20%	1%	5%	85	0,9
The MRS process facilitates/deepens cooperation with third countries	35%	38%	18%	4%	6%	85	1,09
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level	31%	56%	8%	0%	5%	85	0,9
Total						85	0,96

#### Achievements

The content achievements concern the actual types of results and ultimately the impacts that the activities/projects of the pillars will have. The content achievements have been grouped into categories of achievements. The key categories are shown below **in bold**. The overall survey score for the category in question is included for reference. The indicated percentage shows the share of respondents who somewhat or fully agree. For concrete examples of the achievements the main text must be consulted.

#### Content achievements

Being a relatively young strategy, it has few content-related achievements, as the work focuses on developing the cooperation which has been set up, but in most cases not formalised yet.

Table 4-18 Summary of content achievements for EUSAIR (TSG4)<sup>51</sup>

Types of achievements	Survey %	TSG4 Sustainable tourism
More policy dialogue across countries	87	L
Increase development of common/joint policy in macro-region		
Increase in mobilization of finance for projects	39	L
Increase in (joint) generation of ideas for specific projects/activities/actions	72	M

<sup>50</sup> Survey data per 14.09.17 (policy level)

<sup>51</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

Increased cooperation on major issues in the macro-region	85	M
Increase in implementation of (regional/EU) policies in the macro-region	41	L

Table 4-18 shows the survey results and an overview of the findings. The findings are summarised below:

- > Increase in **Policy dialogue** and implementation of joint/common policy (MSR survey score: 87%). The findings from progress reports as well as the interviewed stakeholders of TSG4 Sustainable tourism indicate clearly that the EUSAIR is still too early for significant increases in policy dialogue, and clearly too early for progress on development of joint/common policies, but the stakeholders also point out that the initial steps have been taken
- > Increase in **mobilisation of finance** (MRS survey score: 39%). Whereas a few interviewed stakeholders could point to projects that had been granted funding in connection with the EUSAIR, mobilisation of funds is generally difficult. Labelling has only been initialised recently and is still under discussion in the TSG4
- > Joint development of **projects and generation of ideas** (MRS score: 72%). In this area, certain achievements are already materialising for pillar 4. According to the progress report, priority actions have been chosen for each of the two topics within the pillar, and interviewed stakeholders confirm that projects have been developed in TSG4
- > Increase in cooperation on **major issues** (MRS survey score: 86%). This question was not addressed by any of the interviewed stakeholders. The survey results, however, point out a clear potential for cooperation on major issues in the EUSAIR
- > Implementation of **EU policy** (MRS survey score 41%). Naturally, it is too early to expect any real improvement in EU policy implementation as a result of the MRS, which is confirmed by the interviewed stakeholders. One stakeholder, however, noted that a link to EU policy is already present through previous/existing cooperation.

Process achievements

The second type of results identified are the process achievements of the EUSAIR. In spite of its relatively young age, achievements have already been made on this aspect.

Table 4-19 Summary of process achievements for EUSAIR (TSG4)<sup>52</sup>

Types of achievements	Survey %	TSG4 Sustainable tourism
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<sup>52</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

The MRS–process brings together (new) actors across sectors (cross sectoral cooperation)	91	
The MRS –process brings together actors across countries (all countries in the MRS)	88	H
The MRS-process brings together actors across levels (national/regional) and type (public/private)	87	M
Cooperation with relevant EU Commission Services	-	M
Increase in cooperation with third-countries (in and outside the MRS)	73	M

- > Bringing together **new actors** in all PAs **across sectors** and **across countries** (MRS survey score 91% and 88%). The interviewed stakeholders of TSG4 confirm the significant survey results on cross-sectoral cooperation, stating, for instance, that sporadic cooperation with certain actors has now become regular. The cooperation between the tourism and culture sectors is strong, for example in terms of developing a common brand for China.
- > Supporting **multilevel governance** (MRS survey score 84%). Stakeholders as well the progress report indicate that TSG4 works on reaching and involving more stakeholders e.g. through development of a stakeholder platform. Cooperation between public authorities and private companies exists within this pillar, and stakeholders from civil society, academia and the private sector participate in the EUSAIR Annual Fora – although a stakeholder explained that there are difficulties in motivating private companies to get involved in the MSR work.
- > Increase in cooperation with relevant **EU Commission services**. It appears that certain achievements have been made in this relation, as interviewed stakeholders stated that cooperation between TSG4 and EUSAIR actors with DG REGIO, DG GROWTH and DG MARE had increased.
- > Increase in cooperation with **third countries** (MRS survey score 73%). The interviewed stakeholders mainly viewed this question as concerning the cooperation between the EU Member States and non-EU members of the strategy. In this connection, funding was mentioned as an obstacle to the participation of non-EU members in the TSG work.

Comparison of the achievements with the objective

The analysis has compared the achievements with the set objectives of pillar 4. The objectives, targets, achievements, and indicators (where available) of the selected pillar were analysed. Due to the young age of the strategy, the indicators were not yet recorded in the progress report. Accordingly, the documentation basis of progress is small. The following summarises the key findings of this comparative analysis:

**TSG 4 Sustainable tourism.** The TSG does at this point not have any monitoring data on the progress towards the targets. The external indicator on 'Arrivals at tourist accommodation establishments' provides, however, the context relevant to the TSG's targets 3 and 4. It reveals a score of 89 points on

the benchmark for 2015. The scoring indicates that the tourism sector is on average less developed when benchmarked against the EU median level of 100. The scoring differs, however, strongly across the macro-region. About half of the NUTS2 regions (for which data was available) score on the median level of 100 or above, whereas the other half of the regions score in parts very low.

## ESIF and the EUSAIR

The EUSAIR is exposed to challenges in terms of the alignment of funding as the ESIF programmes were already drafted in 2012, which was about two years before the EUSAIR's adoption. The survey shows though that a small majority agrees that there is an increase in the alignment of funding. Interviewees pointed out that closer alignment will be needed in the future, as the current pillars may be thematic connection to the ESIF programmes, but this still needs to be operationalised into concrete funding. This is further manifested by the fact that there is no close communication between the programmes and MRS actors, which hampers the process of better alignment.

At present, the key funding sources in the EUSAIR are:

- > The Interreg ADRIAN Programme and other CBC programmes in the macro-region. This ESIF programme is the one best aligned to the EUSAIR
- > The EU programmes Horizon and ERASMUS for some projects
- > Funding is not yet obtained under the European Regional Development Fund (ERDF), European Agricultural Fund for Rural Development (EAFRD) and the European Social Fund (ESF).

## 4.5 Review of the EUSALP

Task 2a reviews the objectives in the action plan of each Strategy. This is done by examining the strategic relevance of each objective in the macro-regional context. In other words, this task scrutinises whether a given objective (1) corresponds to an identified need or opportunity for intervention, and (2) whether the macro-regional approach provides a concrete benefit. The need or opportunity for intervention is primarily identified through a pre-defined set of indicators which have been developed and are reported on in the Task 1 report, and the macro-regional relevance is established through expert knowledge and external literature.<sup>53</sup>

### *Text Box 4-4 Definition of macro-regional relevance*

A sub-objective shows 'macro-regional relevance', when the analysis identifies a possible advantages or benefits in the macro-regional context. These benefits can take various forms such as synergies, opportunities to learn from others, common problems that require common solutions, or challenges and opportunities related to territorial cohesion and the EU Single Market.

The assessment of macro-regional relevance has been tested with experts in the macro-region.

### Review of the EUSALP actions

The review finds that the EUSALP's actions in five out of nine cases correspond to a need for common action. All nine actions demonstrate, however, that the macro-regional approach is relevant. This responds to the opportunities and challenges that arise from the EU Single Market (especially Actions 1, 2, 3), enforcing territorial cohesion (especially Actions 4, 5), addressing issues that are not affected by national boundaries (especially Actions 7, 8) or building on the advantages of a wider geography or existing common features (especially Actions 1, 3, 6).

The review, based on the chosen indicators, finds that four actions do *not* respond to a need for common action: <sup>54</sup> EUSALP's '1.1 Effective Research and Innovation Ecosystem', '1.2 Increase of the economic potential of strategic sectors', '2.4 Promotion of inter-modality and interoperability in passenger and freight transport', '3.7 Development of ecological connectivity in the whole EUSALP territory'.

The results of the survey support the conclusion that all actions are macro-regionally relevant. The finding that four out of nine actions do not correspond

<sup>53</sup> Data and Analytical Report EUSBSR/EUSDR/EUSAIR/EUSALP

<sup>54</sup> The chosen indicators for the underlying Actions are as follows. '1.1 Effective Research and Innovation Ecosystem': Regional Innovation Scoreboard. '1.2 Increase of the economic potential of strategic sectors': Regional Competiveness Index. '2.4 Promotion of inter-modality and interoperability in passenger and freight transport': 'Accessibility Potential' for multimodal, rail and road transport. '3.7 Development of ecological connectivity in the whole EUSALP territory': 'Landscape fragmentation'

to a need stands in contrast to survey's result that a strong majority thinks that the Action Plan covers the major challenges (90% at least somewhat agree).

Table 4-20: Summarised review of the EUSALP's Actions

Actions	Theme of intervention	SWOT	Traffic Light
1.1 Effective Research and Innovation Ecosystem	Research & Innovation	Strength	Macro-regionally relevant
1.2 Increase of the economic potential of strategic sectors	Sectoral + SME Performance	Strength	Macro-regionally relevant
1.3 Improvement of the adequacy of labour market, education and training in strategic sectors	Labour Market	Threat	Corresponds to need + Macro-regionally relevant
2.4 Promotion of inter-modality and interoperability in passenger and freight transport	Transport	Weakness	Macro-regionally relevant
2.5 Connecting people electronically and promoting accessibility to public services	E-connectivity & e-services	Weakness	Corresponds to need + Macro-regionally relevant
3.6 Preservation and valorisation of natural resources, including water and cultural resources	Natural & Cultural Resources	Strength	Corresponds to need + Macro-regionally relevant
3.7 Development of ecological connectivity in the whole EUSALP territory	Ecosystem Connectivity	Weakness	Macro-regionally relevant
3.8 Risk management and better management of climate change, including major natural risks prevention	Climate Change Adaptation & Environmental Risks	Threat	Corresponds to need + Macro-regionally relevant
3.9 Making the territory a model region for energy efficiency and renewable energy	Sustainable Energy	Weakness	Corresponds to need + Macro-regionally relevant

Achievements of the EUSALP

The review of achievements concentrates on the identification of key content achievements and process achievements since the EUSALP's adoption and uses one case action, AG6, Natural/cultural resources. The conclusion rests on specific primary data that was collected as part of this review, a EUSALP-wide survey (henceforth: the survey), and interviews with stakeholders in the action group. Furthermore, the identification of achievements is informed by the consultation of the work plan of AG 6.

The main added value of the EUSALP so far is that it brings actors together. This occurs across countries, sectors, (national and regional) levels, and public/private spaces (Table 4-21).

Table 4-21 Survey results (EUSALP): What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>55</sup>

Percentage distribution of answers/ Sub-question	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Do not know	Respondents	Standard deviation
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)	52%	46%	0%	2%	0%	46	0,62

<sup>55</sup> Survey data per 14.09.17 (policy level)



The MRS process brings together actors across countries	63%	35%	2%	0%	0%	46	0,53
The MRS process brings together actors across levels (national/regional) and type (public/private)	41%	41%	17%	0%	0%	46	0,73
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)	17%	43%	20%	9%	11%	46	1,19
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges	17%	59%	13%	4%	7%	46	1
The MRS process facilitates/deepens cooperation with third countries	33%	37%	20%	4%	7%	46	1,12
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level	35%	50%	11%	2%	2%	46	0,85
Total						46	0,86

### Achievements

The content achievements concern the actual types of results and ultimately the impacts that the activities/projects of the Action Group will have. The content-achievements have been grouped into categories of achievements for AG6 Natural Resources<sup>56</sup>. The key categories are shown below **in bold**. The overall survey score for the category in question is included for reference as well. The indicated percentage shows the share of respondents who somewhat or fully agree. For concrete examples of the achievements the main text must be consulted.

### Content achievements

As the youngest of the four strategies, the EUSALP's achievements are very limited, especially 'content-wise'. Nevertheless, the survey responses indicated improvements in all areas (such as development of action plans and tools for cooperation) on the question regarding progress in the initial (1-2) years.

Table 4-22 Summary of content achievements for EUSALP (AG6)<sup>57</sup>

Types of achievements	Survey %	AG6 Natural/cultural resources
More policy dialogue across countries	85	<b>L</b>
Increase development of common/joint policy in macro-region		
Increase in mobilization of finance for projects	60	L
Increase in (joint) generation of ideas for specific projects/activities/actions	71	M
Increased cooperation on major issues in the macro-region	90	M
Increase in implementation of (regional/EU) policies in the macro-region	41	L

Table 4-22 above shows the survey results for content-wise achievements and an overview of the findings, which are summarised below:

<sup>56</sup> AG6 was selected as a case for this study

<sup>57</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

- > Increase in **Policy dialogue** and implementation of joint/common policy (MSR survey score: 85%). Despite the EUSALP's young age, progress on policy dialogue within area of AG6 has already yielded an outcome in the form of a draft Alpine-wide political declaration (on land use and soil protection). This has probably been made possible by the pre-existing high levels of policy dialogue, as indicated by several interviewed stakeholders
- > Increase in **mobilisation of finance** (MRS survey score: 60%). As confirmed by the interviewed stakeholders, it is too early to assess funding mobilisation for the EUSALP. In AG6, project labelling is being discussed at the moment
- > Joint development of **projects and generation of ideas** (MRS score: 71%). The AG Work Programme contains several project ideas, one of which (on Alpine farming) is currently being developed, and selection criteria for project endorsement have been determined
- > Increase in cooperation on **major issues** (MRS survey score: 90%). The stakeholder interviews clearly indicated that major issues of the AG, spatial development, soil conservation, and future-oriented farming, are reflected in the established sub-groups of AG6
- > Implementation of **EU policy** (MRS Score: 41%). As confirmed by the stakeholders, the EUSALP is too early in its development process to discuss implementation of EU policies.

Process achievements

The second type of results identified are the process achievements of the EUSALP. In spite of the strategy's young age – most Action Groups have begun their work in 2016 – process-wise achievements can already be found in several areas, as summarised below. Table 4-23 provides a brief overview of these achievements together with the relevant survey results.

Table 4-23 Summary of process achievements for EUSALP (AG6)<sup>58</sup>

Types of achievements	Survey %	AG6 Natural/cultural resources
The MRS-process brings together (new) actors across sectors (cross sectoral cooperation)	98	L
The MRS –process brings together actors across countries (all countries in the MRS)	98	
The MRS-process brings together actors across levels (national/regional) and type (public/private)	82	L
Cooperation with relevant EU Commission Services	-	M
Increase in cooperation with third-countries (in and outside the MRS)	70	M

<sup>58</sup> Survey data per 14.09.17 (policy level). L = low; M = medium; H = high

- Bringing together **new actors** in all PAs – **across sectors and across countries** (MRS survey score 98% and 98%). Significant survey results point to the importance of the EUSALP. Also the work under the EUSALP and AG6 has promoted horizontal cooperation and involving new actors, such as NGOs, –across different countries. The cooperation ensures a 'good mixture' of actors, particularly across different sectors, but also requires increased levels of coordination.
- Supporting **multilevel governance** (MRS survey score 82%). A major achievement of the strategy (AG6) lies in the bringing together of the inner Alpine regions with the outer big cities of the macro-region. In this connection, stakeholders point out that the less formal cooperation, as well as networks and platforms, under the EUSALP contribute to this achievement.
- Increase in cooperation with relevant **EU Commission Services**. The AG6 stakeholders indicated a relatively strong involvement of DG REGIO, but rather lower levels of cooperation with DG ENVIRONMENT, DG MOVE, and DG AGRI.
- Increase in cooperation with **third countries** (MRS survey score 70%). The cooperation between the EU Member States and non-EU members of the EUSALP is very good. There is, however, little cooperation with countries outside the macro-region. Moreover, stakeholders pointed out that the level of cooperation among the strategy's member countries varies considerably.

Comparison of the achievements to the objective

The analysis has compared the achievements to the set objectives of action 6. The objectives, targets, achievements, and indicators (where available) of the selected action were analysed. Due to the newness of the EUSALP, no indicators were reported in the work plan. The documentation basis of progress is therefore small. The following summarises the key findings of this comparative analysis:

**AG 6 Natural/Cultural resources** – The young age of the EUSALP limits the degree to which externally verifiable evidence is available in the form of progress impact indicators. Similarly, the progress towards the set targets is therefore not measured in the Action Group at this point. The verifiable indicators applied provide therefore a context. The 'Eco-Innovation Scoreboard' puts the macro-region with a benchmark score of 117 points in 2015. The macro-region is therewith with respect to target 1 (unlock creative potential) on average stronger than the median EU-wide Eco-innovation performance. Target 2's objective is to obtain new nominations of UNESCO world heritage sites. The comparison with the official World Heritage Site list shows that one nomination has been issued between 2015 and 2017.

ESIF and the EUSALP

The activities under the EUSALP have only recently started, and funding issues are therefore not fully pronounced yet. The relevant stakeholders do however anticipate that a high competition for funding under the Interreg Alpine Space Programme may become an issue in the near future. The result of the survey confirms this, as 78% (of respondents at the policy level) somewhat or fully agree that it is difficult to obtain funding. With regards to other ESIF programmes, alignment of funding is limited, as the programmes were drafted

before the EUSALP's adoption. However, some ESIF programmes reportedly took action to accommodate funding.

At current, the key funding sources in the EUSALP are:

- The Interreg Alpine Space Programme and other CBC programmes in the macro-region. This programme is the ESIF programme best aligned to the EUSALP.
- The EU programme Horizon2020 (and partially also Life and Erasmus).

## 5 Analysis of the role of the macro-regional strategies in the coordination of the EU Policies and programmes (Task 3)

A “macro-regional strategy” is an integrated framework that can address common challenges faced by a certain geographical area covering countries and regions, which can benefit from strengthened cooperation within the shared territory thus contributing to the achievement of economic, social and territorial cohesion.

This framework has been implemented in the four existing macro-regions through Macro-Regional Strategies (MRS) tool. The four macro-regions share commonalities (e.g. similar governance set-ups, the role of the European Union as an important driving force, the commitment of the countries and their regions, the inclusion of non-member states etc.). The macro-regions also exhibit dissimilarities in many aspects across the regions and within the countries themselves (e.g. disparities in economic, institutional and administrative capacity, importance of EU integration as a driving force, legacy of transnational cooperation and coordination, number of third countries, etc.).

The task 3 report identifies and summarises the “results” that the MRS have delivered to date. It should be noted that the report is not an evaluation in the narrower sense of the MRS; as this would go beyond the framework of this task. The report outlines the operating environment (i.e. the factors that positively influence or determine the ability of the MRS) under which the MRS can deliver maximum added value. Hence, this report summarises the findings of the primary data collection (presented in depth in task 2) and combines this with a literature review and expert assessment.

Research questions

Task 3 answers the following three questions:

- > How do MRS deliver results thanks to the cooperation and coordination of EU policies, programmes, and what are the impacts of MRS on achieving

coordination? To what extent did the MRS enhance cooperation and coordination? Which barriers did they help remove?

- > To what extent are MRS likely to contribute to better reaching cross-sectoral, cross-level and cross-territorial objectives?
- > What are the conditions under which MRS facilitate the coordination of EU funds and programmes? What are the impacts on governance in the different countries and regions?

## Structure

The report is hence structured as such:

- > First, a short analytical framework with terminology conventions is provided (chapter 3). These analytical conventions are necessary to discuss what results can be expected in each MRS evolution phase. A three-phase model is proposed.
- > Next, individual chapters discuss:
  - > the operating environment of the MRS in relation to the barriers that inhibit cooperation and the driving forces that enhance cooperation. These two dimensions substantially influence what an MRS can achieve. Subsequently results (and tentative impacts) are discussed (task 3a).
  - > the effect of the MRS implementation results on achieving cross sectoral, cross-level and cross-territorial objectives and the influence emerging or currently pressing global challenges may have on achieving such objectives (task 3b).
  - > the effect of the MRS as a governance tool per se and of the results delivered in coordinating EU funds and programmes (task 3c) and the conditions (related to barriers, drivers and results) discussed in the earlier chapters.
- > Finally, a set of synthetic summarising assessment statements and recommendations are proposed.

## 5.1 Analytical approach

Task 3 answers three basic questions about how the MRS deliver results (task 3a); how they contribute to better reaching cross-sectoral, cross-level and cross-territorial objectives (task 3b) and finally under which conditions they facilitate coordination of EU funds and programmes (task 3c).

The present chapter defines the analytical approach by describing the main hypothesis of the task, proposing a three-phase development model of an MRS and positioning the four MRS in the three-phase model.

These questions contain a number of terms ("*better cooperation and coordination*", *barriers, facilitating conditions, results and impacts*) that need to be operationalised via a number of terminology conventions.

The assumption is that the MRS, by its mandate and nature, is inducing a positive change in the modus operandi of the institutions and stakeholders involved. In the table below, both the judgment criteria and an analytical framework are proposed to assess MRS influence.

The main hypothesis is that the MRS have a positive effect on all terms listed above. The table below reformulates the judgement criteria for the investigation of the main hypothesis:

Table 5-1 Structure and assessment criteria

Judgment criteria
<p><b>Task 3a: MRS help remove barriers and enhance drivers of cooperation;</b>  <b>Results have been delivered thanks to cooperation;</b>  <b>Results generate a long term impact which can be identified/forecasted in the mid-term</b></p>
<p><b>Task 3b: MRS contribute to better reaching cross-sectoral, cross-level and cross-territorial objectives</b></p>
<p><b>Task 3c: MRS delivers results which enhance the potential for coordination</b>  <b>Coordination has an impact on the allocation of funds, complementarity and enhances the effects in countries and regions</b></p>
<p><b>Synthesis of findings: The MRS is a governance approach that changes the modus operandi of the involved countries and regions concerning cooperation and coordination</b>  <b>There are certain conditions (related to barriers, drivers and results) which facilitate coordination and cooperation under the MRS; if a MRS adapts to them it has a higher impact.</b></p>

The European Commission, World Bank, OECD and EIPA have addressed the evaluation of administrative quality in several reports and publications<sup>59</sup>. While these reports have not been written with the MRS in mind, they offer a good analytical framework; upon which the analysis in task 3 builds.

Healey<sup>60</sup> proposes a useful approach for conceptualising the process of collaborative strategy making. She also discusses the effect on cooperation and the effectiveness of the strategy. According to her model, this process is realised in stages. The first stage refers to the filtering of ideas and a prioritisation of

<sup>59</sup> E.g. Charron, N., Dijkstra, L., Lapuente, V., (2012) "Regional Governance Matters: A Study on Regional Variation in Quality of Government within the EU", DG REGIO, 2012  
Mizrahi, Y., (2003) "Capacity Enhancement Indicators: Review of the Literature", WBI Evaluation Studies No. EG03-72, World Bank Institute, The World Bank  
OECD, (2008) Public Management Reviews: Ireland 2008. Towards an Integrated Public Service

EIPA (2013), Improving Public Organisations through Self-Assessment

<sup>60</sup> Healey, P. (2007). Urban Complexity and Spatial Strategies: towards a relational planning for our times. London, New York: Routledge.

issues that deserve policy attention. These agreed-upon issues then require a powerful frame that connects with the particular needs of each of the key actors. How well each stage is completed will influence the subsequent stages and ultimately the performance of the strategy.

Taking into account the above, the following elements need to be defined for analysis:

- > **Operating environment:** which drivers and barriers are MRS facing? Which global challenges (e.g. climate change, migration) are relevant to the MRS region? As mentioned earlier the macro-regions covered by the MRS share similarities, but also exhibit many disparities. These disparities can, under certain circumstances, inhibit or boost cooperation (e.g. poorer regions might lack resources for cooperation, which can lower the implementation power, but on the other hand have higher ESIF<sup>61</sup> envelopes, which are better used in alignment with transnational needs e.g. on water quality, which may incite cooperation). The report summarises barriers and drivers as identified in the four MRS and relates them to emerging global challenges.
- > The **nature and time dimension of the induced change:** here it is necessary to differentiate<sup>62</sup> between two result types. The first is **capacity** i.e. the sum of skills, capabilities, processes and resources of the individuals and institutions involved in the MRS implementation either as MRS bodies or as stakeholders/project owners. The second is **performance**, i.e. the "services" offered to the "clients" in terms of quality, speed, usability, or the macro-effects on the MRS area. Effects on capacity are usually short to mid-term while performance effects are detectable usually only in the mid to long term. This is a crucial difference. MRS are often seen as "bearing no results" which can happen due to attention being given to performance at a stage where change is still undetectable. Achievements in terms of potentially substantial impacts on capacity are thus ignored or taken for granted, hence missing a crucial and fundamental contribution of the MRS. This misconception is also reflected in the targets of the MRS action plans.
- > The **level of the induced change:** building on the differentiation above, it is also necessary to distinguish between the "carriers" of capacity and performance changes. Depending on the context, the focus can be on **individuals** (and their skills and competences), on **institutions** (and their processes, organisation, resources) or on the **MRS target groups** (and their responses to what the MRS offers, e.g. a project of transnational importance). This differentiation is also necessary. A common problem in at least three MRS is the personnel fluctuation or turnover in the participating

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<sup>61</sup> When referring to ESIF, in this report in general we refer to the mainstream and not the ETC (Interreg), unless otherwise stated.

<sup>62</sup> See also DG Employment (2014) Monitoring and Evaluation of European Cohesion Policy-European Social Fund, Guidance Document on Indicators of Public Administration Capacity Building



public bodies. Usually, capacity improvements focus on individuals, particularly during the initial phase, before institutional improvement is possible e.g. through embedding the individual achievements into the institution. However, if the persons that acquire new and necessary skills related to the MRS leave their positions shortly after, there is a high risk that little or no capacity change (and thus no performance later on) will materialise at the institutional level.

## MRS Development Model

In order to structure the analysis of the cooperation and the factors influencing the effectiveness of a collaborative strategy, the following framework with some terminology conventions is used:

An MRS like any other governance arrangement undergoes certain phases of development<sup>63</sup>. In this report, three phases of development and operation are defined: phase I (early, set-up<sup>64</sup>), phase II (starting to operate) and phase III (maturing). The same phases are applicable to single PAs in an MRS:

- > Phase I primarily has an effect on capacity. As the MRS moves to the subsequent phases, the type of change that takes place shifts from capacity development to performance: either the performance of the MRS bodies or the performance of the stakeholders in the field. In phase I, the MRS is being formed; representatives of the MRS bodies start meeting regularly, joint statements are formulated, first routines are established. It is not yet possible to detect effects beyond this small group of individuals. For example in the field of water quality in the Danube, there are certain indicators related to the provisions of the Water Framework Directive. Initially, the change related to the capacity of the MRS and the stakeholders to develop and update the River Basin Management Plan. No change in water quality would be traceable (or attributable) in this phase. Now that the plan exists and has been implemented (i.e. the capacity is in place, the PA has moved to phase II) effects are expected on "water quality". The latter are performance effects.
- > Capacity effects in phase I mainly concern individuals and translate – via the individuals – to the institutions. As the MRS moves to the subsequent phases, change shifts from being individual oriented to institution oriented. Additionally, there is a shift from the internal players (i.e. the bodies that run the MRS, e.g. the PACs and the SGs) to external players (stakeholders and target groups). Hence, in early phase I, the MRS governance system is set up; change means increased capacity of the internal people involved. To a lesser extent, this phase also has an effect on the institutions (e.g. establishment of processes and formation of coordinating bodies). No

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<sup>63</sup> See for example Tuckman, B. W. 1965. "Developmental sequence in small groups", *Psychological Bulletin*. 63 (6): 384–399. PMID 14314073

<sup>64</sup> Healy calls this phase "agenda-setting and filtering of issues" (Healey, P. 2007. *Urban Complexity and Spatial Strategies: towards a relational planning for our times*. London, New York: Routledge.)

change can be detected in the phase at the level of the performance of the internal institutions, let alone the external stakeholders.

- > In phase II, the MRS internal institutions have built the capacity. Capacity is a prerequisite for performance. MRS bodies can only perform after that stage, i.e. when they are able to implement their action plan or road map, can support stakeholders or identify potential operations of MRS significance. Simultaneously, external stakeholders now understand how the MRS operates and how they should respond to the incentives provided. In this transition from phase I to phase II, the “results” of the MRS emerge. However, it is probable that no change can be detected at the level of the performance of the external stakeholders in the region. In phase II, it is assumed that the individuals have also developed capacity and that the stakeholders have understood the MRS and what is expected from them. A typical example is the realisation that the MRS does not have funding of its own, after which stakeholders develop capacity on how to use MRS partnerships to increase their chances for funding from other sources.
- > Finally in the maturity phase III, external stakeholders and the region as a whole are performing, i.e. they are implementing MRS relevant actions and their contribution to the integration and development of the region becomes visible in terms of income, inclusion, accessibility and environmental quality. This means that change is visible at the level of macro-indicators (often used for monitoring and decision-making) only at this late phase, and should not be sought earlier. In phase III, the “impacts” of the MRS become clear. Usually, the impacts are those that are interesting to policy makers, media and the public. Lack of progress on the relevant metrics is considered a failure. It is essential to recognise that change at this level only comes late in the process.

These phases are of course not absolute but should assist orientation. Development is not linear; as time passes and global, unforeseen challenges, emerge MRS may need to redefine their priorities. Hence, an MRS can move from phase III to phase II or even back to phase I as thematic priorities, institutions and individuals change. MRS are also not homogenous, some thematic areas might already be in phase III while others oscillate between phase I and phase II for a long time due to the barriers discussed (e.g. because the topic is very broad and it lacks a common reference framework that has to be developed).

The three-phase model is the overall framework applicable to all following chapters. For each specific chapter, additional analytical frameworks are provided for the specific questions addressed

The table below provides an overview of how the MRS operating environments and phases overlap.

Table 5-2 MRS phases of development and operation<sup>65</sup>

<b>Phase I</b>	<i>Internal (MRS in the narrower sense)</i>	<i>External (MRS stakeholders)</i>
<i>Capacity</i>	<i>MRS induces a change here through strategy and cooperation</i>	<i>No effect</i>
<i>Performance</i>	<i>No effect</i>	<i>No effect</i>

<b>Phase II</b>	<i>Internal (MRS in the narrower sense)</i>	<i>External (MRS stakeholders)</i>
<i>Capacity</i>	<i>MRS individuals and entities have developed capacity</i>	<i>Stakeholders respond to the MRS incentives, develop project ideas, engage in cooperation</i>
<i>Performance</i>	<i>MRS individuals and entities implement the Action Plan, support stakeholders, engage in coordination networks</i>	<i>No effect</i>

<b>Phase III</b>	<i>Internal (MRS in the narrower sense)</i>	<i>External (MRS stakeholders)</i>
<i>Capacity</i>	<i>MRS individuals and entities have developed capacity</i>	<i>Stakeholders respond to the MRS incentives, develop project ideas, engage in cooperation</i>
<i>Performance</i>	<i>MRS individuals and entities implement the Action Plan, support stakeholders, engage in coordination networks</i>	<i>The actions of the stakeholders under the MRS frame deliver impacts, changes become visible.</i>

Based on the above, influencing factors for each MRS are defined for the four quadrants in the table above. The factors are categorised as relevant to internal or external actors (INT/EXT), and to capacity or performance (CAP/PER). Hence the following permutations will be discussed:

- > Influencing factors in the domain of internal capacity (INT-CAP) and direct and indirect impacts if the results are reached (Phase 1)
- > Influencing factors in the domain of internal performance (INT-PER) and direct and indirect impacts if the results are reached (Phase 2)
- > Influencing factors in the domain of external capacity (EXT-CAP) and direct and indirect impacts if the results are reached (Phase 2)
- > Influencing factors in the domain of external performance (EXT-PER) and direct and indirect impacts if the results are reached (Phase 3).

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<sup>65</sup> own design

## 5.2 MRS cooperation, coordination and results (3a)

Task 3a answers the following question:

- > How do MRS deliver **results** thanks to the cooperation and coordination of EU policies, programmes, and what are the **impacts** of MRS on achieving coordination? To what extent did the MRS enhance **cooperation and coordination**? Which **barriers** did they help remove?

In this chapter, the operating environment of each MRS will be analysed based on barriers and drivers, the results delivered by the MRS mechanism, the impact of global challenges (on macro-regions and their status quo) and their reciprocal relation of results to cooperation and coordination.

The chapter is divided into three main parts addressing:

- > Which **barriers** and **drivers** determine the operations of the MRS?
- > What are the results of the MRS and how and when do they enhance **cooperation and coordination**?
- > What are **global challenges** and what is their impact on macro-region barriers, drivers and the MRS achievement?

Additionally, some remarks on the distinction between cooperation and coordination are necessary:

- > Cooperation comes before coordination; indeed the former is a prerequisite for the latter. Hence, cooperation must be established in an early phase
- > Cooperation is strongly dependent on barriers and drivers; the MRS is a governance mechanism to establish formal and regular cooperation
- > Coordination is strongly dependent on the delivery of results by the MRS and becomes effective only in a later phase
- > Coordination and the ability to reach cross-sectoral, cross-level and cross-territorial objectives are related to the results and they are mutually reinforcing.

## 5.3 Barriers and drivers of the MRS

Each of the four analysed MRS operates under a dense and interrelated environment of barriers and drivers. Some of these barriers and drivers are endemic; others apply only to some MRS.

In order to understand the goals of EU MRS and assess their institutional and governance arrangements towards achieving them, it is useful to draw on the

literature on policy integration, which distinguishes between different stages of achieving coherent and joint policies. These stages are: **co-operation, coordination and integration**. The stages are conceptualised in a hierarchical relationship, with policy cooperation at the lowest level, relying on dialogue and information and being the least demanding in terms of interaction, interdependence between actors, loss of autonomy, and resources needed. Cooperation aims at more efficient sectoral policies, whereas policy 'coordination' aims at minimising contradictions among policies and adjusting them. Policy integration is the most ambitious form and envisages joint integrated policies, which actors have developed together based on agreed common goals (Geerlings and Stead 2003)<sup>66</sup>.

Stead and Meijers (2009)<sup>67</sup> categorise facilitators and inhibitors of policy integration as such:

- > political factors (converging versus diverging political priorities)
- > organisational factors (standardised procedures versus excessive bureaucracy)
- > economic or financial factors (potential gains versus costs of coordination)
- > process or instrumental factors (group-centred open approaches versus poor communication and fear of increased formal procedural complexity) and
- > behavioural, cultural and personal factors (positive and cooperative culture versus vested interests and lack of commonly identified goals).

Task 3 will make use of these categories as they fit with the observations made during task 2 implementation and also allow for the identification of affected groups as discussed in task 2 regarding the level of induced change (individuals and institutions).

### 5.3.1 Barriers and their effects

Barriers range from the basic to more complex. Basic barriers include resource limitations and institutional and personnel fluctuations (more present in eastern and south-eastern Europe). More complex barriers extend to political hesitation to cooperate or more thematic aspects like the broad scope of a given topic or the lack of a common framework or harmonised standards (present in all MRS). The MRS survey indicates (see table below) that complexity, skills/experience and limited resources are critical factors (i.e. met with strong agreement). This

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<sup>66</sup> Geerlings, H. and Stead, D. (2003). The Integration of Land Use Planning, Transport and Environment in European Policy and Research. *Transport Policy*, Vol. 10, No. 3, pp. 187-196.

<sup>67</sup> Stead, D., and Meijers, E. (2009). Spatial Planning and Policy Integration: Concepts, Facilitators and Inhibitors. *Planning Theory & Practice*, Vol. 10, No. 3, pp. 317-332.

may reflect that these aspects are highly present in the day-to-day activities of the respondents. It is interesting to observe that the four MRS mainly agree on certain barriers (e.g. policy field complexity, for example in competitiveness or labour market skills compared to certain environmental topics, or simply lack of experience). However, some aspects, for example lack of legal framework or instability are much stronger in the EUSAIR than in the other MRS. Even the most recently set-up EUSALP is not concerned with the same problems to the same extent. This statement is also supported by the differences in the governance indicators discussed in task 1.

Table 5-3 Survey result: "What are the barriers to macro-regional collaboration in your area/topic?"<sup>68</sup>

Colour codes	EUSAIR (85 respondents)	EUSALP (46 respondents)	Agree <sup>69</sup>		Disagree <sup>70</sup>		Do not know	
	EUSBSR (175 respondents)	EUSDR (95 respondents)						
The policy field is broad and complex, and involves multiple stakeholders (multilevel, cross-sectorial, etc.)			80%	87%	17%	14%	2%	0%
			84%	89%	11%	11%	5%	0%
Skills, experience or knowledge of participating institutions/actors vary			79%	85%	18%	15%	4%	0%
			78%	81%	17%	19%	6%	0%
There are limited resources (financial, staff, etc.) available to participate in the cooperation			86%	94%	13%	7%	1%	0%
			82%	95%	12%	4%	6%	0%
Non-existent legal framework for cooperation in the participating countries			72%	48%	26%	39%	2%	13%
			53%	55%	37%	44%	10%	2%
Lack of stability in national/regional administration – e.g. due to staff turnover/high dependence on individuals			76%	63%	20%	35%	5%	2%
			54%	82%	36%	18%	9%	0%

## Barriers and phases

Barriers are usually related to internal or external capacity during phase I and II; an MRS in phase III is likely to have overcome many of their barriers, as this would be a prerequisite for it to perform. While barriers exist in all MRS, judging from the survey, EUSALP is likely to be less subject to them in comparison to the other MRS.

Regions and countries of the EUSAIR and EUSDR are affected by institutional and personnel fluctuations and resource. This is especially evident in the non-MS and occurs much more frequently than in the other two MRS areas (76% and 86% of survey respondents agree). At the same time disparities in economic, institutional and administrative capacity are also very large, e.g. between Austria and Moldova in the EUSDR<sup>71</sup>. The EUSBSR is less affected by this according to the interviews. This trend is also reflected in the survey with only

<sup>68</sup> Survey results per 14.09.17 (policy level).

<sup>69</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>70</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

<sup>71</sup> Task 2 Analysis on EUSDR

54% of respondents agreeing that there is a 'Lack of stability in national/regional administration – e.g. due to staff turnover/high dependence on individuals'.

Many countries face frequent, and in some cases severe, institutional and personnel fluctuations. Ministries are restructured, departments dissolved, and personnel laid off after elections. Hence, institutional capacity development is halted.

Due to a lack of knowledge management systems, any experience accumulated departs with the removal of the personnel that were involved in the MRS. Such an event can happen in any phase of MRS development and can delay progress or in an extreme case throw the MRS (or the PA) back to phase I and early phase II. Stakeholders interviewed mentioned frequent personnel changes in the EUSAIR and the EUSDR areas.

For example PA9 Skills in EUSDR is affected by the weak implementation chains through the relevant institutions. This is accentuated by the broad thematic scope at "PA level" and the lack of common reference frameworks. While cooperation exists, it is often ad-hoc and dependent on individuals.

Political sensitivities can also be a barrier, even if all other conditions are met (see 5.3.2). PA11 Security in EUSDR is dealing with politically sensitive issues; cooperation (and coordination) is more straightforward at the lower operational level than at the strategic level.

The table below provides a synthetic summary. This summary is based on findings from the analysis (Chapter 4) and lists the barriers identified in the interviews with stakeholders and the MRS survey carried out for this study. The barriers are identified based on type, the development phase in which they typically appear, point of view (internal or external), orientation (capacity or performance) and relevant MRS.

Table 5-4 Barriers to the MRS<sup>72</sup>

Barrier	Type of barrier	Phase	INT/EXT	CAP/PER	MRS mostly relevant
<b>Institutional and personnel fluctuations</b>	Political, organisational, economic or financial process or instrumental factors	All phases	INT/EXT	CAP	EUSAIR, EUSDR
<b>Resource limitations</b>	Organisational, economic or financial factors	All phases	INT	CAP	EUSAIR, EUSBSR, EUSDR
<b>Disparities in economic, institutional and administrative capacity and NW-SE divide</b>	Organisational, economic or financial factors	Phase I, Phase II	INT/EXT	CAP	EUSAIR, EUSBSR, EUSDR
<b>Institutional diversity of stakeholders</b>	Organisational, behavioural, cultural and personal factors	Phase II	INT/EXT	PER	All
<b>Weak implementation chains between the political decision makers and mainstream implementation and central/regional deviations</b>	Organisational, process or instrumental, behavioural, cultural and personal factors	Phase II, Phase III	INT/EXT	CAP/PER	All
<b>Ad-hoc cooperation forms and lack of cooperation legacy</b>	As above	Phase I, Phase II	INT/EXT	CAP	All
<b>Politically sensitive issues</b>	Political, process or instrumental factors	All phases	INT/EXT	CAP	EUSAIR, EUSDR
<b>Broad thematic scope at "PA level"</b>	Organisational; process or instrumental factors	Phase I, Phase II	INT	PER	EUSBSR, EUSDR
<b>Lack of common reference frameworks or harmonised rules and established national competencies and patterns</b>	As above	Phase I, Phase II	EXT	PER	All

Barriers have a **direct effect on the conditions and thus the extent of cooperation**. The list below discusses barriers identified in the analysis and the possible or actual effects on the cooperation.

- > Frequent institutional reforms and changes in personnel (due to organisational, process or political factors) do not allow continuous

<sup>72</sup> based on the desk review, stakeholder interviews and survey, 2017



involvement of the relevant stakeholders. Change of personnel terminates any institutional memory and affects the capacity due to lack of knowledge and transition management procedures. Any progress is occasional and dependent on single persons and their skills; upon their departure (for whatever reason), cooperation is disrupted. This barrier is considered relevant or highly relevant in all MRS, ranging from over 80% in the EUSBR up to almost 100% in the EUSDR.

- > Involved authorities lack personnel and other financial resources to commit to the MRS processes. The survey shows that 69% of the respondents agree to this. Some counties do not participate in meetings and similar activities. MRS countries have great disparities in capacity; in many cases institutions cannot follow the pace, unless the more capable countries provide support (for example in PA9 of the EUSDR the Austrian PAC must assist the Moldovan Co-PAC for cooperation to be possible in the first place).
- > In some thematic areas, e.g. environment, institutions are used to interact only with their peers, e.g. ministries of environment at a very technical level. Introduction of experts from other domains in the MRS causes friction and cooperation becomes more difficult, at least in the short term.
- > Interviewed stakeholders also stated that high level decisions are not always followed at the regional and local level due to a variety of reasons (lack of communication, different administrative cycles, and different priorities). Hence, progress made in the MRS bodies is not utilised. A special case of this barrier occurs when the central administrative level involved directly in MRS has a less active position, while regions strongly follow their own agenda, an occurrence clearly observed in the EUSALP.
- > Topics that are relevant to the MRS area are not addressed due to the political sensitivities, for example in the EUSDR and to a lesser extent in the EUSAIR (e.g. migration, refugee crisis, western Balkans interstate relations, skills and labour migration), although transnational cooperation would be reasonable. In either case cooperation becomes a formality.
- > On a thematic level certain topics are very broad, especially so called "soft topics" like research, skills, education or innovation. Hence, it is difficult to set a focus relevant to all; resource strapped regions and countries find it also difficult to follow all the fields due to resource constraints. Hence, cooperation cannot evolve as prioritisation is difficult and conflict ridden. A typical case is PA9 People and skills in the EUSDR where topics are relevant but broad.
- > For some thematic areas, e.g. water, a very strong common reference framework exists and there is prescribed transnational action, for others, e.g. on skills or heritage, there is no exogenous universal standard. Respondents in the survey consider the lack of legal framework an important barrier (70% in EUSAIR compared to less than 50% in EUSALP). While the MRS promotes the creation of such standards and frameworks,

this requires time and is cooperation demanding. In the short to mid-term the lack of such standards acts as a barrier due to the conflicting interests (the definition of standards always affects power balances);

### 5.3.2 Drivers and their effect

Drivers of cooperation are rather different to the barriers; there is a clear distinction between early drivers (related to internal capacity) such as the pre-existing cooperation structures and the existence of “leaders”, (e.g. regions with a strong cooperation agenda and the necessary resources or even single individuals) and numerous factors related to external capacity and performance. The importance of existing cooperation structures is confirmed in the survey. The respondents strongly agree with the importance of previous cooperation. Agreement is also evident in the importance of macro-regional relevance” of the area/topic (a necessary but not sufficient condition), the role of the acquis and the availability of funding. The last point is mentioned often in the interviews; funds are theoretically available but their utilisation is beset by non-coherent administrative rules (for example ESF provides the option of transnational cooperation, but this option is not widely used). A significant deviation exists in the question about the role of legal obligations as drivers of cooperation. There the agreement rate is much higher in the EUSAIR and the EUSDR. This is an indication that cooperation in these two MRS also relies on exogenous pressure compared to the EUSALP and mainly the EUSBSR.

Table 5-5 Survey result: "What are the drivers for collaboration within your area/topic?"<sup>73</sup>

Colour codes	EUSAIR (89 respondents)	EUSALP (47 respondents)	Agree <sup>74</sup>		Disagree <sup>75</sup>		Do not know	
	EUSBSR (182 respondents)	EUSDR (96 respondents)						
Continuing on from previous cooperation and building on existing transnational networks	83%	89%	13%	10%	3%	0%		
	91%	92%	4%	7%	5%	1%		
The area/topic is of 'macro-regional' relevance and should be addressed at this level	84%	83%	13%	13%	2%	4%		
	84%	90%	9%	7%	6%	2%		
The area/topic is more efficiently addressed through macro-regional/transnational cooperation	82%	90%	15%	11%	2%	0%		
	80%	83%	12%	14%	8%	2%		
There is a legal obligation (EU directives, international conventions, etc.) for transnational cooperation	70%	59%	26%	32%	3%	9%		
	61%	69%	27%	28%	12%	4%		
Funding sources available for the area/topic require transnational cooperation	74%	81%	23%	19%	3%	0%		
	71%	83%	24%	14%	6%	2%		

<sup>73</sup> Survey results per 14.09.17 (policy level).

<sup>74</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>75</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

The main observation derived from the table above is that drivers develop their potential only after the internal capacity is in place.

Thus, EUSAIR being in a very early phase means that it will be unable to harvest benefits from the “higher” drivers for some time. EUSALP on the other hand, although new, builds on effective and long term pre-existing cooperation structures and strong governance capacity. Hence, it is likely to move almost immediately out of phase 1.

Interviewed stakeholders underlined the role of “leaders” who can also have a catalytic role. Examples of such leaders include EUSAIR in Italy and EUSDR in Austria. Both are acting as “leaders” they have their agenda and are pushing it forward thus, creating a favourable environment for cooperation. In some cases such as the EUSDR PA7 Knowledge society even single individuals can be decisive, as seen initially in the role of Co-PAC Serbia compared to PAC Slovakia, the latter becoming a leader at a later stage. Availability of funding can also be a driver; survey responses agreement ranged from 70% in the EUSBSR to 80% in EUSDR). For example in the EUSBSR the EMFF resources under direct management in the context of the Blue Growth priority are practically earmarked for cooperation in the MRS context. The EUSDR is similar; regarding PA1A Waterways mobility concerning CEF financing options. In EUSAIR and the EUSALP the facilitation of access to funding is not considered to be a significant MRS added value (task 2 report, tables 4-1 and 5-1).

Also a good case of a drivers-endowed field is the EUSDR PA4 Water quality: long term pre-existing cooperation, Danube as an issue and a pressure to most countries, and a clear EU acquis and requiring concrete transnational actions create an ideal environment for cooperation.

However progress is not linear; pressing emerging issues require a re-orientation of the MRS priorities as for example in the EUSBSR, PA Innovation. They might slow down or reverse the progress of an MRS or a single thematic area and thus diminish or reduce the positive impact of the drivers, for example if cooperation networks need to be established from scratch. In such a case the “starting” drivers “Pre-existing cooperation structures” and “Existence of “leaders”” are key in re-gaining momentum.

The table below provided a synthetic summary of the drivers identified during the preceding analysis. The drivers are identified based on type<sup>76</sup>, the development phase in which they typically appear, point of view (internal or external), orientation (capacity or performance) and relevant MRS.

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<sup>76</sup> See Stead, D., and Meijers, E. (2009). Spatial Planning and Policy Integration: Concepts, Facilitators and Inhibitors. *Planning Theory & Practice*, Vol. 10, No. 3, pp. 317-332.

Table 5-6 Drivers of the MRS<sup>77</sup>

Driver	Type of driver	Phase	INT/EXT	CAP/PER	MRS mostly relevant
<b>Pre-existing cooperation structures</b>	organisational behavioural, cultural and personal factors	Phase I	INT	CAP/PER	EUSALP, EUSBSR, EUSDR
<b>Existence of “leaders”</b>	As above	Phase I, Phase II	INT	CAP	All
<b>Ubiquity of the thematic issue</b>	process or instrumental factors	Phase II, Phase III	EXT	CAP/PER	All
<b>“Follow the funding”</b>	organisational , economic or financial, process or instrumental factors	Phase II, Phase III	EXT	CAP/PER	All
<b>Implementation of the EU acquis and existence of a common reference framework</b>	Political, organisational , process or instrumental factors	Phase II, Phase III	EXT	PER	All
<b>Requirement for concrete transnational actions</b>	Political, organisational , economic or financial, process or instrumental factors	Phase II, Phase III	EXT	PER	EUSALP, EUSBSR, EUSDR
<b>Mix of stakeholders</b>	Political, organisational , process or instrumental factors	Phase II, Phase III	EXT	CAP/PER	ALL
<b>Emergence and pressure of thematic issues</b>	As above	All phases	EXT	CAP/PER	ALL

Drivers, especially early drivers have **a direct and substantial effect on the conditions and thus the extent of cooperation especially early in the development**. Survey respondents underline the importance of pre-existing cooperation structures (83% agreement in EUSAIR and app. 90% in the other three MRS). Drivers relevant to later phases (II and III) are more relevant to the coordination efforts. The list below discusses drivers identified in the analysis and the possible or actual effects on cooperation.

- > In many thematic fields the MRSs are building upon long standing cooperation structures; e.g. the Alpine Convention in the EUSALP or the

<sup>77</sup> based on the desk review, stakeholder interviews and survey, 2017

ICPDR in the EUSDR. As a general rule however such structures boost cooperation under the MRS since they accelerate the Phase I process.

- > Especially in the early phases the existence of a “leader” which will promote cooperation and facilitate activities, especially for the less-experienced partners, is essential. Such a “leader can either be thematic leader (e.g. in the EUSDR or the EUSAIR where partners have different levels of capacity) or a regional player with a strong agenda (e.g. in the EUSALP, where partners are of the same level but some strong metropolitan areas are leading). In such cases, cooperation is introduced “by example”.
- > Some thematic fields, e.g. enhancement skills and labour mobility are an issue in all countries, even if the strategic priorities are different (for example in EUSAIR the topic is addressed indirectly under Blue Growth and tourism). This facilitates progress in MRS compared to e.g. thematic fields like innovation, where the gradient might be too high and cooperation will inevitably focus on finding a common ground initially.
- > Some of the funding sources (especially in form of grants and EU programmes other than ESIF) require transnational cooperation as an eligibility criterion. Involvement in the MRS can increase chances of being funded, hence cooperation is an effective approach.
- > Several EU directives, e.g. the Water Framework Directive or the Flood Directive require transnational cooperation. The MRS provides a framework for that cooperation.
- > Progress in certain thematic fields is dictated by the requirement of concrete actions, especially in fields like transport and environment (e.g. in the EUSDR on Danube navigation and the Danube River Basin Management Plan); cooperation is inherent.
- > The existence and action of different stakeholders in thematic fields can be a driver for actions under the MRS framework. For example environmental NGOs will attempt to enter a debate via the MRS, whereas the “traditional” players (e.g. ministries of environment) would rather continue cooperation among peers in absence of a MRS.
- > Thematic issues of transnational importance or transnational activity arise, also in relation to the global challenges, e.g. organised crime, migration and refugee crisis. The MRS facilitates cooperation, since the structure and framework already exists. An important aspect of this driver is the immediate pressure for action, e.g. while climate change adaptation is a transnational issue the lack of immediate pressure makes its treatment in the MRS more a discussion of principles than a driver of concrete action.

Understanding  
drivers and barriers

In summary, many drivers are related to informal aspects (“leaders”, emerging issues, stakeholder mix, and intangible benefit of transnational actions). In contrast, barriers are often related to more formal aspects (for example allocation of resources or lack of a binding common framework).

As a consequence, while barriers might be removed (or eased) through top-down interaction, drivers can be difficult to promote in the same way as they evolve in response to the environment and are not pre-determined.

## 5.4 Results of the MRSs

MRSs have delivered a large array of results, ranging from internal capacity effects, related to the set-up of the MRS and the cooperation, (results which are often not given the attention and recognition they deserve) to more theme-specific effects relevant to external performance. The latter usually draws the attention of policy makers and evaluators. Consequently, the absence of performance-related results may be considered as a failure of the strategy. However, result types cannot be considered in isolation.

In the following chapter we look at the time dimensions or development phases of the results and the types of results which can be achieved in each of these phases.

### 5.4.1 Time dimensions of the achievements/results

The MRS development model was present in Chapter 3 – analytical approach. Based on the desk review and the field research (interviews and survey) it is possible to determine which phase each MRS/PA is currently in. The figure below places each MRS in a quadrant of the concept described above. Different PAs within a given MRS might be in a different phase. They are not added in the table below for clarity reasons but are discussed in the next pages.

Table 5-7 MRS position in the phases of development and operation

Position of the MRS	Internal (MRS in the narrower sense)	External (MRS stakeholders)
“Capacity”	EUSAIR	EUSDR
Performance	EUSALP	EUSBSR

Source: own design

Based on the report on the implementation of EU MRS<sup>78</sup> and the study on the new role of macro-regions in European Territorial Cooperation<sup>79</sup> a series of statements is formulated below in relation to each MRS’ position in the concept:

- > The **EUSBSR** is oldest of the four, and it is based on a dense network of cooperation. The EUSBR is categorised in the mature **phase III**. Its antipode the **EUSAIR**, is a relatively new strategy and covers the largest

<sup>78</sup> European Commission (2016), 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)

<sup>79</sup> European Parliament (2015), directorate general for internal policies/policy department b: structural and cohesion policies, New role of macro-regions in European Territorial Cooperation

number of non-member states. The EUSAIR is in **phase I**, in the process of developing the necessary capacity of the individuals and entities involved in the MRS implementation.

- > The **EUSALP** and the **EUSDR** are both considered to be in **phase II**; the former benefits from the initial high capacity level of both individuals and entities involved. This provided it with a good starting point leading it to be placed in Phase II together with EUSDR which has existed for much longer. The EUSDR is the second-oldest MRS, under which extensive investments have been made in capacity development among stakeholders and project promoters. These investments currently deliver their results in the region.
- > However, the MRSs are **not internally homogenous**; for example the EUSDR's PA4 Water quality performs well and delivers impacts which would put this specific PA in phase III. At the same time, EUSDR PA9 People and skills oscillates between phase I and phase II due to its broad mandate and the lack of transnational or EU-level standards (in contrast to the regulative framework for water). This is important to be able to analyse the results of each PA and define what can be expected in the mid-term. Otherwise PAs performance might be unjustifiably evaluated negatively.

#### 5.4.2 Types of MRS results

The table further below (Table 5-8) provides a synthetic summary of the results based on type, actions implemented and specific result achieved, expected impact, the development phase in which they typically appear, point of view (internal or external), orientation (capacity or performance) and relevant MRS (or PA).

Results are presented in "order of appearance" based on the analysis of the findings from task 2. Results related to the set-up of the MRS and the cooperation structures (i.e. internal and external capacity issues) are at the top of the table since they materialise first. The delivery of these is a prerequisite for reaching cross-sectoral, cross-level and cross-territorial objectives and coordinating EU funds and programmes (task 3b and 3c).

Afterwards and based on the three-phases model, the MRS move to more substantial effects related to internal and external performance. For example, effects linked to the removal of barriers and the advance in specific thematic contents with the contribution of external actors (for example the case of EUSDR PA4 Water quality is characteristic of this transition. In this case basic drivers like pre-existing cooperation structures and existence of "leaders", like the ICPDR, help overcome the barriers and enter a mature phase of cooperation and coordination. The ultimate result is the development and integration of the MRS area. Only then can change on macro-indicators (as discussed under Task 1) become visible.

The MRS is implementing a number of actions, either internally (i.e. the MRS set-up itself, SG, PAC etc.) or through the external actors (e.g. joint projects,



investments etc.). These actions generate results (i.e. direct, short term effects) and impacts (indirect, long term effects).

Results can be further grouped in relation to their function:

- > the **functioning of the MRS**, e.g. results related to the set-up of the MRS and results related to cooperation. These are usually “invisible and intangible” results that are taken for granted. However the delivery of these results (building internal capacity) is an essential precondition for any further impact.
- > the **addressing of specific issues**, either related to the removal of a barrier, the enhancement of a driver or the response to a thematic challenge. These results are best for presentation and communication, since they are mostly delivered by projects implementing joint structures or plans within a precise time-plan. Such examples can be found under e.g. the EUSDR PA4 considering the joint River Basin Management Plan in 2016 or under EUSDR PA11 Security with the joint communication/information centre (Mohacs, HU). Another example can be found when comparing the results of EUSBSR on the PA Education (task 2 report, chapter 2.5, table 2-22) to the results of the PA Innovation (idem, table 2-25). While the PA Education is currently occupied with the functioning of the MRS (due to the reforming of the PA), it deals with concrete action plans, VET project formulation and best practices. PA Transport is somewhere between PA Innovation and PA Education with both dialogue and cooperation platforms but also with specific studies on rail and intercity links (e.g. Tallinn-Helsinki). Such results materialise late in Phase II and in Phase III, when the internal capacity building is completed and the MRS structures perform, and external stakeholders begin to be able respond with joint, mature and feasible projects.
- > the overall **development and integration** of the MRS area. These results are long-term, difficult to capture and appear late in Phase III. However, these are the results political decision makers seek (especially their impact expressed in the socio-economic macro-indicators in the region). Currently, the implementation of joint projects and action plans (outputs) is the only measurable element that can be seen as a result “lead indicator”. When comparing for example the survey results in the EUSBSR and the EUSDR (task 2 report, table 2-7 and 3-7) it becomes evident that there is larger agreement responsible for such projects and action plans and their results in the EUSBSR than in the EUSDR. One example is the EUSDR PA4 Water quality of the Danube and the reduction of certain harmful loads in the river. EUSALP and EUSAIR focus more on effects than on capacity (task 2 report, tables 4-7 and 5-8) and are not yet in this phase. A specific “result” unique to the EUSAIR is the retaining of the EU enlargement momentum (in terms of keeping this objective politically relevant and desired), which is politically relevant in the non-member states of the EUSAIR, despite recent setbacks.

- > the **coordination with ESIF and other** funds. This is a very specific type of result, which is an indication of internal and external performance and maturity of the MRS. However, this result depends on the external programming cycle of the funding instruments and can only be detected periodically. In this period this coordination has been much more prominent in ETC transnational programmes e.g. the Interreg Baltic Sea Region Programme or the Danube Transnational Programme. This topic is more explicitly addressed under task 3c.

Finally, in relation to the **EU integration and enlargement** in the EUSAIR and partly EUSDR areas. This result is very intangible and subject to many MRS-external factors; however it is a specific form of external capacity building that needs to be sustained.

Table 5-8 Results, phases and development of MRS<sup>80</sup>

Category	Action	Results	Expected impact	Relevant Phase	INT/EXT	CAP/PER	MRS mostly relevant
<b>Results related to the set-up of the MRS</b>	Formulation of the MRS and its Action Plan, Operationalisation of governance structures	Development of a joint framework for cooperation	Facilitation of cooperation per se	Phase I	INT	CAP	All MRS
<b>Results related to cooperation</b>	Events, working groups, fora	Co-organisation of events, facilitation of exchange, formulation of joint action plans and work plans, Increased cooperation with COM and other stakeholders	Continuity, transparency, ability to influence and co-develop policy	Phase I, Phase II	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the enhancement of drivers/removal of barriers</b>	Formulation of joint statements, development of joint projects, establishment of joint structures and platforms	Establishment of common operating environment and liaison potential	Growth, integration, cohesion regional development (visible in the specific macro-indicators in the region)	Phase II, Phase III	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the specific thematic content of the MRS</b>	Development of concrete operational tools, IT systems, management	Improved and efficient operation of actors and institutions, Increased scope	Growth, integration, cohesion regional development (visible in the	Phase II, Phase III	EXT	CAP/PER	EUSBSR EUSDR (PA1A, PA4, PA11)

<sup>80</sup> based on the desk review, stakeholder interviews and survey, 2017

Category	Action	Results	Expected impact	Relevant Phase	INT/EXT	CAP/PER	MRS mostly relevant
	plans	for funding (economies of scale, "bankability" of concepts)	specific macro-indicators in the region)				
<b>Results related to the coordination with ESIF and other funds</b>	Events, working groups, for a, formulation of joint action plans and investment plans, MA networks	Inclusion of MAs, interaction of MRS AP and ESIF OPs/RDPs, liaison with international financing institutions and investors	Better use of ESIF and dynamic alignment with the developments in the MRS area	Phase II, Phase III	INT/EXT	PER	EUSBSR, EUSDR
<b>Results related to the development and integration of the MRS area</b>	Events, working groups, for a, formulation of joint action plans and investment plans	Involvement of non-MS, enhancing ownership and participation	Sustain political interest for EU integration, maintain EU enlargement momentum	n.a.	EXT	CAP	EUSAIR (unique case), to a lesser extent EUSDR
	Implementation of joint projects and action plans	Increase outputs of actors and stakeholders in the area Increase effectiveness of funding and public action,	Growth, integration, cohesion regional development (visible in the socio-economic macro-indicators in the region)	Phase III	EXT	PER	EUSALP, EUSBSR, EUSDR (PA1A, PA4, partly PA7)

### 5.4.3 Global challenges and their impact on MRS and their achievement

The implementation of the MRS is not happening in vacuum; the MRS areas and Europe in general are subject to a number of global challenges. These global challenges have an impact on barriers, drivers and results.

There is a broad discussion in the specific literature on global challenges; a recent Committee of the Regions report<sup>81</sup> offers a comprehensive list based on the European Environment Agency, the KPMG/MOWAT "Future State 2030: The global megatrends shaping governments" report and the Strategy Development for the Alpine Space - Final Expert Report. This list constitutes a good starting

<sup>81</sup> Pucher, J., Frangenheim, A., Sanopoulos, A., Schausberger, W., (2015), The Future of Cohesion Policy, Report I, Committee of the Regions, Brussels

point, and it has been used in other relevant analysis. Such a list cannot be exhaustive and is meant as an initiator of reflection and discussion.

Each global challenge is discussed in relation to the effect it has on barriers, drivers and results (as defined in the previous chapters; the question here is: are these three elements strengthened or weakened?). Global challenges are also classified based on point of view (internal or external), orientation (capacity or performance) and relevant MRS. The discussion here is based on the assessment of survey respondent statements and stakeholder interviews and the conceptual framework; no such questions were asked explicitly.

The impact of the global challenges is quite mixed; some of them need continued economic growth to sustain society and state. Additionally, the related public debt dynamics will be detrimental to MRS cooperation, since they will influence resource limitations and zero-sum competition, thus strongly affecting internal capacity aspects.

Others, such as urbanisation, health risks, ICT and pressures and ecosystems related to external performance are best addressed at a transnational level; they can in theory strengthen the rationale for MRS approaches.

Overall the emergence of the global challenges will exacerbate **negative aspects of the barriers** through additional strain on resources, competition for these resources, pressure on the environment and inefficiency of cooperation. This will lead to the increase of disparities among the countries and the regions due to polarisation. Some global challenges are also of diffuse character and long term effects (for example climate change) that might make cooperation and coordination unattractive. However in some cases, for example in the cases of ecosystem services, pollution, economic interconnectedness and alternative governance approaches (related to devolution and decentralisation), the pressure for immediate coordinated action might make the barriers less relevant.

The **effect on drivers** is more diverse. Some global challenges enhance the rationale for common frameworks and concrete actions, for example in the fields of migration, public health and pandemics. Others demand an increase in stakeholder interaction at the regional level for example on governance innovation (assuming that centralised universal approaches will not be financeable from the central state budget in the future).

There are also **negative effects**, often related to the increase in complexity, the change of positions and roles of the involved countries and the unfolding competition. For example in case of increasing multi-polarity, the need for continued economic growth to sustain society and state in an era of increasing public debt and the intensified global competition for resources. Under these circumstances cooperation seems counter-productive, inefficient or extremely long term.

The **effect on results** strongly correlates with the effect on drivers; in most cases when the effect of the global challenges on drivers is positive, so is the

effect on results. As a general rule, global challenges increase the need for joint tools, management plans, operational design to achieve concrete objectives and coordinated use of ESIF (for example in managing the ageing European population and migration, urbanisation and rise of the information society and of the knowledge economy). Exceptions are in climate change and in governance, where drivers are enhanced, yet results are compromised in the short term.

**Similar to drivers, results are compromised** by the rise of the complexity of the necessary interventions. Results take longer to materialise and are hard to monitor (especially regarding adaptation of institutions). For example in the cases of multipolarity, climate change, global competition and governance reforms, it needs time to bear results. Short term cost-benefit appraisals will fare disadvantageously in comparison to national investments. The focus should be on internal capacity; results related to external performance might stagnate or even decline in the short term.

Finally, global challenges with a negative effect on barriers and a positive on drivers and/or results usually affect **external capacity and external performance**. This means that external stakeholders need to re-invent the way they conduct their tasks. On the contrary, global challenges negatively affecting barriers, drivers and/or results are related to **internal capacity and internal performance**. This means that MRS actors have to redefine their approach, for example through new MRS objectives, action plans etc.

In the table below this impact is discussed (red cells indicate a deterioration of the situation compared to the status quo, green cells an improvement):

Table 5-9 Overview of global challenges and their implications on macro-regional strategies

Global challenge	Impact on barriers	Impact on drivers	Impact on results	INT/EXT and CAP/PER classification	MRS most relevant
1. Diverging global population trends, with an ageing “first world”, a stabilising Asia and a rapidly growing Africa	Increase in competition for resources and avoidance of politically sensitive issues	Increase potential for common frameworks and for concrete actions	Increase in the development of joint tools, management plans	EXT-CAP EXT-PER	EUSAIR, EUSDR
2. A rapidly urbanised global population reaching an urban population which in 2014 accounted for 54 percent of the total global population	Increase in disparities	Increase in stakeholder interaction at the regional level	Increase potential for ESIF coordination (see Urban Agenda)	EXT-CAP EXT-PER	EUSAIR, EUSDR
3. Changing disease burdens and risks of pandemics	Strain on resources	Increase potential for common frameworks and for concrete actions	Increase in the development of joint tools, management plans	EXT-CAP EXT-PER	EUSAIR, EUSBSR, EUSDR
4. Accelerating technological change, rise of an information society and of a knowledge economy	Increase in disparities and NW-SE divide	Enhanced importance of “leaders”	Increase in actions related to the removal of barriers and cooperation networks	EXT-CAP EXT-PER	All
5. A need for continued economic growth to sustain society and state	Very comprehensive and broad approach needed, which might be beyond the capacity of the MRS	Might weaken drivers due to the complexity	Might dilute results due to the complexity	INT-CAP INT-PER EXT-CAP	All
6. Increasingly multipolar world	Increased stakeholder diversity and drive for ad-hoc actions	Might weaken drivers due to the complexity and rearrangements of networks, alliances and cooperation patterns	Longer maturation phases needed, results especially on EXT and PER will take longer to materialise	INT-CAP INT-PER EXT-CAP	EUSAIR, EUSBSR, EUSDR
7. Intensified global competition for resources	Decreased interest for harmonised approaches	Might weaken drivers due to the competition unfolding	Seriously affecting results, cooperation might become more formal	INT-PER EXT-PER	All
8. Growing pressures on ecosystems	Pressure can render barriers less relevant	Strong drive for harmonised approaches and concrete actions	Increase of demand for concrete thematic results and coordination with ESIF	EXT-PER	All

Global challenge	Impact on barriers	Impact on drivers	Impact on results	INT/EXT and CAP/PER classification	MRS most relevant
9. Increasingly severe consequences of climate change	Very comprehensive and broad approach needed, which might be beyond the capacity of the MRS	Strong drive for harmonised approaches and concrete actions, rationale for the EU acquis implementation	Results related more to CAP than PER. Results take longer to materialise and are hard to monitor (especially regarding adaptation)	INT-PER EXT-CAP	EUSAIR, EUSALP
10. Increasing environmental pollution	Pressure can render barriers less relevant	Rationale for the EU acquis implementation	Increase of demand for concrete thematic results and coordination with ESIF	EXT-PER	All
11. Diversifying approaches to governance	Progress in the field decreases the importance of barriers	Progress in the field enhancing all drivers	Governance reform and diversification need time to bear results, focus will be on INT and CAP aspects. Results will be negatively affected in the short term	INT-CAP INT-PER EXT-CAP	EUSAIR, EUSDR
12. "Rise of the individual", growing importance of smaller groups in society	Increase of disparities due to migration	Increase for demand for concrete transnational actions related to social mobility	As above	INT-CAP INT-PER EXT-CAP	EUSAIR, EUSDR
13. Economic interconnectedness	Pressure can render barriers less relevant	Rationale for transnational action	Increase of demand for concrete thematic results		All
14. Public Debt Dynamics	Increase in disparities and resource limitations	Negative impact on all drivers	Negative evaluation of short term cost-benefit in comparison to investments or cuts in the national context	INT-CAP INT-PER EXT-CAP	EUSAIR, EUSDR
15. Tensions on the energy market	Increase in disparities and resource limitations	Rationale for transnational action	Increase of demand for concrete thematic results	EXT-PER	EUSAIR, EUSDR
16. Increased mobility of goods and persons	Increase of disparities due to migration and polarisation	Increase for demand for concrete transnational actions	Increase of demand for concrete thematic results and coordination with ESIF	EXT-PER	All

## 5.5 The role of the macro-regional strategies in reaching cross-sectoral, cross-level and cross-territorial objectives (3b)

Task 3b answers the following question:

- > To what extent are MRS likely to contribute to better reaching **cross-sectoral, cross-level and cross-territorial objectives**?

This part of the analysis looks at the extent to which MRS contribute to better reaching cross-sectoral, cross-level and cross-territorial objectives. The chapter is divided into three sections which discuss each type of objective. The MRS objectives were investigated in depth in Task 2 and will be discussed again here across the 4 strategies.

To introduce each section, a set of operationalisation definitions have been developed.

Cooperation as means to achieve better cross-sector and cross-territorial objectives and policy integration

The ambitious expectations attached to the design and implementation of EU MRS focus on spatial coordination in three directions<sup>82</sup>:

- horizontally (across policy sectors),
- vertically (between levels of government and governance), and
- geographically (across borders).

In clarifying the agenda for cooperation at the macro-regional level, it is important to consider the principle of subsidiarity, which means that competences should only be ceded to higher jurisdictions when there is demonstrable need or benefit to be gained. For EU MRS, this implies that on this scale such issues should only be dealt with when they have effects across national and regional borders. Thus, such issues cannot be addressed adequately at the local, regional or national level alone and need cooperation across administrative borders for effective responses (as in the case of environmental pollution of a shared sea basin or flood management of a transnational river). For such issues the value of coordinated transnational responses and an 'upscaling' to a supra-national level to escape the limitations of administrative and nation-state boundaries and address large scale issues more effectively and efficiently, is considered to be the largest<sup>83</sup>.

Cross-sectoral objectives

Cross-sectoral objectives are formulations of intended change considering not only a narrow thematic field but also unintended (spatial) effects of sector policies (e.g. transport, environment, regional policy, etc.), and the 'costs of

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<sup>82</sup> Dühr et al. 2010. European spatial planning and territorial cooperation.

<sup>83</sup> See Brenner 2004; Keating 2009



non-coordination<sup>84</sup>. Such effects and costs arise if relevant policies are not coordinated (e.g. costs when development is halted because regulations from another sector such as nature protection were not considered). In the MRS context cross-sectorality is respected in two ways:

- > Through the thematic mix of the MRS, formulation of the objectives, the PAs content and the resulting projects; and
- > Through the composition of the working groups and MRS bodies and the stakeholder inclusion.

Considering the first condition, MRS are truly cross-sectoral through their mix, integrated objectives and action plan contents. This position is supported through the review of the 4 MRS in task 2 (chapters 2.3, 3.3, 4.3 and 5.3)

While cross-sectorality is formally achieved/targeted in both aforementioned aspects, the reaching of cross-sectoral objectives is more complex and specific for each PA. There is a trade-off between (mid-term) effectiveness and cross-sectorality. For example, PAs dealing with environmental aspects (non-cross sectoral in the narrow sense) can deliver results and reach their objectives in a shorter time span than PAs dealing with skills, education and labour market. This is evident for example in the EUSDR PA4 Water quality, where mainly environment ministries, related agencies and environmental NGOs have to cooperate within a fairly stable and common framework (e.g. as defined by the Water Framework Directive). Stakeholders in EUSDR PA9 are much more diverse and truly cross-sectoral (education, inclusion, employment), meaning achievements take longer.

Across all four MRS over 80% of respondents agree that the MRS brings actors together across sectors. This finding supports the hypothesis that the MRS contributes to achieving cross-sectoral objectives. The survey reveals that in the EUSBSR projects under PA Safe; PA Education and PA Transport are considered to be cross-sectoral. The same applies to the EUSDR; main achievers are PA1A Waterways mobility, PA4 Water quality and PA11 Security

The analysis summarised in Chapter 3 finds that cross-sectorality is an important feature of the MRSs.

The survey shows that between 39-51% of the survey respondents strongly agree and 37-46% somewhat agree (see table below) that MRS are carriers of cross-sectorality. Interviews with stakeholders in the EUSBSR and EUSDR find that cross-sectoral cooperation is one of the key added values of the MRS in most of the analysed PAs (see task 2 report, tables 2-2 and 3-13).

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<sup>84</sup> Robert et al. 2001. Spatial Impacts of Community Policies and Costs of Non-Coordination.

Table 5-10 All MRS: What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>85</sup>

Colour codes	EUSAIR (85 respondents)	EUSALP (46 respondents)	Agree <sup>86</sup>		Disagree <sup>87</sup>		Do not know	
	EUSBSR (171 respondents)	EUSDR (93 respondents)						
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)	91%	98%	6%	2%	4%	0%		
	85%	88%	10%	12%	6%	1%		
The MRS process brings together actors across countries	88%	98%	8%	2%	4%	0%		
	93%	94%	4%	4%	4%	1%		
The MRS process brings together actors across levels (national/regional) and type (public/private)	87%	82%	8%	17%	5%	0%		
	81%	85%	14%	12%	5%	3%		
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)	39%	60%	55%	29%	6%	11%		
	67%	64%	25%	36%	8%	1%		
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges	74%	76%	21%	17%	5%	7%		
	77%	79%	16%	20%	6%	0%		
The MRS process facilitates/deepens cooperation with third countries	73%	70%	22%	24%	6%	7%		
	52%	77%	35%	16%	12%	6%		
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level	87%	85%	8%	13%	5%	2%		
	76%	78%	18%	20%	6%	1%		

Cross-level objectives

**Cross-level objectives** are related to the definition of multi-level governance and/ or the partnership principle of Cohesion Policy.

The conceptual argument here is that responsibilities are better dealt with at different levels of administration (local, regional, national and increasingly EU) as well as including NGOs, private actors etc. beyond the public sector that was traditionally responsible for providing public goods and services. In a world of policy issues of increasing complexity the input / involvement from different levels and from different actor groups at these levels (public, private, civic society) is needed.

In the context of the MRS, cross-level involvement (which behaves similar to cross-sectorality) is related to two elements:

- > Through the involvement of cross-level actors in composition of the working groups and MRS bodies (internal cross-level approach); and
- > the cross-level responses (e.g. projects) to the thematic focus of a specific PA.

<sup>85</sup> Survey data per 14.09.17 (policy level).

<sup>86</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>87</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

The survey respondents are providing a strong indication of the cross-level involvement with a balanced mix of international, national, regional, local and “other” (i.e. NGOs and privates) actors. The table below shows the mix of levels of the survey respondents: coordinators and steering group members (who usually work at the ministerial level), regional and local authorities, and private and third sector actors such as NGOs (under the category “other”). Although there are certain structural biases per MRS (related to maturity and thematic scope) and the mix of survey respondents do not necessarily represent 100% the cross-level involvement in the MRS, overall the picture supports the hypothesis of broad cross-level involvement.

Table 5-11 Cross-level involvement the MRSs<sup>88</sup>

Stakeholder (%)	EUSAIR	EUSALP	EUSBSR	EUSDR
Coordinator/leader of a policy/priority/pillar/thematic area	9	20	17	18
Member of steering committee/group	12	21	7	28
National focal point coordinator/national coordinator	11	5	9	14
Flagship project manager or manager of a group of projects	1	0	1	0
Representative of a regional/local authority	21	27	20	9
Representative of the EU Commission	6	2	6	4
Representative of an international/regional institution	14	11	16	13
Other	25	14	25	14
Respondents	106	56	241	118
No response	11	3	24	25

Through all four MRS there is agreement or strong agreement (over 80%) that the MRS also brings together actors across levels. This finding supports the hypothesis that the MRS contributes to achieving cross-level objectives both by mandate and by modus operandi. According to interviewed stakeholders for example EUSBSR PA Innovation is increasingly focusing on the regional and local level – through the Smart Specialisation Strategies, which demand multi-level involvement. Some MS are more focused at Triple helix cooperation. PA Innovation allows for coordination at overall policy level and implementation and financing provided at project/actor level.

Cross-territorial objectives

**Cross-territorial objectives** are related to the common addressing of issues that reach beyond formal territorial jurisdictions (beyond the boundaries of nation-states) and therefore need a “functional region” approach to be addressed properly.

The MRS is a cross-territorial approach per se; its objectives are cross-territorial. In that context, the cross-territoriality is expressed through two elements:

<sup>88</sup> Survey results per 14.09.17 (policy level)

- > cross territorial topics and
- > cross territorial projects/cooperation.

The survey revealed that the respondents consider macro-regional/transnational (and hence cross-territorial) cooperation as a more efficient way of dealing with issues than unilateral efforts. The legal obligation and the formal requirements of funding are also strong drivers of cross territorial actions.

Thus, based on the survey responses it can be concluded that MRS contribute in reaching cross-sectoral, cross-level and cross-territorial objectives. It is important to note that the achievement of cross-sectoral, level and territorial objective can and does depend on the development of the MRS and the PA. The findings of the survey show that all MRSs – independent of maturity and development find the achievement of these objectives important. However, the effect – achievement - is phase-sensitive (see below). For example MRS and PAs in phase I could be focusing on:

- > selecting cross-territorial topics;
- > formulating cross-sectoral objectives and
- > including cross-level actors.

The effects on the ability and role of the MRS in reaching cross-sectoral, cross-level and cross-territorial objectives are mainly internal and capacity-related in this phase.

As the MRS and PAs move into phase II and III and external actors become more important (external performance) their focus should be on selecting/developing those projects that guarantee the cross-sectoral, cross-level and cross-territorial approach and the achieving of the respective objectives.

It must be noted here that not all three types of objectives can be served equally well if an impact is expected; they form a so called “impossible triangle”. For example a sectoral project (e.g. on EUSDR on PA1A water navigation or PA4 water quality or PA11 security or EUSAIR on maritime protection) can serve cross-level and cross-territorial objectives more easily than a multi-sectoral objective (for example in EUSAIR on tourism). Trade-offs must be managed flexibly and on a case by case basis.

The effects on the ability and role of the MRS in reaching cross-sectoral, cross-level and cross-territorial objectives in phases II and III are mainly external and both capacity- and performance-related (ability of actors to formulate such a project, implement it and ensure the uptake/broad application of the projects outputs).

The table below gives an overview of the relationship between the results (described in the previous chapter) and the ability to reach cross-sectoral, cross-level and cross-territorial objectives.

Table 5-12 Relation MRS results and the ability to reach cross-sectoral, cross-level and cross-territorial objectives<sup>89</sup>

Result category <sup>90</sup>	Delivery of result and effect on the ability to reach cross-sectoral, cross-level and cross-territorial objectives	Relevant Phase	INT/EXT	CAP/PER	MRS mostly relevant
<b>Results related to the set-up of the MRS</b>	Prerequisite	Phase I	INT	CAP	All MRS
<b>Results related to cooperation</b>	Prerequisite and positive through networking, joint events	Phase I, Phase II	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the enhancement of drivers/removal of barriers</b>	Positive through addressing various levels of barriers	Phase II, Phase III	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the specific thematic content of the MRS</b>	Potentially positive, however actions are usually more sectoral and concrete	Phase III	EXT	PER	EUSBSR EUSDR (PA1A, PA4, PA11 )
<b>Results related to the coordination with ESIF and other funds</b>	Cooperation and coordination between project promoters and ESIF MA is per se cross-sector and cross-level, especially when project promoters do not act as applicants but as co-formulators of the ESIF OP.	Phase II, Phase III	EXT	PER	EUSBSR, EUSDR
<b>Results related to the development and integration of the MRS area</b>	Directly positive	n.a.	EXT	CAP	EUSAIR (unique case), to a lesser extent EUSDR
	Directly positive	Phase III	EXT	PER	EUSALP, EUSBSR, EUSDR (PA1A, PA4, partly PA7)

<sup>89</sup> based on the desk review, stakeholder interviews and survey, 2017

<sup>90</sup> See Table 5-8

## 5.6 Coordination of EU funds and programmes (task 3c)

Task 3c answers the following question:

- > What are the **conditions** under which MRS facilitate the **coordination of EU funds and programmes**? What are the impacts on **governance** in the different countries and regions?

The third part of the analysis focus on the conditions under which MRS facilitate the coordination of EU funds and programmes and what impacts the ESIF funds could have on governance in the different countries and regions.

The MRS are dependent on bundling funding from different sources. However, the coordination with ESIF was so far limited. However interaction is increasing, for example in the EUSAIR through dialogue meetings between Managing Authorities (MAs) and MRS key implementers in late 2016-early 2017. The most advanced examples related to the ETC and especially the transnational cooperation programmes.

The coordination of ESIF and EU programmes can be analysed from the point of view of the ESIF programmes on the one hand and from the potential applicants' side on the other:

- > "ESIF programmes", i.e. how the MRS influence the way of the ESIF and EU programmes allocate resources and operate, e.g. through:
  - > Programming: Reference to the MRS action plan in the programme and funding documents: this has been 'formally' achieved since ESIF programmes were obliged to indicate the relation to the MRS in their programming documents. In most cases this was a formal task;
  - > Operationalisation of project ideas, (co-)development as proposals and selection of actions/projects for funding: Alignment of content and actions (e.g. between MRS road-map and OP or through thematic calls): this has been implemented mostly in ETC programmes mainly considering project development; many mainstream ESIF have thematic overlaps with MRS contents but there is no practical implication. In many cases the MRS simply labels ex-post projects as "MRS-relevant" that are being implemented anyway.
  - > Juxtaposition of members in the ESIF and MRS bodies (MC, PAC, SG, MA networks in EUSBSR and EUSDR): this option is gaining importance e.g. through the MA networks. MRS are often negatively affected by the fact that the MAs often belong to ministries (e.g. finance) that are not involved in the MRS implementation and only act in the regional or national context. Transnationality cooperation is a new concept and there is lack of MA awareness on possibilities for opening up to transnational cooperation. At the same time PACs lack knowledge of how funding could be used.

- > “potential applicants”, i.e. how MRS actors and stakeholders fund activities by means of ESIF and EU programmes;
  - > Limited use of mainstream ESIF programmes (ERDF, ESF, CF, EAFRD) is not considered in option due to their national (or regional in case of regional OPs) orientation, impossibility to implement transnational projects, and the overall complexity. So far only ESF (EUSBSR PA Education) is an exception in some cases;
  - > Extensive use of ETC and especially transnational cooperation programmes: these programmes were in most cases the “natural” choice for many actors due to their ability to grasp the cross-sector, cross-territorial approach of MRS related projects; however their funds are limited;
  - > Extensive/considerable use of EU programmes other than ESIF: many actors mentioned using Life, Erasmus, Horizon 2020, CEF, Eureka and other options since these programmes also have an understanding, even a requirement for transnational cooperation (i.e. MRS-like approaches). Positive aspects are the amount of funding and the relative ease of grant management; negative aspects are the high competition and the effort needed to submit a proposal;
  - > Other platforms and tools as attractors of national and private funds have been used: these options are thematic field specific and require a high level of capacity/expertise from the applicants – and is not widely available through all MRSs.

Hence, the coordination with ESIF and EU programmes requires both on internal (ESIF OP side) and external (applicants’ side) capacity and will affect both capacity and performance of a PA and a MRS.

The table below gives an overview of the relation between categories of results achieved in the MRS and their relation with the coordination of EU funds and ESIF programmes. Again this relation is phase-sensitive.

Table 5-13 MRS results and coordination of EU funds and programmes

Result category <sup>91</sup>	Coordination of EU funds and programmes	Relevant Phase	INT/EXT	CAP/PER	MRS mostly relevant
<b>Results related to the set-up of the MRS</b>	Prerequisite	Phase I	INT	CAP	All MRS
<b>Results related to cooperation</b>	Potentially positive but little effect till now	Phase I, Phase II	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the enhancement of drivers/removal of barriers</b>	Marginally relevant	Phase II, Phase III	INT/EXT	CAP/PER	All MRS, EUSAIR is still at an early stage
<b>Results related to the specific thematic content of the MRS</b>	Positive through demand for ESIF funds for implementation	Phase III	EXT	PER	EUSBSR EUSDR (PA1A, PA4, PA11 )
<b>Results related to the coordination with ESIF and other funds</b>	Main target	All phases	INT/EXT	CAP/PER	All MRS
<b>Results related to the development and integration of the MRS area</b>	Indirectly positive through accession process and IPA II	n.a.	EXT	CAP	EUSAIR (unique case), to a lesser extent EUSDR
	Positive through demand for ESIF funds for implementation	Phase III	EXT	PER	EUSALP, EUSBSR, EUSDR (PA1A, PA4, partly PA7)

Source: own synthesis based on the desk review, stakeholder interviews and survey, 2017

Certain results of phase I are simply prerequisites. Cooperation per se is also a prerequisite but with little effect so far, since MAs of sectoral or regional OPs are very often not involved in MRS implementation. ETC programmes are an obvious exception.

As an MRS or a PA move into phase II and III, external actors (external capacity and performance) become more relevant. Hence the potential for coordination increases (e.g. through resource allocation based on demand of applicants for ESIF funds for implementation). Coordination on programming is also possible through OP modifications; however these are less substantial during the ESIF OP implementation than in the beginning of a programming period.

## 5.7 Summary of findings and recommendations

This section summarises the findings of Chapter 5 and makes recommendations based on the findings and the analysis.

<sup>91</sup> See Table 5-8



### 5.7.1 Summary of findings

This summary is structured according to the three research questions that guide the preceding analysis. The relevant question is repeated in the introduction to the findings. It is important to note that the summary refers to the analytical approach based on the three phases; phase I (early, set-up), phase II (starting to operate) and phase III (maturing). The same phases are applicable to single PAs in an MRS. The two dimensions defining the phase are (i) point of view (internal or external) and (ii) orientation (capacity of performance).

MRS deliver results thanks to the cooperation and coordination of EU policies, programmes

**Research question for Task 3a:** How do MRS deliver results thanks to the cooperation and coordination of EU policies, programmes, and what are the impacts of MRS on achieving coordination? To what extent did the MRS enhance cooperation and coordination and what barriers did they help remove? (task 3a).

The findings are:

- > MRS are governance models per se and are regarded by stakeholders as an innovative feature in the context of governance. Even though the MRS governance arrangements are complex, they nonetheless facilitate increased interaction among numerous stakeholders. It seems that the MRS are becoming an effective and cost-efficient mechanism that can promote joint action among multi-level stakeholders.
- > MRS are subject to specific barriers and drivers of cooperation (and coordination). The effectiveness and efficiency of the MRS depend on the MRS operating environment; and expectations should be adjusted accordingly (particularly timewise). Depending on the development phase of the MRS or the PA, different barriers and drivers dominate. For example in phase 1 (set-up), barriers related to lack of cooperation capacity and lack of resources prevail. The analysis shows that the drivers in phase 1 can be existing cooperation structures, which are decisive for the delivery of results, and that building on existing cooperation structures can boost cooperation.
- > Barriers such as 'topic complexity' gain importance in later phases, affecting the performance of the MRS. Drivers like the implementation of the EU Acquis cannot be "exploited" in an early development phase. As a result, related results like coordinated transnational actions will not materialise. An MRS can only remove barriers and enhance drivers relevant to the phase it is in. As such, the modus operandi of the MRS and its PAs must be adjusted to the phase of the MRS at the given moment.
- > MRS are mechanisms for the delivery of results. However, the formulation of targets in the action plans is formal and technical and usually related to external performance on competitiveness, economic growth and innovation. Such expected targets do not reflect a specific phase the MRS or the PA will only be achievable in mature and development MRS. Non-achievement of MRS and PA targets may lead to the perception that the MRS or the PA have failed. In reality, it is too early to draw such a conclusion. Hence, the

stated objectives and results of the MRS should not be related to the external performance of the MRS; these need to evolve according to the development of the MRS. Applying the three-phase model can help identify the type of results that can be expected.

- > Global challenges have both positive and negative effects on barriers, drivers and results. In some cases, global challenges complicate conditions and can result in situations where MRS cooperation becomes unattractive due to costly, inefficient or extremely lengthy processes. For example, competition for resources might render cooperation unattractive, since coordination always requires initial investments in resources and time. In other situations, global challenges increase the pressure for coordinated action. Increasing economic interconnectedness demands and facilitates common operating standards and legal frameworks. Global challenges usually affect external capacity and external performance, for example by requiring joint initiatives of external actors on topics (like climate change adaptation and risk management) already identified by the MRS. However, global challenges negatively affecting barriers, drivers and/or results can also be related to internal capacity and internal performance. This is especially true when MRS actors have to redefine their response to new challenges, for example by preparing new MRS objectives, action plans, etc.

Cross-sectoral, cross-level and cross-territorial objectives

**Research question for Task 3b:** To what extent are MRS likely to contribute to better achievement of cross-sectoral, cross-level and cross-territorial objectives? (task 3b).

The summarised findings are:

- > MRS are cross-sectoral through the thematic mix of the MRS, formulation of the objectives, the PA content and the resulting projects, and through the composition of the working groups and MRS bodies and stakeholder inclusion. Reaching cross-sectoral objectives is more complex and PA specific (some PAs lend themselves to more cross-sectoral cooperation than others).
- > Cross-level objectives are related to the definition of multi-level governance and/or the partnership principle of Cohesion Policy. MRS are cross-level through the involvement of cross-level actors in composition of the working groups and MRS bodies (internal cross-level approach) and the cross-level responses (e.g. projects) to the thematic focus of a specific PA. Where national level actors tend to dominate in the early phase; regional and local actors become more active as an MRS moves into phase II or phase III.
- > Cross-territorial objectives are related to the common response to issues that go beyond the formal territorial boundaries. The MRS are cross-territorial approaches per se, as demonstrated by the cross-territorial topics and cross-territorial projects/cooperation.
- > An MRS are assessed as a relevant mechanism for reaching cross-sectoral, cross-level and cross-territorial objectives. The MRS are cross territorial by

nature and cross sectoral/cross level by mandate. Through their implementation, stakeholders increase capacity and performance in their area. However, achievement of cross-sectoral, cross-level and cross-territorial objectives depends on the development phase of the MRS and the PA, and considerable lead time is needed for cooperation before results can emerge.

MRS facilitate the coordination of EU funds and programmes

**Research question 3c:** What are the conditions under which MRS facilitate the coordination of EU funds and programmes? What are the impacts on governance in the different countries and regions? (task 3c)

The findings are:

- > The MRS depend on bundling funding from different sources. However, coordination with ESIF is limited. The most advanced examples relate to the ETC and especially the transnational cooperation programmes and in some cases the ESF (Art.10).
- > ESIF MAs have coordinated with the MRS in the programming phase, mainly through alignment with the MRS action plan, and to a lesser extent through operation selection and through involvement of the MA in the MRS bodies. While alignment has been formally achieved, operation selection in ESIF programmes does not normally effectively consider the MRS, often for formal reasons (for example due to the complexity of revision the MC decision procedures) and/or due to the national thinking of the MAs.
- > MRS actors and project promoters can coordinate with the ESIF through project streamlining and funding application. However, there is limited use of the mainstream ESIF programmes due to their national or regional orientation, formal difficulties of implementing transnational projects under the regional ESIF programmes and overall complexity. A more popular source of financing of MRS activities has therefore become the ETC and especially transnational cooperation programmes - despite their limited funds. There is also extensive use of EU programmes other than ESIF, such as Life, Erasmus, Horizon 2020, CEF, Eureka, etc., since these have an understanding of or even a requirement for MRS-like approaches (i.e. multi-sectoral and cross-territorial approaches and partnerships).
- > Coordination with ESIF and EU programmes places high demands on all parties involved; and to date this coordination has not been satisfactorily achieved. There is thus significant scope for improvement in the post-2020 period. Also, as MRS or PAs move into phases II and III, external actors will become more relevant and both the need as well as the potential for coordination will increase.
- > The analysis showed evidence that MRS and the ESIF OPs have invested resources in achieving alignment; however, the alignment reached has been more formal than operational. To some extent, this has been a question of timing. In order to ensure meaningful coordination, the MRS need to be considered not only in the programming phase but also in the

implementation phase (operationalisation, project idea development, project selection criteria, MC decision making process, reporting, monitoring and evaluation etc.); and not only for ETC but also for mainstream ESIF.

## 5.7.2 Recommendations

A MRS can be an effective and cost-efficient mechanism for delivering results of significance to the territorial cooperation space and that countries and regions cannot achieve alone. However, the results and the performance of the MRS depend on the operating environment- and the development phase.

While the MRS deliver results, the results are often not tracked consistently. Hence the key recommendation concerns development of monitoring systems and relevant indicators that can reflect the development of the MRS and the individual PAs. The phase-model presented in this chapter provides a framework for developing phase-specific indicators that capture the development of the PAs.

Recapitulation of the three phases

As described in 5.1, a MRS, like any other governance arrangement, undergoes certain phases of development that can be summarised as follows<sup>92</sup>:

- > Phase I: relates to the capacity of the internal MRS actors mainly at the individual level
- > Phase II: development of the institutional capacity and performance of the internal MRS actors managing the strategy and the individual and institutional capacity of external stakeholders to respond to the strategy
- > Phase III: external stakeholders and the region as a whole are performing, i.e. they are implementing MRS relevant actions and their contribution to the integration and development of the region becomes visible through the achievement of the MRS objectives.

Focus on overall targets

Chapter 3 showed that the MRS action plans and the overall political attention have so far focused on the overall targets and results (and indicators) that generally occur in phase III (see section 4.1.3). However, a recently established MRS, for example the EUSAIR or the EUSALP, cannot perform at that level until capacity has been developed. As this analysis shows, only certain PAs of the EUSBSR and the EUSDR find themselves in Phase III, for example in PA Education or the EUSDR PA4 on water quality.

Adapting the monitoring to the development phases

Moreover, without an appropriate phase-specific monitoring mechanism and an understanding of the 'thresholds' in reaching the next phase and thus better performance, it will be difficult to discuss the achievements of MRS in a

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<sup>92</sup> These phases are of course not absolute categories but orientation aids; involvement is also not always linear. MRS may need to re-define their priorities. Hence, an MRS or a single PA can move from phase III to phase II or even back to phase I as thematic priorities, institutions and individuals change.

comprehensive manner. A monitoring system reflecting the development of the MRS will show relevant and realistic results for each phase, which will help maintain political support.

The three-phase model could be the basis for the development of a common monitoring (and evaluation) framework for all MRS. In the following, the features and the requirements of such a system are described. The system has the following objectives:

- > To guide the MRS in identifying, reporting and assessing progress and results specific to each phase
- > To assist the MRS in developing indicators (output and result indicators), which are adapted to measuring and reporting at different phases/stages of development
- > To assist in identifying key barriers and providing support to selecting the most relevant barriers and mitigating them in the respective phases to help the MRS proceed to the next phase
- > To identify, exploit and enhance drivers in the respective phases so that the MRS can utilise their potential among the stakeholders involved
- > To promote, plan and monitor capacity building and institutional development among the stakeholders involved
- > To generate political legitimacy of the MRS approach.

Below a basic joint framework is presented for each phase. The following principles apply:

- > Each phase builds on the previous; monitoring provisions in phase III also include, *mutatis mutandis*, the indicators of phase I and II;
- > The monitoring provisions must be understood in the context of the specific phase. What is a result in phase I can be a trivial output in phase III. For example, the development or the update of a roadmap can be a significant achievement in an early phase.
- > Proposed indicators are generic archetypes and need to be adjusted to the MRS specificities. The indicators are collected by the MRS/PA or the relevant implementer and related to activities implemented among involved actors and stakeholders.
- > Barriers and drivers (as discussed in previous chapters) relevant to each phase are listed and basic responses related to them are outlined.

Table 5-14 MRS joint monitoring framework, conceptualisation of phases I, II, and III

Context and indicators	Phase I – set-up phase	Phase II – operating phase	Phase III – maturity phase
Context and caveats	In this phase, the distinction between an output and a result is not always clear. An MRS or PA operating under the phase-relevant barriers and with no drivers in place is facing inherent obstacles in delivering; however this is part of the process. In some cases in the early stages even the delivery of an output can be considered a significant achievement.	In this phase, it is necessary to separate effects related to the internal MRS actors performance (which can be measured with “hard” indicators) from the “soft” effects on external stakeholders.	In this phase, a “paradigm shift” is expected to occur, since the MRS actors move from manager to facilitator roles and being service providers to the macro-region stakeholders. This needs to be reflected in their actions and the monitoring.
Important activities and outputs	1) Activities related to the set-up of the MRS (or PA) e.g. formulation of the strategy, development of the action plan, constitution of governance structures like the steering groups etc. 2) Activities related to the facilitation of cooperation: e.g. organisation of events, workshops etc.	1) MRS-management, co-organisation of events and working groups, establishment of joint structures and platforms etc. 2) Formulation of joint statements, joint projects etc. 3) Development of concrete operational tools	As in phase II and additionally: 1) Stable cooperation structures acting independently of the MRS bodies (e.g. ESIF MA networks) 2) Development and implementation of “bankable” projects and investment plans 3) Coordinated use of available funding (ESIF, national and especially private).
Results likely to occur in the phase	1) Development of a joint framework of cooperation 2) Development of the capacity for co-organisation, communication intensification and standardisation, ability for joint formulation of plans etc.	1) Ability of the MRS to manage, support, liaise among and sustain joint structures 2) Ability of the external MRS stakeholders to establish joint structures and operate within them 3) Improvement of cross-level, cross-sectoral and cross-territorial cooperation	1) Regular and standardised exchanges and co-development 2) Involvement of investors and international financing institutions 3) Implementation of sustainable projects, i.e. projects that operate or whose products are used also after the termination of financial support 4) Increased effectiveness and efficiency of funding and public action.
(Result) indicators, reporting body and method of collection	1) Indicators to be collected by the MRS/PA in the course of their daily duties: <ul style="list-style-type: none"> <li>Indicators tracking existence/constitution of MRS elements (e.g. roadmap for PA developed and/or approved; these are usually nominal “yes/no” variables)</li> <li>Indicators tracking quantity of outputs like meetings, events etc.</li> <li>Indicators tracking composition for example institutional coverage of a steering group in terms of cross-sector, cross-level and country mix</li> </ul>	As in phase I and additionally: 1) Indicators to be collected by the MRS/PA/workgroups in the course of their daily duties: <ul style="list-style-type: none"> <li>Indicators tracking organisation effort and implementation of key events</li> <li>Indicators tracking composition, frequency and attendance (cross-level, cross-sectoral and cross-territorial) of cooperation platforms, joint structures etc.</li> <li>Indicators tracking perceptions of quality of the individuals and institutions</li> </ul>	As in phases I and II and additionally: 1) Indicators to be collected by external stakeholders on a “project base” <ul style="list-style-type: none"> <li>Indicators tracking uptake, mainstreaming or reproduction of outputs from potential users beyond the project stakeholders</li> <li>Indicators tracking leverage effects of funding (ESIF, private, other)</li> </ul> 2) Macro-indicators related to the context of the region or the thematic field

Context and indicators	Phase I – set-up phase	Phase II – operating phase	Phase III – maturity phase
	<ul style="list-style-type: none"> <li>Indicators tracking development, iterations and rate of approval of strategic documents for example a specific roadmap.</li> </ul> <p>2) Indicators to be collected by organisers of key activities (PAC, projects etc.) on an ad-hoc base:</p> <ul style="list-style-type: none"> <li>Indicators tracking attendance for example institutional coverage of a workshop in terms of cross-sector, cross-level and cross-territorial mix</li> <li>Indicators tracking perceptions of quality/added value of a process or event by the individuals and institutions involved.</li> </ul>	<p>2) Indicators to be collected by external stakeholders on a “project base”</p> <ul style="list-style-type: none"> <li>Indicators tracking outputs of a concrete action or project</li> <li>Indicators tracking perceptions of change of modi operandi because of the MRS and the interaction within joint structures (added value, easier access to partners, peer exchange, definition/adoption of common frameworks and the EU acquis, effort to develop an “MRS project”, etc.)</li> </ul> <p>Indicators tracking perceptions of quality and uptake of projects’ outputs implemented in the MRS framework (project promoters and potential users).</p>	
<p>Barriers most relevant in this phase (See Table 5-4) –</p>	<p><i>Socioeconomic disparities, institutional and personal fluctuations, resource limitations, ad-hoc cooperation forms and lack of cooperation legacy, political sensitive issues, broad thematic scope at “PA level”, lack of common reference frameworks</i></p> <p><b>Monitoring:</b> must take into account these barriers and customise indicators (and targets) accordingly.</p>	<p><i>Socioeconomic disparities, institutional diversity, weak implementation chains, ad-hoc cooperation forms, broad thematic scope at “PA level”, lack of common reference frameworks</i></p> <p><b>Monitoring:</b> should put emphasis on data collection related to external capacity building (i.e. integration of the stakeholders in a structure, ease of developing an “MRS project”), since internal performance can be relatively easily tracked. In many cases, the importance lies in the change of the perception of the stakeholders compared to the “past”; absolute values are less meaningful.</p>	<p>Weak implementation chains, politically sensitive issues</p> <p><b>Monitoring:</b> should put emphasis on tracking the uptake of MRS projects outputs and the mainstreaming in the context of involved stakeholders. This is particularly important in fields where stakeholders are used for operating in a strongly regulated national context, e.g. health or education.</p>
<p>Drivers most relevant in this phase (See Table 5-6) –</p>	<p><i>Pre-existing cooperation structures, existence of leaders, emergence and pressure of thematic issues</i></p> <p><b>Monitoring</b> should incorporate the existence of such structures and leaders (for example through earmarking of their attendance and perceptions). These can be used as “benchmarks” to compare and adjust ambitions and targets among thematic fields and Pas that possess or lack these drivers.</p>	<p><i>Ubiquity of thematic issues, “follow the funding” strategies, implementation of EU acquis, , requirement of concrete transnational actions, mix of stakeholders, pressing issues</i></p> <p><b>Monitoring</b> in this phase should put emphasis in the collection of data related to external capacity building; special emphasis should be placed on the identification of positive feedback loops in the context of the MRS (e.g. in the existence of a cycle of pressing issues leading to the adoption of a common framework, leading to facilitated transnational cooperation leading to the easier access to funding).</p>	<p><i>Ubiquity of thematic issues, “follow the funding” strategies, implementation of EU acquis, requirement of concrete transnational actions, mix of stakeholders, pressing issues</i></p> <p><b>Monitoring:</b> should focus on the added value of concrete transnational actions especially for providing the evidence base for evaluations.</p>





## 6 Analysis of the implication of a macro-regional approach for cohesion policy (Task 4)

The final part of the analysis of the macro-regional strategies (MRS) focuses on the future linkages between the MRSs and Cohesion Policy. Chapters 3 to 5 of this report have already looked into the current state of the linkages of the MRS and the ESIF<sup>93</sup> during 2014-2020. This final analysis will investigate how the linkages between the MRS and the ESIF could look in the future (Section 6.1). The research questions are included in Table 6-1.

The assessment includes two case studies (EUSBSR) that illustrate the current steps taken to improve the alignment between ESIF and MRS. Information for these forward-looking assessment integrates evidence from the preceding chapters. The recommendations (Section 6.2) list the adjustments that would be required to other levels of policy-making, outlining the potential role the MRS would have in structuring complementary EU programmes, cohesion policy instruments, national strategies and national operations.

In addition, this final task addresses the question on how to determine the needs for new MRSs i.e. which criteria should be fulfilled in order to establish additional strategies (Section 6.3). The section includes a set of criteria that could be used when considering new strategies. The list of criteria are structured into three groups: identifying preconditions that need to be fulfilled, the socio-economic conditions prevailing in macro-regions, and the needs for cooperation, coordination and integration.

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<sup>93</sup> When referring to ESIF, in this report in general we refer to the mainstream and not the Interreg, unless otherwise stated.

Table 6-1 Study framework: Task 4

Research question	
Which implications could (or do??) macro-regional strategies have on the future implementation of Cohesion Policy?	Section 6.1 and 6.2
What types of issues and themes could be better addressed at each of the regional, national, and macro-regional level? How can the combination of macro-regional priorities and national/regional priorities increase the contribution to EU priorities?	
Is there potential – or a need for – additional macro-regional strategies?	Section 6.3

Macro-regional strategies as a tool for Cohesion Policy (4a)

## 6.1 Linkages between MRS and ESIF (4a)

This task sets out to investigate the possible links between MRSs and the ESIF<sup>94</sup> operational programmes and to determine whether the strategies formed a basis for mobilising resources from EU programmes, ESIF Operational Programmes (hereafter OPs) or national budgets. The assessment is based primarily on the assessment of the EUSBSR, supplemented by findings from the EUSDR where relevant. It is too early to make an in-depth assessment of the EUSAIR and EUSALP, but certain observations were made as part of the analysis. These will be used when relevant.

The analysis looks at the current role of ESIF as a funding source using the EUSBSR as case MRS. In the EUSBSR, two policy areas have been investigated in more depth: PA Educational and PA Innovation. These two areas were selected because of activities that are already on-going with respect to matching the funding of the ESIF to the activities of the policy areas. The analysis investigates the current alignment at OP level, the operationalising of funding – alignment with policy areas plans and programmes and project funding. Furthermore, the analysis investigates the new Managing Authority (MA)-networks and other factors influencing the ESIF funding of the EUSBSR.

Table 6-2 Four dimensions of the analytical framework<sup>95</sup>

Four dimensions	Description
<b>Strategy and thematic objectives</b>	Alignment of TO and priorities – ensuring that the overall ESIF framework responds to the need of the MRS
<b>Coherence and coordination</b>	Ensuring the coherence between OPs and PA actual activities. Coordinating the responses so that funding is aligned to MRS
<b>Funding mechanisms</b>	The actual matching of funding to activities, administration and coordination
<b>Governance</b>	The governance structure to ensure the coordination of cross-level, cross-sectoral, cross-territorial

<sup>94</sup> Unless otherwise specified ESIF refers to ERDF, ESFI, EMFF and EARDF but not Interreg transnational and CBC programmes

<sup>95</sup> The framework is inspired by dimensions used in A 'Macro-regional' Europe in the making. Theoretical Approaches and Empirical evidence. Edited by Stefan Gänzel and Kristine Kern. 2016-

### 6.1.1 Strategic and thematic objectives

This section identifies themes for which the MRSs could function as an overall framework for cohesion policy i.e. where the MRSs would be able to unlock resources from ESIF and EU programmes. This answers questions related to the alignment and coherence of the MRSs, as well as elements of effectiveness of cooperation. This analysis is linked closely to an assessment of possible themes and topics that the MRS approach is better suited to address than other approaches are (or would be). This issue has already been considered to some extent in Chapter 4 and throughout the relevant case study research.

Alignment between  
MRS and ESIF

As the MRSs have moved from a political and governance experiment to a more mature instrument for the implementation of EU policies and programmes, there is now an increased need for aligning the strategic approaches. The MRS cover issues that are or will not necessarily be covered by ESIF and vice versa. One of the reasons is that the ESIF funds in the current programming period have been strongly orientated towards the objectives of the Europe 2020 strategy. The Europe 2020 strategy was set up to deliver smart, sustainable and inclusive growth in the aftermath of the economic crisis<sup>96</sup>. Moreover, and in addition to the sectoral (thematic) orientation of the funding priorities, the ESIF programmes have a very national focus. As a consequence, the possibility for using the funds for transnational projects is limited. There are a number of reasons for this which will be discussed in the following.

Interreg is broad  
based as well

All EU MRS have broad objectives and priorities for cooperation, including on issues (such as innovation or education) that are not necessarily specific to the macro-region. The alignment with the Interreg transnational cooperation programmes may, especially in the case of the 'younger' MRS with more limited prior experience in transnational cooperation, have resulted in less filtering and prioritising and deciding on their agenda for cooperation. The thematic objectives which EU Cohesion Policy programmes in the 2007-2013 and 2014-2020 funding periods are required to address have been derived from the 'EU2020 strategy', and both have been frequently criticised as 'spatially-blind' and through their thematic orientation as standing in the way of integrated approaches. In comparison to the EU2020 strategy's focus on growth and jobs, the EU objective of territorial cohesion (since 2009 a shared competence, as set out in the Lisbon Treaty), has received limited attention in EU Cohesion Policy.

Sector focus –  
added value

Added value of macro-regional cooperation will be achieved faster in areas of environmental protection (e.g. nutrient run-offs from surrounding countries into a regional sea; coordinated approaches to sensitive ecosystems) or in areas where a joint transport corridor offers both the need for coordination to avoid negative effects of major infrastructure and traffic, as well as the potential for achieving joint socio-economic objectives that arise from the shared 'backbone' that the transport axis offers. Separating issues from common concern to those of transnational significance that are of key concern to the macro region will

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<sup>96</sup> Research for REGI Committee – Building Blocks for a Future Cohesion Policy – first reflections. European Parliament. DG Internal Policy. 2017

thus be of crucial importance to ensure the future success of these joint strategies.

It also has to be recognised that not all PAs and not all activities of the PA can and should be funded by the ESIF funds. Some activities are more relevant for sectoral EU programmes, others more for national/private funding. The possible link between ESIF thematic objectives (TO) and PAs is illustrated in Table 6.3. Each PA needs to identify and plan what part of the activities are relevant for which programmes; and subsequently consider suitable funding programmes to achieve the macro-regional objectives.

EUSBSR PAs alignment with ESIF objectives

Concretely, Table 6-3 provides an overview of the Thematic Objectives (hereafter TOs) each Member State addresses in all their respective ESIF programmes in the Baltic Sea macro-region (except for Interreg transnational cooperation). The overview covers ERDF/CF, ESF, EMFF and EAFRD. This overview is compared with the EUSBSR's Policy Areas in order to assess the thematic alignment between the two.

Table 6-3 shows that PA Education and PA Innovation align with up to four TOs, which are at the same time, and primarily, covered by the ERDF, ESF and EAFRD, of nearly all MS. Whereas PA Transport and HA Capacity are aligned, each with only one TO which in turn is only covered by a few member states. Funding of these areas via ESIF may be difficult (unless indirect provisions are included in other TOs). A number of PAs are aligned with TOs 4-6, which may lead to strong internal competition for funding between these PAs. In addition, TO5 is only covered by a small number of OPs.

The EAFRD has a wide thematic scope, from which it can be deduced that each TO has limited funding (the actual funding in the different OP has not been analysed). The wide scope of the objectives of the EUSBSR will be difficult to fund only via by the ESIF. Unless the thematic orientation of the ESIF is widened in the next programming period, or the objectives of the MRSs are reviewed and reduced, then additional support from other funding instruments will be necessary.

Achievements and qualitative effects of cooperation

The focus on growth and jobs and the results-orientation of EU Cohesion Policy is also influencing the thinking about macro-regional cooperation and its effects and impacts. While it is undoubtedly important to be able to communicate what MRS achieve, the dominant focus on results that can be expressed in quantitative terms (quantifiable targets and indicators) implies a blind spot for the more qualitative effects of cooperation, and which can be expected to an important aspect of the added-value of macro-regional cooperation given the considerable diversity of participating countries and regions in terms of their political and governance arrangements, levels of socio-economic development, environmental leadership, and suchlike.

Table 6-3 Possible alignment of EUSBSR PAs with ESIF thematic objectives<sup>97</sup>

Thematic Objectives	ESIF Programmes (not Interreg)					EUSBSR PAs which could possibly be aligned
	ERDF	CF	ESF	EMFF <sup>98</sup>	EAFRD	
TO1 - RTD	DK, LT, PL, SE, LV, DE, FI, EE	-	-	-	DK, LT, PL, SE, LV, DE, FI, EE	PA Innovation, PA Education
TO2 - ICT	LT, PL, SE, LV, EE	-	-	-	LT, SE, DE, FI	PA Secure, PA Innovation
TO3 - Competitiveness	DK, LT, PL, SE, LV, DE, FI, EE	LT, PL	-	DK, LT, PL, SE, LV, DE, FI, EE	DK, LT, PL, SE, LV, DE, FI, EE	PA Innovation
TO4 – Low-carbon	DK, LT, PL, SE, LV, DE, FI, EE	LT, PL, LV, EE	-	LT, PL, DE, FI	DK, LT, SE, LV, DE, FI, EE	HA Climate, PA Bioeconomy, PA Energy
TO5 – Climate change and risk	LT, PL, LV, DE	PL, LT, EE	-	-	DK, LT, PL, SE, LV, DE, FI, EE	HA Climate, PA Hazards, PA Secure, HA Spatial Planning
TO6 - Environment	LT, PL, LV, DE	PL, LT, LV, EE	-	DK, LT, PL, SE, LV, DE, FI, EE	DK, LT, PL, SE, LV, DE, FI, EE	PA Bioeconomy, PA Hazards, PA Nutri, PA Culture, PA Tourism, PA Ship
TO7 - Transports	LT, PL, SE, LV	LV, EE	-	-	PL	PA Transport, PA Safe, PA Ship
TO8 – Labour market	LT, PL, EE	-	DK, LT, PL, SE, LV, DE, FI, EE	DK, LT, PL, SE, LV, DE, FI	LT, PL, SE, LV, DE, FI, EE	PA Education, PA Culture
TO9 – Social inclusion	LT, PL, SE, LV, DE, EE	-	DK, LT, PL, SE, LV, DE, FI, EE	-	LT, PL, SE, LV, DE, FI, EE	PA Education, PA Health
TO10 – Education and training	PL, LV, EE	-	DK, LT, PL, SE, LV, DE, FI, EE	-	LT, SE, LV, DE, FI, EE	PA Education
TO11 – Institutional capacity	EE	-	PL, LT, LV, EE	-	-	HA Capacity

Cross-sectoral and cross-territorial cooperation

As this analysis found, one of the key added values is the opportunity that the MRS provide for cross-sectoral and cross-territorial cooperation. Interviews and the survey both confirmed that this is an important addition to already existing cooperation that the MRS brings (see section 4.1.2 and 5.5). The MRS are cross-territorial by nature and cross-sectoral/cross-level by mandate. Through their implementation stakeholders increase their capacity and performance in the area. However, the achievement of cross-sectoral, cross-level and cross-territorial objectives depends on the development phase of the MRSs and the PAs and may need a considerable lead time. Where some cross-sectoral priorities are addressed in the ESIF operational programmes (not including Interreg) this is probably more the exception than the rule. The key issue, however, is that the cross-territorial aspect is lacking in the mainstream ESIF,

<sup>97</sup> Based on ESIF partnership agreements.

[https://ec.europa.eu/info/publications/partnership-agreement-sweden-2014-20\\_en](https://ec.europa.eu/info/publications/partnership-agreement-sweden-2014-20_en) and EUSBSR Action Plan

<sup>98</sup> Information also from EMFF Operational Programmes (DE, DK, LV, PL)

which fundamentally are nationally or regional oriented, and this hampers their use for the funding of macro-regional objectives and activities.

### 6.1.2 Coordination and coherence

All programmes and strategies aspire to improve coordination and the use of resources i.e. the 'integrated and coordinated governance of the Baltic Sea region'. The wish to avoid duplication of efforts and incoherence in programmes that strive to achieve the same objectives are often a key goal. Often, however, the processes (as well as the resources) set up to secure this coordination is not available or aligned. The present study confirms earlier observations that the core goals of EU macro-regions to achieve a better coordination of EU policies and programmes has to date proven difficult to achieve, because on the one hand sector policies are supported by established policy networks and channels of implementation, which to date have rarely been challenged to consider cross-sector implications.

ESIF programmes are (with the exception of the territorial cooperation programmes) implemented within national or regional contexts, and with little requirement to consider cross-territorial implications. There are, of course examples of EU policies which place transboundary coordination central, as for example the EU Water Framework Directive which sets out a legal requirement to set up joint governance arrangements and draw up joint river basin plans for transboundary rivers and their catchment areas. Yet, many EU policies and programmes remain sectoral in focus and are being implemented and administered through national systems. Macro-regional strategies are still new approaches and as such less well established, institutionalised, nor resourced (with neither political power nor financing), yet the expectation to achieve better integration is laid firmly into their corner.

Previous studies have shown that policy learning is an important aspect of transnational cooperation, not only through exchange of experience but in particular through structured cooperation on key issues of transnational concern, where cooperation can result in better solutions at the transnational level, but also prompt policy change and policy innovation in the countries and regions involved in the cooperation. For MRS, it will be important to give due attention to the qualitative and learning effects of cooperation, and with their institutional and policy design to encourage the development of better policy solutions through joint working.

Alignment at the level of the PA

Many PAs have developed and specific the focus of the actions since the preparation (or update) of the Action Plan. More recent and more specific documents for alignment with the priorities should be used for the alignment at the PA level. It is noted that many PA's across strategies mention that the alignment at this level also concerns the actual methods, project types, support to platforms, etc. The second level of alignment is the level of the PA. More specifically, this concerns the translation from the Action Plan to PA-specific roadmaps and strategies.

As illustrated in Task 2, the MAs of the OP within EUSBSR and EUSDR and almost all PACs confirm that many of the OP's are aligned the MRS in one way or another. This support is given either to the same priority/topic or by giving priority to projects labelled by an MRS. However, only PA Innovation and PA Education can positively confirm a direct cooperation with the ESIF. There is some way from supporting the same/similar priorities, to the MRS becoming an organising framework for the implementation of the Cohesion Policy.

Example of alignment at the strategic level

Table 6-4 illustrates the different levels of alignment between the MRS and the ESIF OP. The first level of alignment is the strategic level. As it was illustrated in Chapter 4, there is an understanding among MAs that OP's have been aligning with the MRS. However, at the level of the stakeholders of the MRS this is not perceived as such. There are two main issues. Firstly, the objectives need to be aligned to focus on similar or identical priorities and secondly, the OP needs earmarked funds for the 'transnational cooperation' according to article 70<sup>99</sup>.

Table 6-4 Alignment at different levels of the ESIF programmes<sup>100</sup>

	PA Education	PA Innovation
Alignment at the strategic level (see section 6.1.1)	Thematic alignment Specific Transnational component option used in ESIF in SE, EE, LT, FI and DE	Thematic alignment
Operationalisation at the level of PA – alignment with PA activities (see section 6.1.2)	A process took place in PA Education It is not the impression that at similar process has taken place in other PAs.	Progress has been initiated in the MA-network
Operationalisation at the activity level -Funding of projects (see section 6.1.3)	There are examples of funding of projects and activities in the EUSBSR such as the flagships in PA Education	An example of connection project is a pilot project in a clean technology in northern Sweden. This ESIF funded project invited 13 other regions in the BSR to identify possibilities for cooperation. Three active types (clean tech, new markets, knowledge transfer and networking) were identified. The aim of the project is to exchange clean technology work experience between Swedish and German regions).

Alignment in PA Education

In PA Education, the alignment at the level of PA priorities has been undertaken for the programming period 2014-2020. The themes of PA Education have been compared with the TOs of the ESF programme in all the BSR countries. Table 6-5 illustrates in which OPs (counties) funding possibilities could be found. Interviewed stakeholders in PA Education confirm that only few funding examples are available – the real operationalisation, in terms of funded PA Education activities, are still limited and only concerns funding from a few countries in the macro-region as mentioned below.

<sup>99</sup> Common Provision Regulations (EU) No 1303/2013, Article 70

<sup>100</sup> Based on interview data and desk research

Use of the transnational component  
Transnational component

Several countries in the EUSBSR have made it possible to use the transnational component (hereafter TNK)<sup>101</sup> in ESIF (SE, PL, DE, LT). However, interviewed stakeholders commented that the option of using the transnational possibility in the OP is generally not used or not used to a very large extent. There is generally little awareness, practice and processes related to the TNK. Use of the transnational component (TNK) in the mainstream OP's maybe a manner in which it can ensured that funding is set aside for cross-territorial/transnational cooperation but this on its own will not suffice. This will be further addressed in the recommendations in section 6.2.

Table 6-5 Example of alignment in PA Education<sup>102</sup>

Theme	Countries	Objective	PA EUSBSR Action Plan
1. Early School - Leavers (ESL) and NEETs; transition from school to work	All	Sustainable integration of young people; Reducing early school-leaving; Enhancing access to lifelong learning	Education and Youth
2. Mobility - Youth; Labour; Informal labour/Informal economy and grey sector; Reconciliation of work/family life	All	Promoting employment and supporting labour mobility; ... enhance transnational labour mobility	Education and Youth
3. Capacity building in social economy	DK, SE, PL	Promoting the social economy; Promoting social inclusion	HA Involve Health
4. De-institutionalization and Restructuring in health, social and elderly care sectors; skills development	(LV), (SE), LT, PL, EE	Enhancing access to affordable, sustainable and high-quality services, including health care and social services	Health and its social aspects
5. Support for SMEs - Capacity building - Business environment/infrastructure - Female Entrepreneurship	LV, SE, LT, PL	Enhancing the competitiveness of small and medium-sized enterprises; Self-employment, Entrepreneurship and business creation	SME
6. Active inclusion - Combat poverty - Welfare systems restructuring	All	Promoting social inclusion and combating poverty; Capacity building for stakeholders delivering employment, education and social policies	Health and its social aspects
7. Healthy working life/well-being at work - Reconciliation of work/family life	FI, SE, PL, EE	Adaptation of workers, enterprises and entrepreneurs to change	Health and its social aspects

Lack of transnational 'thinking'

The 'transnational' aspect is complicated, and in terms of planning and using ESIF the countries are nationally oriented and uses their own national language (which may be a barrier for applicant from other countries). The actors are not transnationally oriented as the focus is on the national priorities and involving national partners. In addition, some PAs are more naturally transactional in character, which may positively impact the ability to attract transnational funding PA's such as PA Safe, PS Secure, PA Transport. In PA's such as PA Education, PA Culture and even PA Tourism, there is a need to build the development process first, as well as demonstrate the transnational aspects, so that the actors engage.

<sup>101</sup> Common Provisions Regulation (EU) No 1303/2013, Article 70

<sup>102</sup> EUSBSR PA Education – Funding opportunities for projects. 2015



### 6.1.3 Funding mechanisms

The section looks at the extent to which actual funding has been allocated to activities and projects and which kind of mechanisms are available to match actual funding needs in the PA. As mentioned above, interviewed stakeholders find that financing is available but due to lack of awareness and experience of the Managing Authorities of mainstream ESIF with macro-regional or transnational projects, the 'de facto' contribution to MRS goals is limited. Chapter 4 showed that in the mature strategies of EUSBSR and EUSDR the Interreg transnational programmes are the key sources of financing of activities of the PA. Other funding sources are only gradually funding activities prioritized by the MRS. This does not mean that the ESIF (ERDF and ESF) do not fund areas/topics covered by the MRS, but that this financing form is still developing.

Table 6-6 Survey results - financing available for collaboration within the policy/priority/pillar/thematic area?<sup>103</sup>

Colour codes	EUSAIR (82 respondents)	EUSALP (45 respondents)	Agree <sup>104</sup>		Disagree <sup>105</sup>		Do not know	
	EUSBSR (161 respondents)	EUSDR (90 respondents)						
It is difficult to find financing for the projects/activities			80%	78 %	16%	16%	4%	7 %
			58%	81%	30%	17%	12%	2%
Funding for the administration and the coordination is not available or difficult to find			77%	80%	21%	18%	2%	2%
			52%	77%	37%	19%	11%	4%
The competition for funding is very high in EU Programmes (Horizon 2020, LIFE, etc.)			78%	84%	13%	4%	10%	11%
			74%	89%	11%	1%	14%	10%
There is an increase in alignment between the macro-regional strategy and ESIF funding – it is easier to get ESIF funding			50%	28%	34%	29%	16%	42%
			45%	41%	18%	37%	37%	21%
There is no added value being part of a MRS when applying for EU funding (labelling does not make a difference)			57%	33%	36%	49%	7%	18%
			33%	59%	49%	28%	18%	12%

#### ESIF as a funding source

Table 6-6 shows the survey results with regard to funding from three ESIF programmes. The respondents at policy level were asked to reflect on the funding that they have received from ESIF, funding they had applied for and whether they considered funding from ESIF to be relevant in future. A higher level of funding is recorded in the survey than the interviews reveal. This may illustrate, as was commented on earlier, that there is more ESIF funding of national activities linked to a PA activity, than registered.

<sup>103</sup> Survey data 14.09.17 (policy level).

<sup>104</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>105</sup> Composed of 'Somewhat disagree and 'Strongly disagree'

Table 6-7 Mobilisation of ESIF and Interreg transnational cooperation funding in analysed EUSBSR policy areas<sup>106</sup>

PA/ESIF	PA Education	PA Innovation	PA Nutri	PA Safe	PA Transport
ERDF	N/A	In process	-	-	N/A
ERDF/Interreg	MEURO 2,5	MEURO 27,5	MEURO 10	MEURO 4.5	MEURO 11,8
ESF	Some funding already takes place	N/A	-	-	-
EMFF	N/A	N/A	X	X	-
EAFRD	N/A	N/A	N/A	N/A	N/A

Overall, Chapter 4 finds that ESIF until now is not a major strategic funding source of the MRS, except for Interreg Transnational cooperation. The investigation of the funding of the EUSBSR found that in the current period other EU Programmes (e.g. Horizon, Erasmus) are also used for funding the activities of the MRS (EUSBSR and EUSDR). Furthermore, funding of MRS activities is a challenge in several of the investigated EUSBSR policy areas. According to interviewed stakeholders, the issue is not that funding is not available. There are ESIF funds, which could be used, but there is no overall political consensus that funds should be aligned to MRS. Table 6-8 show the ESIF programmes that this study identifies.

Table 6-8 MRS Survey: AF=Actual funding, AFF=applied for funding, FF=future funding<sup>107</sup>

%/ESIF	EUSBSR			EUSDR			EUSAIR			EUSALP		
	AF	AFF	FF	AF	AFF	FF	AF	AFF	FF	AF	AFF	FF
<b>ERDF/CF</b>	38	19	67	38	26	52	43	30	55	44	8	76
<b>EAFRD</b>	33	24	60	11	33	72	18	21	71	25	17	83
<b>ESF</b>	33	24	69	33	28	58	10	27	73	33	13	67

Alignment at the project/activity level

Also at the project level there is a need for adjustment and looking at different ways to develop and implement projects. In the current period, work has already been done with development of project clusters and project chains. 'Project platforms' is a concept within the Interreg Baltic Sea Region Programme. The project platform facilitates and coordinates activities of the PA and helps identify the calls to be launched (similar to Horizon 2020 calls). A prerequisite for the functioning of the project platforms is a horizon of more than 5 years. Table 6-8 provides an overview developed by the MA network<sup>108</sup>, of

<sup>106</sup> Interviews (See Chapter 4)

<sup>107</sup> Survey data 14.09.17 (policy level).

<sup>108</sup> Results of Open Space MA-Network. Riga on September 18-19, 2017.

some of the possibilities already available, but not yet sufficient to assist funding the MRS<sup>109</sup>.

*Table 6-9 Open Space MA Network: Suggestions to increase the likelihood of ESIF funding of MRS?<sup>110</sup>*

- Both PAC's/HAC's and the programmes should start planning beyond separate projects and in terms of "project clusters" and "project chains" – it somewhat increases the potential for policy impact
- "Follow-up projects" could become possible – effectively, it means that the same project consortium can apply for two projects – one main project and one follow-up project; this increases the potential for policy impact, and makes the project work somewhat more strategic
- Today available programmes should be combined in the course of implementation of the Action Plan in PAs/HAs (CBC+DG Echo+Horizon2020+ Erasmus+)
- Funding for smaller intermediate projects could be made possible: one project comes to an end and another could (if funded) start in 6-8 month – such facility could help keep the momentum

Example: ERDF MA support to PA Innovation

Many actors have the ambitions to exploit the opportunities for transnational cooperation, which is offered in the Common Provisions Regulation<sup>111</sup>. However, there has to date been limited interest from the countries and collaboration between regions has not emerged by itself. The aim of the work of the MA network is to develop more efficient financial support to the EUSBSR implementation by the ESIF programmes as well as increase coordination across relevant macro-regional stakeholders. The ERDF MA network has in its initial year<sup>112</sup> been focused on facilitating funding of agreed 'pilot projects' under PA Innovation to help regions implement their Smart Specialisation strategies in the field of 'clean-tech'. Initiatives for further pilot projects in the field of digitalisation (based on a seed money project funded by the Swedish Institute) and on Smart Blue Growth (based on an Interreg Baltic Sea Region Programme project) are currently being considered.

#### Interreg funding towards achieving the EUSBSR

There is little doubt that most actors in all the MRS find that Interreg transnational programmes have a particular role in the funding structure of the MRSs. The Interreg transnational cooperation programmes fund (or will fund) the activities, the 'transnational' set-up of the PA (PAC, HAC, etc), and could offer experience to MRSs with regard to developing transnational projects. This 'role' at the core transnational community gives the Interreg programme a special position.

Interreg as a key source

In the opinion of some of interviewed stakeholders, there is an attempt to place the financing 'burden' of the MRS on the Interreg Transnational cooperation programmes. Interreg Transnational cooperation is a key source of funding in all analysed policy areas of the EUSBSR. However, Interreg does neither have the

<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

<sup>111</sup> Common Provisions Regulation (EU) No 1303/2013, Article 70

<sup>112</sup> Established in May 2016 under Polish EUSBSR Chairmanship

size (amount of funds) or the flexibility (type of projects) to fund all the activities of the EUSBSR. Some interviewed stakeholders find that developing new types of activities with Interreg takes (too long) time and that the current design of Interreg may not respond to new demands of the MRSs.

#### Interreg support of flagships

Nevertheless, the Interreg Baltic Sea Region Programme funds EUSBSR flagship projects and supports the macro-regional cooperation on the technical level. In the framework of the programming period 2014–2020, the Interreg Baltic Sea Region Programme is co-financing 40 flagship projects with around EUR 100 million coming from the European Regional Development Fund (ERDF)<sup>113</sup>. Table 6-10 shows the distribution of projects and funding of the PAs of the EUSBSR. All PA/HA's received some funding (either project funding or funding for the policy area coordination), except HA Capacity<sup>114</sup>. The largest amount was received by PA Innovation (MEURO 27), followed by PA Transport, PA Bioeconomy, PA Nutri and PA Hazard. All other areas received considerably less funding.

As mentioned above, the Interreg Baltic Sea Region Programme (Transnational programme) has until now supported 40 flagships in the BSR. Interviewed stakeholders are of the opinion that if the financing for flagships is not fully guaranteed, they risk becoming fragile structures with an uncertain future. Other models for flagship financing e.g. 'BSR Stars' is funded by national agencies, also exists and could be considered for other initiatives. However, according to interviewed stakeholders, the dependence on membership fees is not a very stable model/solution.

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<sup>113</sup> <https://www.interreg-baltic.eu/about-the-programme/eusbsr/interreg-and-eusbsr.html>

; Euros in millions

<sup>114</sup> No specific funding under IBSR priorities 1.-4 has been identified for HA Capacity

Table 6-10 Interreg Baltic Sea Region Programme funding for EUSBSR<sup>115</sup>

MEURO		Innovation		Natural resources		Sustainable transport		EU Strategy support		Total	
		No	Euro	No	Euro	No	Euro	No	Euro	No	Euro
Save the sea	PA Bioeconomy			4	11			2	0.4	6	11.4
	PA Hazard*			3	9.2			2	0.6	5	9.8
	PA Nutri*			3	10			-----	-----	3	10.0
	PA Safe**					2	3.6	2	0.6	4	4.6
	PA Ship**					1	2.2	-----	-----	1	2.2
Increase prosperity	PA Culture	2	4.9	1	1.8			2	0.3	5	7.0
	PA Education***	1	2.3					1	0.2	2	2.5
	PA Innovation	12	24.8	1	2.7			-----	-----	13	27.5
	PA Secure					1	3.4	2	0.3	3	3.7
	PA Health							2	0.3	2	0.3
	PA Tourism***							1	0.5	1	0.5
Connect the region	PA Transport****					4	11.2	2	0.6	6	11.8
	PA Energy****			3	7.8			-----	-----	3	7.8
Horizontal area	PA Capacity***							-----	-----	-----	-----
	HA Spatial Planning			2	4.8			2	0.3	4	5.1
	HA Climate							1	0.2	1	0.2
	HA Neighbours							2	0.2	2	0.2
Other*****							3	1.0	3	1.0	
Total		15	32	17	47.3	8	20.4	24	5.5	61	105.6
<p>*: PA Hazard and PA Nutri are funded together through EU strategy support            **: PA Safe and PA Ship are funded together through EU strategy support            ***: PA Education, PA Tourism and PA Capacity are funded together in P2.001 but not for the other strategies in EU strategy support            ****: PA Transport and PA Energy are funded together through EU strategy support            *****: Other consists of articles F.001, T.001 and F002</p>											

Use different EU programmes for different parts of the process

Using different funding types for different types of activities under the MRS may also be a way of allocating resources more efficiently to the MRS, reflecting the characteristics of the respective funding streams (type, duration, flexibility) as well as securing that funding is available. The analysis found (especially in the interviews) that stakeholders were concerned that the funding of the PA administration and coordination work was not secure for the future. Amongst stakeholders there is an understanding that the Interreg transnational cooperation programmes are well suited to fund administration and projects focusing on coordination between actors. Furthermore, the perception is that funding available for administration and coordination is too short term, preventing the PA's proper planning and forecasting.

Table 6-11 outlines how funding could be matched to different parts of the MRS process using the most suitable funding for each part of the process. At the

<sup>115</sup> <https://www.interreg-baltic.eu/home.html>

moment, the Interreg transnational programmes are often used for funding project activities which the programme is not directly designed for and does not have the funding nor the regulatory framework to do so.

Table 6-11 Activity and funding type/source

Type of activity	Description	Funding type
Administration of the MRS and the PAs	Running of the MRS and PAs	Transnational programme (Interreg) National funds
PA Cooperation, coordination, and integration	Projects and activities focusing on coordination of policies and practices	Transnational programme (Interreg)
Transnational projects (infrastructure) – financing of national parts of MRS	Projects and activities identified as part of the MRS process which take place either on a transnational basis or nationally	ERDF, ESF, national funds, IFI's, other

#### 6.1.4 Governance of MRS and MRS/ESIF coordination

This study identifies a number of issues relating to governance of the MRS and the importance of strengthening their governance in the future. The role of the PAC and the steering committees is very important in terms of driving the PAs forward, developing the policy (strategies/road maps and plans), identifying the activities as well as addressing funding issues. The survey and interviews found that the ability of the PAC and steering committee to facilitate funding was a key function.

This being said the ability and capacity linking the PA activities with the funding of especially the ESIF OPs is still limited (except for Interreg transnational cooperation). The recent years has therefore seen a development of networks for MA in order to improve the linkages.

#### Setting up the MA network

To illustrate the challenge in terms of coordination between the MA and the EUSBSR, i.e. the PAC and steering committees of the PA, Table 6-12 shows the number of relevant operational programme in the Baltic Sea Region. A total of 73 EUSBSR relevant operational programmes are active under ESIF 2014-2020, and most of these are implemented by a MA either at national or regional level. For example, Sweden has 8 regional and one national ERDF MAs, as there is an OP for each of the regions in Sweden. In addition, there is an OP for EAFRD and EMFF each, thus in total 13 OPs and 13 potential implementing structures (some cover more programmes).

Table 6-12 Number of OP and MA's<sup>116</sup>

	ERDF/CF	ESF	EARFD	EMFF	Multi-fund	Total
DE <sup>117</sup>	5 (15)	5 (16)	3 (14)	1 (1)	0 (1)	<b>14 (47)</b>
DK	-	-	1	1	5	<b>7</b>
EE	-	-	1	1	1	<b>3</b>
FI	-	-	2	1	2	<b>5</b>
LT	-	-	1	1	1	<b>3</b>
LV	-	-	1	1	1	<b>3</b>
PL	6	1	1	1	16	<b>25</b>
SE	9	1	1	1	1	<b>13</b>
Total	<b>20 (30)</b>	<b>7 (18)</b>	<b>11 (22)</b>	<b>8 (8)</b>	<b>27 (28)</b>	<b>73 (106)</b>

#### Networks of Managing Authorities

In the Baltic Sea Region, MAs' networks have been created on a voluntary basis for all funds (ESF, ERDF, EAFRD and EMFF), reflecting the need and wish for stronger macro-regional cooperation. Following the example of the ESF-network in the Baltic Sea Region, the National Coordinators Group of the EUSBSR established in 2016 an ERDF network of MAs. It aims among other things to facilitate, on a voluntary basis, the funding of transnational collaboration by the ERDF regional/national OPs in order to support the activities of the EUSBSR. As a first step, 'pilot projects' were developed, focusing on innovation in 'clean-tech' to help regions implement their smart specialisation strategies in this area. The process is coordinated by the EUSBSR policy area 'Innovation'.

#### Other funding coordination initiatives

Starting with the ESF network in the EUSBSR, other networks have been created for the ESF in the EUSDR<sup>118</sup>. In the framework of the EUSAIR there is a dialogue between MAs and the MRS. The dialogue meetings in the EUSAIR are initial alignment initiative at quite initial stages<sup>119</sup>.

<sup>116</sup> Partnership Agreements. [https://ec.europa.eu/info/publications/partnership-agreements-european-structural-and-investment-funds\\_en](https://ec.europa.eu/info/publications/partnership-agreements-european-structural-and-investment-funds_en)

<sup>117</sup> Figures outside the brackets are for the five German "Länder" within the EUSBSR (Berlin, Brandenburg, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein). Figures in the bracket are the total figures for Germany.

<sup>118</sup> 5th Annual Forum of the EUSDR 2016 - Summaries of the Plenary Sessions and Workshops

<sup>119</sup> EUSAIR Dialogue meeting between ESIF programme authorities and EUSAIR key implementers, Athens, 5 October 2016

Table 6-13 The ERDF MA network in EUSBSR<sup>120</sup>



Meeting across MA Networks

Recently, on initiative of the European Commission (DG REGIO), a first meeting across all MA-Networks in the Baltic Sea Region has taken place<sup>121</sup>. The purpose of the meeting was to reflect on how to capitalise further on the activities of the networks, facilitate a more structured transfer of best practice and analysis of working methods and discuss sustainability in the longer run. While these networks gradually are developing (in terms of mission and work plan), there is a identified need across all four networks for more stable institutional support (such as for example Chairmanship and secretarial support).

Table 6-14 Open space MA-network: Aligning and pooling resources through mainstream programmes <sup>122</sup>

**Targeting transnational and macro-regional priorities that match real needs in the countries > aligning and pooling resources through mainstream programmes**

1. These priorities should stem from the countries' obligations vis-à-vis EU-legislation, finding these could be done with...
2. Help of line ministries in the countries, AND...
3. We need to add: research, best available science + articulate macro-regional added value (concrete results); this helps to identify and distinguish between...
4. Strategic priorities vs Specific priorities; after which we...
5. Employ Monitoring & Evaluation system – to make things transparent and measurable; upon which we revise and...
6. Use Action plan for future priorities-setting: not forgetting the different perspectives, such as...
7. Bottom-up\* AND government-driven AND professional perspectives (\* MLG-principles - people of Europe / civil society – ensure ownership, local level, small projects);

*All this should become quite convincing for the mainstream and Interreg EU Programmes to align the priorities/against funding needs, as well as timing of calls.*

<sup>120</sup> Presentation. BSR Stars & Policy Area Innovation. 5th EUSBSR ERDF MA-network meeting. Helsinki 31st of May 2017. Ministry of Economic Affairs and Employment.

<sup>121</sup> The first meeting with representatives from the four MA-networks (ESF, ERDF, EARDF, EMFF) was held in Copenhagen on October 23.

<sup>122</sup> Results of Open Space MA-Network. Riga on September 18-19, 2017



## Using existing structures and funding

The role of the MA network is to look beyond particular projects to help and connect and link projects. To move forward as quickly as possible, the MA-network looked into already ongoing projects to match the collaboration proposals. Funding could be made available either within an already existing project budget frame or by adding additional funding to ongoing project collaborations, i.e. by attaching a transnational component to an existing ESFI project ('aligning' projects). Apart from facilitating a more outward-looking implementation of regional/national programmes and mobilising additional funding sources, complementary to Interreg, for cooperation across borders, the approach allows for a shorter time span between project idea and implementation (less than one year) which could speed up implementation as there is no need to wait for Interreg calls. The role of the PAC and the steering group of the PAs in identifying relevant funding for the activities of the PA is paramount.

Table 6-15 *Open Space MA-network: Requirements to enable using the national EU Funds for implementation of MRSs<sup>123</sup>*

<p>“What should be in place to enable using the national EU Funds for implementation of macro-regional strategies?”</p> <ul style="list-style-type: none"> <li>› Lack of capacity for this work in line ministries (at least, awareness mentioned above) is a hindrance. This is due to many factors – from personal and institutional disinterest for international matters as such / full focus on national ones, to lack of time to work with this.</li> <li>› As seen by MAs, the overall prerequisite for success is structured governmental cooperation. From a MRS-perspective, governmental cooperation is only one of the cooperation interfaces – the guiding principle of a MRS is that of Multi-Level Governance. Possibly, the EUSBSR implementing actors should undertake some efforts to bring forward the MLG-perspective in conversations with MS-based ESIF authorities, as the part and parcel of MRSs. Seen from this broader, people-engagement-based political perspective, might shift their mindset from the current position of “persuade me” to a more collaborative one, “how can I play my part”.</li> <li>› For any actor to understand her “part”, a clearer picture of roles and responsibilities, as well as the place one has in the system, is desirable. This said, structured governmental cooperation is an important perspective as such. This might include: <ul style="list-style-type: none"> <li>› Inter-institutional cooperation</li> <li>› Coherent use of Monitoring &amp; Evaluation system that enables regular reporting of results (specific and policy development-related) that clearly show the EUSBSR value added to the existing results recorded on national level</li> <li>› Integration on some planning level; systematic links/conversations – mainly through NCS, but also through PACs/HACs (who work with implementation of Action Plan in their respective areas)</li> </ul> </li> </ul>
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## Capacity building

Interviewed stakeholders express a need for increased understanding and awareness raising with the MAs. The MAs need to understand the special features of the MRS and the cooperation aspect involving other countries and other actors: levels of government, NGO, private sector. There are differences between the countries in terms of established governance and management culture (which affect e.g. decision-making). Consequently, those who work with these matters should be able to assume both the 'local' perspective and the macro-regional one that goes far beyond national practices<sup>124</sup>. As structural

<sup>123</sup> Results of Open Space MA-Network. Riga on September 18-19 2017

<sup>124</sup> Results of Open Space MA-Network. Riga on September 18-19. 2017

learning process and capacity building – although time consuming – will facilitate the involvement of the regions at NUTS2 and 3 level.

At a joint capacity building workshop with EUSBSR thematic coordinators the idea has recently been discussed to establish a joint secretariat for all these interacting networks (see Table 6-15). This should promote learning between the networks and capacity building for MA-staff, who have very little knowledge of transnational national cooperation. Capacity building should be extended to national project developers. Project developers who are used to focus on national projects will need to internationalised.

#### Timing of programming

The timing of the programming of the OP and the linking to the MRS is important. One of the reasons the lack of funding of four MRSs by ESIF, generally, is that current versions of the MRS were under development when the ESIF 2014-2020 was planned. In the current period, only two MRS were 'functioning' at the time of programming the OP's and even then only some PA's were activity involved. The EUSBSR was an existing strategy and action plan, when programming ESIF 2014-2020. The aligning of priorities between the MRS and ESIF was to some extent done at this point in time.

## 6.2 Recommendations for future MRSs and ESIF programming link (4b)

The second part of this chapter looks at the future development of the links between the ESIF and the MRSs. The recommendations focus on strengthening the alignment and coordination to allow the MRS to develop into a tool for the implementation of the Cohesion Policy and to ensure that the ESIF becomes an important source of funding for the MRSs.

The following points are recommendations for improving the links - where needed and necessary – for aligning the MRSs with ESIF. It should be noted that not all (current) priorities of the MRS can/should be covered by the ESIF. As mentioned earlier, some topics of the MRSs are more obviously aligned with EU programmes and sectoral EU Policy in support of EU 2020, such as for example the CEF. The recommendations are structured according to the four aspects analysed in the previous section 6.1:

Table 6-16 Overview of groups of recommendations

Fours dimensions	Description	Stage	Responsible
<b>Strategy and thematic objectives</b>	Alignment of TO and priorities – ensuring that the overall ESIF framework responds to the need of the MRS	Preparation of new regulation (Common Provisions Regulation <sup>125</sup> ) Preparation of analysis for and programming of OPs	EU COM MS authorities responsible for partnership agreements and MAs
<b>Coherence and coordination</b>	Ensuring the coherence between OPs and PA actual activities. Coordinating the responses so that funding is aligned to MRS	At the start-up of OP, revisions of Action Plans	PACs and PA steering committees MAs MA networks
<b>Funding mechanisms</b>	The actual matching of funding to activities, administration and coordination	At the start-up of OPs, on-going in the funding of MRS	PACs, MAs, individual project/activity actors
<b>Governance</b>	The governance structure to ensure the coordination of sterol, levels and transnationally	No specific timing	PAC, MAs, other coordination structures

### I. Strategy/thematic focus/alignment

- > **Strategic alignment:** Better and more strategic alignment between the ESIF and MRSs. There is a need for more strategic alignment between the MRSs and ESIF in order to ensure that activities in key PAs (but not necessary all areas) of the MRSs can be covered by ESIF funding. This goes for both the transnational cooperation component and national activities of the cooperation. This has to be done in the programming stages and be included in the regulatory framework.
- > **Strategic focus of MRS:** Instead of overloading MRS (with too many priorities), it is recommended to include a requirement for cross-sectoral and cross-territorial coordination in any new EU policy and to embed this demand centrally in EU funds (notably ESIF) and programmes of territorial relevance (notably instruments such as LIFE) in the MFF post 2020. MRS are still new approaches and as such less well established, institutionalised, or resourced (with neither political power nor financing), yet expectations for MRS to achieve better integration are high.
- > **Cross sectoral and cross territorial objectives in ESIF:** Increase the possibility to address cross sectoral and cross territorial objectives. The fact that the MRS have a cross-territorial approach and the ESIF have a national approach currently makes it difficult to match funding to transnational activities. The transnational component needs to be activated and made

<sup>125</sup> Common Provisions Regulation (EU) No 1303/2013

compulsory. This has been more firmly reflected in the regulatory framework and should be addressed already at the time of programming the ESIF funds. The currently ESIF programming period shows that it is difficult to address this after the operational programmes have been finalised.

- > **Geographical and spatial focus:** The geography of the macro-region should be at the core of each MRS, to separate this approach from the more thematic-oriented EU policies and programmes (such as the EU's research and innovation policy) and to ensure that the added value of a macro-regional approach can be clearly demonstrated. The macro-region needs to be central in determining the agenda for cooperation: what are the issues of key relevance to this region, which are not addressed sufficiently by EU policy frameworks and which cannot be dealt with by the nation-states or regions alone, but require transnational cooperation?

## II. Coherence/coordination

- > **Coherence:** There is a need for improving the coherence between ESIF and the MRS. It is not enough that the objectives are aligned at strategy level, there must be a real match of activities between OPs and MRS PAs (road maps/strategies). The first steps towards this objective have been taken – but nothing is operational as yet, which has led to limited ESIF-funding of PAs, even in areas where there is strategic alignment between ESIF and MRS.
- > **Achievements and qualitative effects of cooperation:** Previous studies have shown that policy learning is an important aspect of transnational cooperation, not only through exchange of experience but also, through structured cooperation on key issues of transnational concern. Cooperation can result in better solutions at the transnational level, but also prompt policy change and policy innovation in the countries and regions involved in the cooperation. For MRS, it will be important to give due attention to the qualitative and learning effects of cooperation, and with their institutional and policy design to encourage the development of better policy solutions through joint working.
- > **A bottom-up cooperation** will be the result of a clearly identified need for cooperation at this scale, so it will be important to support and maintain this cooperation agenda, while ensuring links to other spatially-relevant PAs. In some of the newer MRS areas with limited prior experience in transnational cooperation, a key question will be how to stimulate, first, the setting up and, second, the enhancement of the 'institutional thickness' of macro-regional organisations. The recommendation arising from this observation is the need to invest in institutional capacity building at the macro-regional scale.
- > **Encouraging actors:** For EU MRS to perform well, they will need to be carried and driven forward by actors from across the region. However, already some years after the setting up the MRS it has become apparent

that there are considerable asymmetries between countries, regions, and across PAs, in relation to who leads and moderates the agenda and who takes a backseat role. Within the different PAs (or cooperation priorities), ensuring continuity will be easier in those areas where regions can fall back on previous intergovernmental ('bottom-up') cooperation.

### III. Funding/flexibility

- > **New funding mechanisms:** there is a need to develop more flexible approaches to ways of funding the MRS: Often, the funding needed for coordination of PAs or bringing actors together – or funding of a number of small projects is difficult to obtain (easier to find funding for traditional projects). Thus there is a need to develop new mechanisms/formats beyond the traditional project format. Project clusters, project chains, or project platforms have already been tested in the EUSBSR and are proving useful, and such approaches could be disseminated to other MRS
- > **Need for flexibility:** The MRS topics and needs are often very long term, and funding models are not well adapted to longer time perspectives. Stakeholders interviewed mention that there is a need for additional flexibility in the funding planning and for respecting regional competences and framework conditions. The future funding sources need to be flexible and should have longer project spans.
- > **Simplification:** Funding programmes tend to be too regulated, inflexible and are to date not supporting the MRS to the extent expected. It is important that the 'simplification agenda'<sup>126</sup> is observed. System overload is an issue which has to be addressed upfront as the last decade has seen increasing institutional capacity overburden.
- > **Funding/activity matching:** There is a need to develop stable and mutually agreed processes for matching of funding and MRS activities. Ideally, these are developed as process instructions, methodologies and tools for using TNK. The tools and procedures would come from the EU Commission in order to ensure common standards and coherence (with reference to the regulations). Other institutions at macro-regional level such as the Interreg transnational cooperation structures (Interreg secretariat) could play an important role as well.

### IV. Governance

- > **Multi-level governance and Multi-level coordination:** One of the added values of the MRS is the cooperation at 'multilevel' and with a wide variety of actors. Coordination for the MRS and ESIF thus needs to be at multiple levels – policy/sector, programme/fund, and actors. MRS involves many actors at many levels and combined with the ESIF programmes this

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<sup>126</sup> 8.2.2012 COM(2012) 42 final COMMUNICATION A Simplification Agenda for the MFF 2014-2020

amounts to a very high number of actors. Adequate structures (and processes) need to be developed to be able to implement such coordination and ensure that the many aspect of MRS are represented. The MA-networks that have established the EUSBSR and EUSDR are increasingly being strengthened in order to ensure coordination between key actors at different levels of government and at the same levels. These existing initiatives need to be continued and possibly even become more focused to make sure that the MA-networks can play an important role in the next programming phase.

- > **Roles and responsibilities:** In order to strengthen the coordination and governance of MRS – especially in relation to ESIF (and other funding), a clear definition of stakeholder roles (especially PACs/leaders, steering committee, etc.) both in terms of the overall governance of the PAs and the coordination between MRS and ESIF. The roles and tasks of the MA and the future development of the MA-networks/dialogue meetings need to be defined.
- > **Institutional support:** There is a need for a more stable, institutional support to matchmaking between transnational collaboration proposals and funding (as presently being tried in the MA-networks). This concerns in particular the Chairmanship of the MA-networks and their secretarial support. It may be necessary to involve other structures and institutions. The Interreg transnational programmes could possibly take on this role if they are to assume wider responsibility for facilitating transnational collaboration beyond the support of single projects (as now).
- > **Capacity development:** Capacity for structured governmental cooperation needs to be increased at all levels (national and regional level actors/structures). The capacity development must address both the cooperation in the PA (policy development, implementation of EU policy) and the matching of funding capacity, which has to be developed throughout the system and the many actors.

### 6.3 Criteria for Macro-regional strategies (4c)

Needs for a macro-regional strategies

The final task looks at the development of criteria to determine the appropriateness of developing a strategy for a macro-region. The criteria are based on the conditions for impact set out in Task 3 (Chapter 5) and the rationale used to develop the four existing MRS. Evidence is gathered from the indicator development of Task 1 (Chapter 3) and the assessment in Task 2 (Chapter 4), which highlights the extent to which MRS address functional needs at the macro-regional level.

MRS have been seen by the EU as a means to overcome the dilemma of 'policy silos' in its sectorally organised institutions and achieve better policy integration, including avoiding negative territorial impacts of EU sector policies and the costs of their non-coordination. EU member states and national governments of third countries may however place greater weight on other aspects of cooperation,

and for powerful regions they may even present a form of foreign policy. It may not be necessary to resolve these differences among actors of why they engage in cooperation at this level of scale (because, as stated earlier, the 'fuzziness' of the concept may be an important part of its 'glue'), but for a discussion on the future of EU MRS an identification of the key stakeholders and their reasons for cooperation will be beneficial.

#### Criteria and drivers

The list of criteria discussed in the following includes context, political and economic criteria. The list is not exhaustive and other criteria could be added. The list is based on the findings of the preceding analysis, supplemented by literature review. The analysis is structured around three types of criteria – context, political and economic<sup>127</sup>. The context criteria include geographical and historical factors that can help delimit a macro-region. The political criteria include a number of political drivers, which will likely motivate the need for cooperation, while the economic drivers focus on effectiveness, cohesion and synergies. Table 6-17 includes the name of the driver, a short description and a reflection over whether these criteria could be applied to the existing MRSs.

Table 6-17 Overview of suggested criteria for macro-regional strategies

	Driver	Description	EUSBSR	EUSDR	EUSAIR	EUSALP
Context	Shared biophysical characteristics <sup>128</sup> as geographic delineation and core thematic	River basin, sea basin, mountain range, other such as coastal area etc.	x	x	x	x
	Topics central to the macro-region (needs & opportunities)	Indicators point to relevance in cooperation (Task 1/chapter 3)	x	x	x	x
Political	Cohesion Policy <sup>129</sup>	e.g. macro-regional Cohesion	x	x	x	x
	Cooperation with third-countries (EU Candidates and ENI)	Relevant third countries to be involved/included	-	x	x	x
	Development of collaborative forums for cooperation and coordination	Coordination of cooperation; building on existing: Transnational programmes, regional organisations (CPMR), other regional organisations;	x	x	-	x
	EU Policy implementer	A coordinated framework for joint and coordinated implementation of EU polices in; EU Enlargement;	x	x	Too early	Too early
	Potential to increase multilevel governance	The MRS as a framework for including a number of different types of actors	x	x	x	x
Economic	Opportunity to mobilise resources	Interreg, ESIF, EU Programmes	x	x	x	x
	Efficiency, synergy	By coordination actions this will provide synergies and improve efficiency	-	-	-	-
	Functional issue	Improve functionality	x	x	x	x

<sup>127</sup> A 'Macro-regional' Europe in the making. Theoretical Approaches and Empirical evidence. Edited by Stefan Gänzel and Kristine Kern. 2016-

<sup>128</sup> Ibid.

<sup>129</sup> Ibid, p.223

Context drivers

Shared biophysical characteristics

In the most basic definition a macro-region (in the sense of a MRS) is a subset of European countries or regions that addresses a specific set of challenges. The first criteria for any potential MRS is the definition or existence of this very geographical subset, or its geographic delineation. This delineation builds on a 'biophysical' characteristic, whose effective governance is in the interest of all members. Indeed, the existing MRS are all designed around such characteristics, and their effective governance is addressed in a subset of objectives, as shown in the table below<sup>130</sup>. The EUSDR strategic document states, for example, that the 'The Danube Region is a functional area defined by its river basin'<sup>131</sup>.

Table 6-18 Overview of the Common Functional Features, and their relevant themes

MRS	Common Functional Feature	Need/Opportunity	Relevant Objectives
EUSBSR	Baltic Sea	Environmental status, biodiversity, sustainable maritime transport, coordination/cooperation	1.1 – 1.4
EUSDR	Danube River	River mobility; environmental status of water bodies, transport	A1; B4
EUSAIR	Adriatic Ionian Sea	Blue economy, environmental status, biodiversity, maritime transport, transport	1.1 – 1.3; 2.1; 3.1
EUSALP	Alps	Climate change adaptation, environmental risks, transport	3.6; 3.8

Topics central to the macro-region

While it is relevant that the core thematic of a MRS derives from the common functional feature, the review of the Action Plans of the existing MRS (Chapter 4) demonstrated that chosen themes can be highly diverse and nonetheless relevant under the macro-regional approach. This observation is important in relation to traditional transnational themes, such as improving the environmental status of a sea basin or improving the navigability of a river, but also to themes that are traditionally in a national interest, e.g. tourism in the Adriatic-Ionian Sea, as long as these are tailored to the macro-regional dimension. Table 6-19 provides a summary of the review of the Action Plans included in Chapter 4. Leading on from the concept of 'biophysical' characteristics described above, all MRS are born with a least one functional feature and all MRS address at least one theme that is macro-regionally relevant and originates from the shared geography (see Table 6-18 above). The results of the survey further confirm this observation, as between 83% and 90% of

<sup>130</sup> This observation is further confirmed in 'A Macro-regional Europe the Making': the shaping of the existing MRS took biophysical characteristics which "constitute a common pool resource and so appeals to collective action to effectively govern a common pool resource". See a 'Macro-regional Europe the Making'. Stefan Gänzle & Kristina Kern (2016, p.9)

<sup>131</sup> EC, 2010, Communication: European Union Strategy for the Danube Region, COM(2010) 715



stakeholders agree that the themes addressed in their respective MRS are macro-regionally relevant (see Table 6-21 below).

Table 6-19 Assessment of action plan objectives for the four strategies

	Corresponds to need	Macro-regionally relevant	Traffic Light
EUSBSR	9 out of 12 Sub-Objectives	12 out of 12 Sub-Objectives	9 Green; 3 Yellow
EUSDR	11 out of 11 Priority Areas	11 out of 11 Priority Areas	11 Green
EUSAIR	11 out of 11 Topics	11 out of 11 Topics	11 Green
EUSALP	5 out of 9 Actions	9 out of 9 Actions	5 Green; 4 Yellow

Needs vs.  
Opportunities

The review of the Action Plans has also shown that common themes do not exclusively have to address challenges in a macro-region (i.e. weaknesses or threats in the macro-region). They can also address opportunities (or strengths). The specifications of the EUSALP's Actions demonstrate this clearly: Action 1.1 promotes for example an 'effective research and innovation ecosystem'. Although the majority of the macro-region is characterised by 'strong' or 'lead' innovator regions, a 'common or joint' research and innovation ecosystem is still relevant in the context of Alpine-specific challenges like climate change.

#### Political Criteria

MSR Rationale

The first political criteria concerns the MRS in relation to Cohesion Policy. The rationale of a MRS is relevant for establishing a link with Cohesion Policy, as MRS address macro-regional cohesion and thus are an implementer of Cohesion Policy.

Implementer of  
Cohesion Policy

Achieving macro-regional cohesion can serve as a preliminary step towards the interregional cohesion (i.e. EU-wide cohesion), as it allows to address barriers that are more specific to a macro-region. The MRS approach to address needs and opportunities via cooperation has the additional merit that the regions with comparably weaker institutional capacity can strengthen their own capacity by learning from the processes of the stronger regions, and thereby improve their own ability to execute policy agendas to promote their own economic, social, and territorial cohesion within the macro-region.

In order to determine how to define a macro-region cohesion criteria, the stated purpose of the four existing strategies has been analysed and shown in Table 6-20. The purposes (for the four MRS) are spilt into the four indicator categories used in Chapter 3 as a tool to assess the importance of macro-regional cohesion in the four MRSs. The four indicator categories illustrate the similarities in the four MRS in economic cohesion and integration. Competiveness is also addressed in all four MRS – especially in terms of solving transnational problems in environment and transport, whereas institutional capacity is not strongly expressed in the EUSDR and EUSAIR. It is important to notice that the overall purpose does not necessarily reflect the more detailed sub-objectives of the action plans.

Table 6-20 Summary of overall purposes as expressed in the MRS strategies<sup>132</sup>

	Macroeconomic	Integration	Competitiveness	Political
Relevance/ purposes	Economic/Social Integration	Territorial Integration; Coordinate cooperation	Address transnational problems	Institutional capacity
EUSBSR	The need to address the disparate development paths of the countries in the region and the potential benefits of more and better co-ordination.	The integrated and coordinated governance of the Baltic Sea region, between sectors of society as well as between regional and local authorities in the respective countries	Urgent environmental challenges arising from the increasingly visible degradation of the Baltic Sea.	
EUSDR	Widely disparate region, consisting of the EU's socio-economically strongest and weakest regions	Reinforce the integration of the region in the EU	Danube River basin became with the 2004 and 2007 accessions largely an EU River, but is still poorly appropriated (e.g. poor navigability)	Lack of institutional contact and cooperation
EUSAIR	Strong socio-economic contrasts between regions	Bring Western Balkan countries closer to the EU through working together with Member States and overcome the legacy of a difficult past	Intensified movement of goods, services and people lead to unsustainable impacts of land-based activities on coastal and marine ecosystems	Different capacities of cooperation and coordination, and lack of public confidence and development
EUSALP	One of the richest areas in the world, but is exposed to unfavourable internal and external developments	Improve coordination between the involved actors to raise the effectiveness and efficiency of cooperation	High vulnerability of the environment to climate change, and special position as important transit region	

In the case of the EUSBSR, the overall purpose is to promote economic and social integration of the new Member States and coordinate already existing cooperation. Chapter 3 shows that the macro-region exhibits a high territorial integration, which means that there is no specific need in the macro-region to generate additional cooperation, but rather to improve the quality of cooperation (see Chapter 3.2). With respect to the macroeconomic, competitiveness, and political dimension, the macro-region consists of strong and medium performing regions. This shows that the macro-region is not fully cohesive on the economic and social dimension. Economic/Social integration is hence a meaningful purpose for the EUSBSR.

The understanding of the purpose

The overall purpose of a MRS is relevant to how stakeholders approach cooperation. In the case of the EUSBSR, stakeholders expressed during the interviews that the production of outputs/results improved significantly when the overall purpose became more articulated (i.e. focusing on the production of process oriented rather than content oriented results, and hence on the coordination of cooperation). The survey shows that about three quarters of interviewees in each MRS see the added value in that the MRS brings legitimacy

<sup>132</sup> EUSBSR: EC, 2009, Communication concerning the European Union Strategy for the Baltic Sea Region, COM(2009) 248 final ; EUSDR: EC, 2010, Communication: European Union Strategy for the Danube Region, COM(2010) 715; EUSAIR: EC, 2014, Communication concerning the European Union Strategy for the Adriatic and Ionian Region, COM(2014) 357 final; EUSALP: EC, 2015, Communication concerning the European Union Strategy for the Alpine Region, COM(2015) 366 final

to the work and increases recognition of issues, needs or challenges (see Table 6-22 below). This shows that a clear overall purpose may be recognised as a legitimate objective among stakeholders.

Development and deepening of collaborative fora and multilevel governance

The second political criteria is cooperation and pursuit of multilevel governance. Cooperation widely existed, pre-MRS, in most of the four macro-regions and in the Baltic Sea region it was very extensive. As previously discussed and shown in (Table 6-21), the existing cooperation in functional areas/macro-regions is a strong driver for continuing the cooperation in a MRS context. In the four MRS analysed in this study, the MRS built on one, several or many regional cooperation structures as well as transnational cooperation programmes. This kind of cooperation is rated as a very important driver for many stakeholders for further developing and deepening the cooperation in a macro-regional context. Table 6-21 shows that this is the top driver amongst surveyed respondents (in the top the EUSBSR with 92% of respondents strongly or somewhat agreeing, and the EUSAIR in the bottom with 83%). This topic is discussed in depth in Chapters 4.3-4.5.

This does not, however, indicate that this is a prerequisite for developing a MRS, but that it helps initiating cooperation and probably shortening the time needed to achieve results. Interviews with stakeholders showed that pre-existing cooperation provides a strong fundament for MRS cooperation, as basic trust and knowledge is already present.

Table 6-21 All MRS: What are the drivers for collaboration within your area/topic<sup>133</sup>

Colour codes	EUSAIR (89 respondents)	EUSALP (47 respondents)	Agree <sup>134</sup>		Disagree <sup>135</sup>		Do not know	
	EUSBSR (181 respondents)	EUSDR (96 respondents)						
Continuing from previous cooperation and building on existing transnational networks			83%	89%	13%	10%	3%	5%
			91%	92%	4%	7%	5%	1%
The area/topic is of 'macro-regional' relevance and should be addressed at this level			84%	83%	13%	13%	2%	4%
			84%	90%	9%	7%	6%	2%
The area/topic is more effectively addressed through macro-regional/transnational cooperation			82%	90%	15%	11%	2%	0%
			80%	83%	12%	14%	8%	2%
There is a legal obligation (EU directives, international conventions, etc.) for transnational cooperation			70%	59%	26%	32%	3%	9%
			61%	69%	27%	28%	12%	4%
Funding sources available for the area/topic require transnational cooperation			74%	81%	23%	19%	3%	0%
			71%	83%	24%	14%	6%	2%

Multi-level governance

Development and deepening of collaborative fora is partly linked to the development of multi-level governance. The MRS, as the preceding analysis

<sup>133</sup> Survey results per 14.09.17 (policy level).

<sup>134</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>135</sup> Composed of 'Somewhat disagree and 'Strongly disagree'

shows, are increasingly becoming more multilevel, involving more stakeholders and actors. And the survey found clearly that this increase in multilevel governance was an added value of the cooperation. Well-established and active subnational authorities, municipalities and/or civil society organisations can be strong actors at the macro-regional scale in a bottom-up manner and in a way that can encompass the entire macro-region<sup>136</sup>. Also, regions within member states participating in EU MRS – with guaranteed access rights to EU decision-making and strong regional lobbying capacities and sufficient resources – are likely to use MRS as a platform for furthering their para-diplomatic activities<sup>137</sup>.

EU Policy implementation

The third political criteria/driver for developing macro-regions and MRS could be a desire to improve EU Policy implementation. A number of EU Policies would benefit from being implemented in a coordinated fashion in order to obtain common approaches, and especially in PAs with cross-border aspects this would be very beneficial. The EU Maritime Spatial Planning Directive is an example of a directive that has to be transposed into national legislation by each Member State, but has to be implemented in close cooperation with neighbouring countries. A number of other EU policies in environment and transport also require transnational cooperation. The survey supports this idea to a certain extent. Table 6-21 shows that 59-70% of the respondents found that 'a legal obligation (EU directives, international conventions, etc.) for transnational cooperation' is a driver for cooperation.

Relevant third countries to be involved/included

The fourth of the political criteria/driver is the involvement of third countries in addressing a functional challenge beyond the EU territory. Third countries will generally share the geographical area with the Members States. The inclusion of third countries is relevant according to the criterion of functional drivers. The MRS can in addition be used as a forum to integrate third-countries in specific cooperation such as the EUSDR on the Danube or more overall cooperation as the EU integration of the EUSAIR.

All the four existing MRS include third-countries directly or more indirectly. The EUSBSR is the only MRS that does not directly include any third countries (third country defined as a non-Member State). However, Belarus, (Norway), and Russia all are relevant partners in the effective governance of the Baltic Sea. The EUSDR is very specific on the inclusion of third countries as a way of integrating candidate countries and opening up the EU to non-EU partners (Ukraine and Moldova). The survey shows that while a large majority of respondents in the other three strategies agree that cooperation with third countries increased (70% - 77%; see Table 6-22 below), only about half do so in the EUSBSR.

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<sup>136</sup> (Blatter et al, 2008)

<sup>137</sup> A 'Macro-regional Europe the Making'. Stefan Gänzle & Kristina Kern

### Economic Criteria

The third type of criteria are the economic drivers. Although already addressed under the overall purpose (political) - specific additional economic/efficiency criteria are addressed here.

#### Opportunity to mobilise resources

Working together on transnational cooperation can be driven by available funding or emerge due to available funding. The Interreg transnational programmes have traditionally been a funding source which promotes transnational (or macro-regional) cooperation by providing financing for cooperative projects. Between 74 and 83% of the survey respondents agree that 'funding sources available for the area/topic require transnational cooperation' (see Table 6-21 above). This indicates that cooperation is a driver/opportunity to mobilise resource for specific issues which cannot be dealt with without cooperation. On the other hand, stakeholders do not to the same extent think that 'the MRS process facilitates access to funding (i.e. 'the cooperation leads to an increase in funding'); a maximum of 67% agree to this statement (see Table 6-22). This indicates at the same time that the MRS is a driver for mobilising funding but that actors find it difficult actually to obtain funding for the activities, as is shown throughout the analysis.

Table 6-22 Responses from survey to the question: What is the added value of cooperation under the macro-regional strategies (MRS) in the policy/priority/pillar/thematic area?<sup>138</sup>

Colour codes	EUSAIR (85 respondents)	EUSALP (46 respondents)	Agree <sup>139</sup>		Disagree <sup>140</sup>		Do not know	
	EUSBSR (171 respondents)	EUSDR (93 respondents)						
The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)			91%	98%	6%	2%	4%	0%
			85%	88%	10%	12%	6%	1%
The MRS process brings together actors across countries			88%	98%	8%	2%	4%	0%
			93%	94%	4%	4%	4%	1%
The MRS process brings together actors across levels (national/regional) and type (public/private)			87%	82%	8%	17%	5%	0%
			81%	85%	14%	12%	5%	3%
The MRS process facilitates access to funding (the cooperation leads to an increase in funding)			39%	60%	55%	29%	6%	11%
			67%	64%	25%	36%	8%	1%
The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges			74%	76%	21%	17%	5%	7%
			77%	79%	16%	20%	6%	0%
The MRS process facilitates/deepens cooperation with third countries			73%	70%	22%	24%	6%	7%
			52%	77%	35%	16%	12%	6%
The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level			87%	85%	8%	13%	5%	2%
			76%	78%	18%	20%	6%	1%

Added value, synergy and efficiency

There is a general perception among policy makers that more integrated approaches across sectors, levels and actors will induce synergies and is more efficient in terms of funding (also seen in the light of the 3 No's)<sup>141</sup>. Support for developing new macro-regions and MRS will only occur if benefit/opportunities or efficiency gains can be demonstrated. It is important that the added value of an MRS can be illustrated in order to ensure the support of stakeholders (Members States) for an MRS.<sup>142</sup>

The added value of the MRS has been explored in this study and both the interviews and survey have explored whether the MRS facilitates synergies and efficiency. The survey shows that between 76 and 87% of the respondents agreed that the MRS facilitates synergies. Although not the top scores among the 'added value' this is a prominent feature of the MRS, as illustrated in Table 6-22.

Whether the MRS also provide efficiency gains has not been investigated in this study, and the assessment is that even for the mature strategies (EUSBSR and

<sup>138</sup> Survey results per 14.09.17 (policy level).

<sup>139</sup> Composed of 'Strongly agree' and 'Somewhat agree'

<sup>140</sup> Composed of 'Somewhat disagree' and 'Strongly disagree'

<sup>141</sup> A 'Macro-regional Europe the Making'. Stefan Gänzle & Kristina Kern

<sup>142</sup> Ibid.

EUSDR) this is too early to determine. Many processes are still being developed and it will take time before the effects of these can be measured. Nevertheless, this survey shows that 80-90% of stakeholders in the four MRS think that the macro-regional approach addresses themes more efficiently. This underlines that a MRS is also in practice seen as a tool to support “effective governance” of a given functional feature or effectively address other relevant themes (see *Table 6-22*).

### Summary

Lastly, for the future of EU Cohesion Policy and in particular the link of the transnational territorial cooperation programmes and the EU MRS it should be considered what types of macro-regions or transnational regions can be identified, and which purposes they will (or could) have in supporting European integration and territorial cohesion in the emerging ‘Europe of macro-regions’. At present, all regions are involved in a transnational territorial cooperation programme (‘Interreg B’), and some regions participate in more than one programme.

Yet on the other hand, EU MRS have to date only been set up along the Eastern EU border, and from a ‘soft security’ perspective and pre-accession support perspective, this is also where they will likely bring the greatest added value. There are also large shared ecosystems in other parts of Europe, of course (e.g. the Rhine corridor), and without doubt the need for better policy coordination exists across the EU. Yet it may not be possible or desirable to set up EU MRS across Europe, and indeed in some transnational regions (North Sea Region) different approaches are being favoured over the development of an EU instrument.

### Summary of criteria

This section has identified a set of criteria/drivers (context, political, and economic). The assessment of these criteria/drivers can contribute to the development of a framework for developing new potential MRS.

While the context criteria are crucial to define a macro-region, the political and economic drivers can be seen as a rationale to pursue the development of a MRS. There is no evidence to suggest that a MRS will not come in existence or will not function, in the absence of one or some of the political and economic criteria. It is, however, clear that a strategy can only be developed when one or more of the political and economic criteria/rationales can be answered positively.

- > Context criteria – does a defined macro-region have a functional challenge/opportunity which merits the labelling as a macro-region and the development of a MRS.
- > Political criteria – include: will an MRS increase support the implementation of Cohesion Policy, development of cooperation and multilevel governance, EU Policy implementation, cooperation with third-countries?

- > Economic/efficiency criteria – include: will an MRS provide an opportunity to mobilise resources, bring added value, and promote synergies and efficiency?



## Appendix A List of literature

The literature used for and referenced by this study is presented below. It is organised into five sections:

1. Academic publications
2. European Policy Framework
3. Macro-regional Strategies
4. Documents related to each macro-regional strategy
5. Specific Data/Indicator & Internet Sources

### 1. Academic Publications & Reports

There is an emerging literature on the concept, application, and effectiveness of macro-regional strategies. The sources of these publications are broadly grouped into economic geography research focused on the economic and technical changes that are driving a rescaling process in Europe, and studies that focus on the policy instruments themselves.

Banister D. 2002. *Transport Planning*, Spon Press, New York.

Bengtsson, R. 2009. "An EU Strategy for the Baltic Sea Region: Good Intentions Meet Complex Challenges," Swedish Institute for European Policy Studies

Bevir, M. 2013. *Governance: A very short introduction*. Oxford, UK: Oxford University Press.

Bhagwati, J. N. 1987. Quid pro quo foreign investment and welfare: A political-economy-theoretic model. *Journal of Development Economics*, Volume 27, Issues 1-2, Pages, 127-138.

Bialasiewicz, L.; Giaccaria, P.; Jones, A.; Minca, C. (2013) Re-scaling 'EU'rope: EU macro-regional fantasies in the Mediterranean. *European Urban and Regional Studies*, Vol. 20, No. 1, 59–76

BMVI Bundesministerium für Verkehr und Digitale Infrastruktur (ed.). 2017. *Wirkungen der Transnationalen Zusammenarbeit in Interreg B. Untersuchung ausgewählter Interreg IVB-Projekte nach erzielten Wirkungen und zentralen Gelingensfaktoren*. Berlin: BMVI.

Böhme K. 2013. "Added value of macro-regional strategies: a governance perspective," *Spatial Foresight Brief*

Braun and Kovács. 2011. "Macro-regional strategies: Experiment for the Renewal of Economic Policy of the European Union," in *Public Finance Quarterly*.

Brenner, N. (2004) *New State Spaces. Urban Governance and the Rescaling of Statehood*, Oxford: Oxford University Press.

Christiansen, T. 1997. "A European Meso-region? European Union Perspectives on the Baltic Sea Region" in P. Joenniemi (ed.) *Neo-nationalism or Regionalism? The Re-structuring of Political Space around the Baltic Rim*

Cugusi, B. and Stocchiero, A. 2012. "Macro-regions, "la Nouvelle Vogue" of Transnational Cooperation, the Geopolitical Case of the Mediterranean Basin," in *EUBORDERREGIONS Working Paper Series*

Dühr, S., Colomb, C., and Nadin, V. 2010. *European spatial planning and territorial cooperation*. London, New York: Routledge.

Dühr, S. 2011. "Baltic Sea, Danube and Macro-regional Strategies – A Model for Transnational Cooperation in the EU?" *Notre Europe Study & Research*

Dühr, S. 2013. *The added-value of macro-regional strategies from the perspective of spatial planning*. Report for the European Commission, DG Regio.

Dühr, S. 2014a. *Are there arguments for a Central European macro-regional strategy? Report for the INTERREG IVB Central Europe 'City-Regions' project*.

Dühr, S. 2014b. *Scales of cooperation, spaces of communication*. Inaugural lecture delivered at the acceptance of the post of Professor of European Spatial Planning Systems at the Nijmegen School of Management, Radboud University Nijmegen, on Friday 11 April 2014. Nijmegen: Radboud University Nijmegen.

EIPA. 2013. *Improving Public Organisations through Self-Assessment – The Common Assessment Framework (CAF)*.

Folfas, P. 2011. *FDI between EU Member States: Gravity model and taxes*. Working Paper, <http://www.etsg.org/ETSG2011/Papers/Folfas.pdf>

Foster, N., G. Hunya, O. Pyndyuk and S. Richter. 2011. *Revival of the Visegrad Countries' Mutual Trade after their EU Accession: a Search for Explanation*. Wiiw Research Report No. 372.

Gänzle S and Kern K. 2011. "Macro-regional Strategies: A New Mode of Differentiated integration in the European Union," Paper for CEPSA Annual Conference.

Gänzle S and Kern K (eds). 2016. *A 'Macro-regional' Europe in the Making: Theoretical Approaches and Empirical Evidence*.

Gänzle, S. 2014. "Macro-regional Strategies and the EU. Building Inter- and Trans-government Relations," in *Public Administration Times*.

- Geerlings, H. and Stead, D. 2003. The Integration of Land Use Planning, Transport and Environment in European Policy and Research. *Transport Policy*, Vol. 10, No. 3, pp. 187- 196.
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- Grozea-Helmenstein, D., Helmenstein, C., Kleissner, A., Moser, B. 2008. *Makroökonomische und sektorale Effekte der UEFA EURO 2008 in Österreich*. *Wirtschaftspolitische Blätter*, 2008 (1). pp. 7-20.
- Grozea-Helmenstein D., C. Helmenstein, T. Slavova. 2009. *Who is the best? Insights from the benchmarking of border regions*. *Trames. Journal of the Humanities and Social Sciences*, 13(63/58), (3). pp. 285-302.
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- Healey, P. 2007. *Urban Complexity and Spatial Strategies: towards a relational planning for our times*. London, New York: Routledge.
- Hornok, C. 2010. Trade-Enhancing EU Enlargement and the Resurgence of East-East Trade. Focus on European Economic Integration, Q3/2010. OeNB, Vienna.
- Hufty, M. 2011. Investigating Policy Processes: The Governance Analytical Framework (GAF). In: Wiesmann, U., Hurni, H., et al. eds. *Research for Sustainable Development: Foundations, Experiences, and Perspectives*. Bern: Geographica Bernensia: 403–424.
- Huggins, R., and Izushi, H. 2008. *UK Competitiveness Index 2008*. Cardiff, UK: Centre for International Competitiveness.
- Hull A. 2011. *Transport Matters: Integrated Approaches to Planning City-regions*, Routledge.

IPCC. 2007. Climate Change 2007, Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the IPCC (978 0521 88010-7 Hardback; 978 0521 70597-4 Paperback).

IMF. 2013. Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (*BPM6*).

Karou, S. and Hull, A. 2012. Accessibility Measures and Instruments, in Angela Hull, Cecília Silva and Luca Bertolini (Eds.) Accessibility Instruments for Planning Practice. COST Office, pp. 1-19.

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Krugman, Paul R. 1979. Increasing returns, monopolistic competition, and international trade. Lohmann, G.; Panosso Netto, A. (2017): Tourism Theory: concepts, models and systems. ISBN 9781780647159; DOI [10.1079/9781780647159.0193](https://doi.org/10.1079/9781780647159.0193)

Metzger and Shmitt. 2012. "When Soft Spaces Harden: The EU Strategy for the Baltic Sea Region," in Environment and Planning.

Nijkamp P. and M. Abreu. 2003. Regional development theory. PN218MA-EOLSS. URL: <ftp://dlib.info/opt/ReDIF/RePEc/vua/wpaper/pdf/20090029.pdf>

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Robert, J., Stumm, T., de Vet, J.M., Reincke, C.J., Hollanders, M. and Figueiredo, M.A. 2001. Spatial Impacts of Community Policies and Costs of Non-Coordination. Study carried out at the request of the European Commission DG REGIO, Brussels: CEC.

Schmidt-Thome P. and S. Greiving (2013) editors. European Climate Vulnerabilities and Adaptation: A Spatial Planning Perspective, published by John Wiley and Sons Ltd. UK. ISBN 978-0-470-97741-5

Sielker, F. 2016. "What could the future role of Macro-regional strategies in the EU be? –Four scenarios", Working Paper No. 1/2016, Friedrich-Alexander Universität Erlangen-Nürnberg.

Stead, D. 2014. "European Integration and Spatial Rescaling in the Baltic region: Soft spaces, soft planning and soft security," in European Planning Studies 22(4).

Stead, D. 2014. "Rescaling environmental governance – the influence of European transnational cooperation initiatives," *Environmental Policy and Governance* 24(5).

Stead, D., and Meijers, E. 2009. *Spatial Planning and Policy Integration: Concepts, Facilitators and Inhibitors*. *Planning Theory & Practice*, Vol. 10, No. 3, pp. 317-332.

Taylor, J. Edward. 1986. *Differential migration, networks, information and risk*. In: Stark, Oded (Ed.), *Migration, Human Capital and Development*. JAI Press, Greenwich, CT

Tuckman, B. W. 1965. "Developmental sequence in small groups", *Psychological Bulletin*. 63 (6): 384–399. PMID 14314073.

Williams, C., 2014, *The Informal Economy and Poverty: Evidence and Policy Review*,  
[https://www.researchgate.net/profile/Colin\\_Williams/publication/260453006\\_The\\_Informal\\_Economy\\_and\\_Poverty\\_Evidence\\_and\\_Policy\\_Review/links/02e7e5319cc6d0fcf6000000/The-Informal-Economy-and-Poverty-Evidence-and-Policy-Review.pdf](https://www.researchgate.net/profile/Colin_Williams/publication/260453006_The_Informal_Economy_and_Poverty_Evidence_and_Policy_Review/links/02e7e5319cc6d0fcf6000000/The-Informal-Economy-and-Poverty-Evidence-and-Policy-Review.pdf)

## **2. European Policy Framework**

The European policy framework is driven by developments in overall economic, environmental, and social perspectives, and reinforced by the evaluation of territorial cooperation approaches.

### **2.A General**

European Commission. 20120. *EU 2020 - A New European Strategy For Jobs And Growth*. COM(2010) 2020, Brussels.

### **2.B Cohesion Policy**

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

Common Provisions Regulation (EU) No 1303/2013. Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006. (See page 93 for Common Strategic Framework)

Ex post evaluation of Cohesion Policy programmes 2007-2013 financed by the ERDF and the Cohesion Fund - WP1: Synthesis Report

European Structural and Investment Funds 2014-2020: Official Texts And Commentaries

Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

Council Regulation (EU) No 1300/2013 of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006

Climate change, impacts and vulnerability in Europe.  
<http://www.eea.europa.eu/publications/climate-change-impacts-and-vulnerability-2016>

Climate-ADAPT. Website/platform: <http://climate-adapt.eea.europa.eu/countries-regions/transnational-regions>

Climate change indicators. Website/platform: [http://www.eea.europa.eu/data-and-maps/indicators/#c5=climate-change-adaptation&b\\_start=0](http://www.eea.europa.eu/data-and-maps/indicators/#c5=climate-change-adaptation&b_start=0)

Climate-ADAPT vulnerability maps. Website: <http://climate-adapt.eea.europa.eu/knowledge/tools/urban-adaptation/introduction>

DG Employment. 2014. Monitoring and Evaluation of European Cohesion Policy- European Social Fund, Guidance Document on Indicators of Public Administration Capacity Building

European Commission. 2004. A new partnership for cohesion. Convergence, competitiveness, cooperation. Third report on economic and social cohesion. Luxembourg: Office for Official Publications of the European Communities.

European Commission. 2010. Fifth Report on economic, social and territorial cohesion - Investing in Europe's future. Luxembourg: Office for Official Publications of the European Communities.

Polycentric crossborder system and transport. Towns as components of an Organised Transport Systems can be found at p. 23-25 of this draft chapter for the Urban agenda of an Euroregion

Pucher, J., Frangenheim, A., Sanopoulos, A., Schausberger, W. 2015. The Future of Cohesion Policy, Report I, Committee of the Regions, Brussels.

S3 platforms contain data about different countries and regions and use "tools" to analyze them. Website/platforms: <http://s3platform.jrc.ec.europa.eu/>; <http://s3platform.jrc.ec.europa.eu/s3-cooperation>; <http://s3platform.jrc.ec.europa.eu/s3-tools>

TEN-T: On the (TEN-T) Corridors dimension and their interrelation with the macro-regional strategies, refer to the EU Coordinators Work Plans, notably for:

- > Danube Strategy - > Rhine Danube Corridor
- > Alpine Strategy -> Scan-Med corridor (it concerns 3 other corridors too but less involved – interesting to see the governance elements referred to – and partially set-up by the Coordinator, Pat Cox)
- > Baltic Sea Strategy -> North Sea- Baltic corridor. Website: <http://ec.europa.eu/transport/node/4876>

### **3. Macro-regional Strategies**

The concept, application, and spread of macro-regional strategies as policy instruments has been supported by the institutions that comprise the European Union, along with the supporting programmes that support broader territorial cooperation.

#### **3.A Policy Publications**

##### **3.A.1 European Commission**

Charron, N., Dijkstra, L., Lapuente, V. 2012. Regional Governance Matters: A Study on Regional Variation in Quality of Government within the EU. European Commission, DG REGIO.

European Commission. 2014. A Discussion Paper for the revision of the Action Plan of the EU Strategy for the Baltic Sea Region (EUSBSR), not public

European Commission. 2013a. Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies. COM(2013) 468 final.

European Commission. 2013b. Commission Staff Working Document *accompanying the document* 'Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies'. SWD(2013) 233 final.

European Commission. 2014. 'Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the governance of macro-regional strategies'. COM (2014) 284 final.

European Commission. 2015. Enabling synergies between European Structural application: and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes.

European Commission (2016), 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.

Samecki, P. (2009) Macro-regional Strategies in the European Union, Discussion Paper presented by Commissioner Pawel Samecki in Stockholm, 18 September, Brussels: DG Regio

### **3.A.2 European Parliament**

European Parliament. 2010. Working Document on the European Union Strategy for the Baltic Sea Region and the role of macro-regions in the future cohesion policy, Committee on Regional development, 06.01.2010

European Parliament. 2012. The evolution of EU macro-regional strategies: present practice and future prospects, especially in the Mediterranean, Motion for Resolution,

European Parliament. 2012b: Resolution from the European Parliament on optimising the role of territorial development in cohesion policy

Common Provisions Regulation (EU) 1303/2013, see page 93 for Common Strategic Framework

European Parliament. 2015. The New Role of Macro-regions in European Territorial Cooperation. Study Commissioned by the Directorate General for Internal Policies, Brussels

European Parliament. 2015. The New Role of Macro-regions in European Territorial Cooperation. Study Commissioned by the Directorate General for Internal Policies, Brussels. (incl. ANNEX)

### **3.A.3 Committee of the Regions**

Committee of the Regions (2013): Opinion concerning the added value of macroregional strategies, CoR 28,29

### **3.A.4 Supporting programmes**

ESPON programme

INTERACT programme

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 {SWD(2016) 443 final} 16.12.2016 COM(2016) 805 final



The added value of macro-regional strategies seen from a project and programme perspective. Final report Spatial Foresight 2016

Added value of macro-regional strategies: Collecting practice examples. Final report Spatial Foresight 2016

> Interact has been working on the short documents clarifying MRS. [MRS Glossary here and Overview on MRS priorities.](#)

> Website/platform: [http://www.interact-eu.net/library?field\\_fields\\_of\\_expertise\\_tid=33#470](http://www.interact-eu.net/library?field_fields_of_expertise_tid=33#470)

Website/platform: [http://www.interact-eu.net/library?field\\_fields\\_of\\_expertise\\_tid=33#819](http://www.interact-eu.net/library?field_fields_of_expertise_tid=33#819)

Interact Joint Annual Work Plan for 2017 (at activity level). Website: <http://www.interact-eu.net/#news>

ESPO provides European-wide comparable. Website/Platform: <https://www.espon.eu/main/>

#### **4. Documents related to specific strategies**

Each macro-region has followed a similar process of identifying functional problems that require flexibility and coordination. The policy process has followed a similar trajectory. However, these needs and strategies are unique to each region, and are contained in the strategies and Action Plans for each region.

##### **4.A Baltic Sea**

A beginner's guide to the Baltic Sea Region – Swedish Tillväxtverket

Action Plan - Working document accompanying the Communication concerning the European Union Strategy for the Baltic Sea Region - SEC(2009) 712 - September 2015 update

Analysis currently under finalisation by University of Geneva on networking patterns in the PAs/HAs related to environment in the EUSBSR. Report to come (Experts working on it are Dr Erik Gløersen ([erik.gloersen@unige.ch](mailto:erik.gloersen@unige.ch)) and Clément Corbineau ([Clement.Corbineau@unige.ch](mailto:Clement.Corbineau@unige.ch)). Please contact colleagues directly for further information.

Annex to the Action Plan: Ongoing and completed flagships of the EUSBSR

COM (2012) 128 final - 23.03.2012 concerning the European Union Strategy for the Baltic Sea Region (2012)

Embedding EUSBSR with ESIF – Case study of Lithuania

ESPON TeMo (BSR Territorial Monitoring System). Website/Platform:  
<http://bsr.espon.eu/opencms/opencms>

EU Strategy for the Baltic Sea Region (EUSBSR – 2009)

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