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concerning the governance of macro-regional strategies

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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

concerning the governance of macro-regional strategies

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concerning the governance of macro-regional strategies

1. Introduction

Since the start of the EU Strategy for the Baltic Sea Region in 2009, Europe has seen a growing interest in cooperation in greater European regions. Macro-regional strategies represent a new opportunity for comprehensive development of a larger region, addressing common challenges and potential. They represent a clear EU value added, and existing EU horizontal policies are reinforced. They respond to matters such as:

- the deterioration of the environmental state of the Baltic Sea;
- unused potential for improved navigability and water quality for an attractive Danube Region;
- economic, social and environmental diversity and fragmentation in the Adriatic Ionian Region, and
- territorial, economic and social imbalances between cities and rural areas in the Alps, to be addressed in a potential future EU Strategy for the Alpine Region.

Their integrated approach also allows important overall policy objectives, such as mainstreaming of climate action, as well as support for a low-carbon economy and climate resilient society, to be incorporated in regional development work.

Good practice examples of successful macro-regional actions already exist in the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region. The environmental status of the Baltic Sea is improving, through collective action to reduce pollution with projects like CleanShip. Navigation on the Danube is being made easier through reinforced maintenance work. Innovations concerning the environment, clean technology and eco-innovation are developed for example through the BONUS Baltic Sea Research and Development Programme¹, with similar work underway in the Danube Region.

However, as work has gained momentum, experience² has also revealed obstacles to implementation. Devastating flooding in the Danube region in 2013, for example, was,

¹ The Baltic Sea Research and Development Programme BONUS Art 185 is founded by decision 862/2010/EU.

² Communication concerning the European Union Strategy for the Baltic Sea Region, 23 March 2012 COM (2012)128 final; Report on the implementation of the EU Strategy for the Danube Region, 8 April 2013 COM (2013) 181 Final. Report concerning the added value of macro-regional strategies, 27 June 2013 COM (2013) 468 Final; Conclusions of the General Affairs Council, 22 October 2013.

despite initiatives at high political level, not followed up by a sufficiently coordinated response. Changes are needed.

This Report responds to the Council invitation to facilitate discussions to improve governance of macro-regional strategies, and to report by end-2014.³ Better governance must clarify what is required for the success of the approach, including responsibility being more effectively taken by the countries that initiated the Strategies.

The term “governance” describes the process to be addressed - how and by whom the Strategies are implemented, joint actions initiated and financed. More specifically, current key elements of governance include:

- Member State and Commission involvement at high political (i.e. ministerial) level providing political commitment and strategic orientation;
- National Contact Points⁴, high level officials in each participating country coordinating work at senior administrative level;
- experts⁵, responsible for each thematic priority (e.g. environment, transport, research and innovation etc.), or horizontal issue (e.g. climate change, spatial planning), from each country involved, and normally forming a steering group for the topic at the level of the macro-region.

These elements constitute the structure to be reviewed and strengthened, to ensure that the implementation of the Strategies brings clear impact and better results.

2. The needs

Based on analysis and experience of existing Strategies⁶, it appears that improvements are especially required in the following fields:

- **Stronger political leadership and decision making** from countries and regions concerned: Ministers and national authorities coordinating the work need to take full ownership, and more clearly direct what is happening on the ground;
- **Greater clarity in the organisation of work:** For authorities working on day-to-day implementation, there is a need for explicit lines of responsibility, effective coordination and sufficient resources.

To be clear, better governance of macro-regional strategies is not about new funds or new institutions. Instead, it should aim for smarter use of existing resources.⁷ Furthermore, one size cannot fit all. The different strengths of the macro regions and participating countries must be understood and taken into account. In particular, good use should be made of current

³ Conclusions of the General Affairs Council, 22 October 2013.

⁴ This name could be reviewed, to reflect better their central coordination responsibility.

⁵ Various known as Priority Action Coordinators, Horizontal Action Leaders, Pillar coordinators etc. in work to date.

⁶ *ibid.* footnote 2.

⁷ *ibid.* footnote 2.

regional organisations. Strategies should complement work done in other formats. Related initiatives – for example, sea-basin strategies under the Integrated Maritime Policy – can also benefit from the approaches outlined here.

This Report looks at the existing Strategies at the following levels:

- **Political leadership and ownership:** Who gives strategic direction? Who takes the major decisions? How to ensure identification with, and communication and accountability of the Strategies?
- **Coordination:** Who is responsible for overall administrative coordination at participating country (or region) level?
- **Implementation:** Who should lead day-to-day implementation, who needs to be associated and how should it be supported? How can full involvement of non-EU countries participating in the Strategies be ensured?

These levels are inter-related. Clear political leadership is a pre-requisite for effective coordination and implementation. An agreed structure, between the Commission and countries involved, with a hierarchy of responsibilities, is essential to create a robust framework for the medium to long term.

3. Political leadership, and ownership

A high-level and structured political dimension, providing overall direction, setting priorities and taking key decisions, is crucial for effective macro-regional strategies.

This political level is responsible for the strategy, setting priorities, and addressing key matters, such as the alignment of funding to the macro-regional approach. It should ensure that authorities involved in implementation are able to work effectively with sufficient resources, and adequate authority. Problems unsolved at technical level, must be sought at political level.

The current system relies heavily on the **European Commission** for strategic leadership. The Commission ensures momentum, mediates in stalemates, and organises key events. It gives support to key actors, and is central to reporting and evaluation. The Commission is also a key facilitator, and guarantor of the EU dimension.

However, over-dependence on the Commission as the principle driving force is not desirable. To succeed, the macro-regional strategies need a better balance between the leadership provided by the countries and regions involved and the role of the Commission.

Existing good practices include:

- Sector-specific ministerial meetings organised in the Baltic Sea Region, committing to action to improve the environmental quality of the Baltic Sea (Helsinki Commission Ministerial Meetings), and in the Danube Region, committing to enhanced river maintenance (dedicated meeting of transport ministers);

- Ministerial meetings in the Danube Strategy linked to the Annual Forum. In addition, a specific meeting of regional development ministers at the 2013 Forum reinforced the alignment of European Structural and Investment Funds with the Strategy;
- High-level Baltic meetings in the existing cooperation frameworks (e.g. Council of Baltic Sea States Summits, Baltic Sea Parliamentary Conference, etc.) regularly discuss the Baltic Strategy;
- The Adriatic-Ionian Council, at foreign minister level, is a key driver for the forthcoming Adriatic-Ionian Strategy.

However ministerial meetings are **not yet sufficiently systematic, or concrete**, to give clear strategic leadership. Potential gaps between ministerial declarations and results need to be closed. When decisions are taken, they should be followed by concerted action. Consideration should be given to whether some ministerial meetings should become more regular, in order to further implementation on the ground.

Ministers hosting the National Contact Point need to have a more strategic national coordination function within their government. Good practice exists: in Sweden, the Minister and staff inform national agencies, the parliament, line ministries and their ministers of on-going initiatives and challenges in their macro-regional strategy, thus strengthening national/regional coordination and involvement of all relevant parts of the government. The National Contact Point is a key actor in facilitating this. This model could usefully be copied elsewhere.

As well as leadership, a sense of ownership is important. The involvement of **stakeholders** needs to be strengthened, including parliaments at different levels, regional governments and civil society. Meetings of members of EU and national parliaments of the Baltic Sea and Danube Region already take place.⁸ Civil society is becoming more involved in implementation (e.g. in Priority “Biodiversity” in the Danube Region; Priority “Energy” in the Baltic), and in the development of the potential EU Strategy for the Alpine Region, but more can be done.

3.1. Options and recommendations

- Countries and regions involved should **take general strategic leadership at ministerial level**. Ministers hosting the National Contact Point should be the ultimate decision makers, and together, constitute a regular decision making formation. They should be responsible for evaluating progress, guiding implementation, and seeking breakthroughs when stalemates occur. Meetings should coincide with the Annual Forum. Other options to ensure strategic leadership could include:

⁸ Conferences in 2013 under the Lithuanian EU Presidency, and of Danube Region parliamentarians.

- a *rotating chair* for each Strategy for a given period, with an agreed rotation principle.⁹ Holding the chair could also imply hosting and organising the Annual Forum, ensuring direct links to implementation;
- the nomination of a *special representative* for a Strategy, approved by the countries concerned. S/he could be given the role of steering implementation, trouble shooting, and reporting back to the ministerial level. S/he might be ministerial level or equivalent, following the experience of European Coordinators for TEN-T¹⁰. S/he could be financed by the transnational cooperation programme, or by other means;
- **Sectoral ministers** should drive progress in their thematic areas. In each area of work, leadership at ministerial level should be assumed first and foremost by the country leading the priority area in question. Meetings could be scheduled regularly and consideration should be given to meetings in the margins of Council meetings. The special representative would be expected to take a proactive role in such meetings;
- **Ministers hosting the National Contact Point should have a strategic coordination function** *within their national or regional government*, regularly informing the government of on-going initiatives, and ensuring the alignment of policies and funding;
- **National Contact Points**, should **coordinate at national level with the thematic experts** – to ensure decisions lead to action;
- **The Commission should continue** to offer strategic support. It will facilitate the evaluation of progress, identify shortcomings that need to be addressed at political level, as well suggest resolution of implementation stalemates. It should ensure coherence with EU policies and positions, especially the integration of the macro-regional approach into EU policies;
- More effort should be given to **better communication of results** and activities, to ensure public debate on the macro regional approach, and its achievements. All actors should be encouraged to play their part in this including national, regional public and private participants in the Strategies;
- The participating countries and the Commission should fully utilise the new potential of **transnational cooperation programmes**¹¹ (and the programme INTERACT providing EU wide support for cooperation¹²) to facilitate and support the political level activities outlined above.

⁹ As currently in the EU Strategy for the Baltic Sea Region, the rotation principle for the chair of a Strategy could take into account EU Presidencies in the Council, presidencies in other macro-regional institutions, or be on a voluntary basis.

¹⁰ Trans-European Transport Networks.

¹¹ Transnational cooperation programmes of the European Structural and Investment Funds, such as the Baltic Sea Programme, or the Danube Region Programme.

¹² INTERACT is co-financed by the European Regional Development Fund, to facilitate the work of European Territorial Cooperation programmes and macro-regional strategies. www.interact-eu.net

4. Coordination

A strong and operational macro-regional strategy needs professional management and coordination, both at national and macro-regional level.

This coordination is the link between the political leadership and those charged with implementation. It includes tasks such as operational guidance, reporting and evaluation of performance, national/regional coordination, and facilitation of major events. It should include cooperation with existing regional organisations.

Currently, coordination and management functions are **only partly fulfilled**. The National Contact Points are the key actors in this respect, with their counterparts in the Commission. A clarification of the National Contact Points role, leading to stronger management and coordination inside each administration, is required.

To date, the **Commission** has been extensively involved in co-ordination activities, above all in the start-up phase of the Strategies. However, day-to-day technical support has diverted resources from its core tasks where it can add most value, such as ensuring coherence with EU objectives, and providing expert EU thematic and policy support.¹³

Baltic and Danube National Contact Points are increasingly assuming the management role in implementation. They are establishing links between Strategies and European Structural and Investment Funds, such as in Latvia and Hungary. This is good practice. However, while several are well staffed to carry out their key tasks, many others require more resources.

Most National Contact Points have set up a **national coordination platform**, bringing together national/ regional stakeholders to facilitate implementation. Good examples are Austria and Poland, bringing together central/federal and regional actors, sector ministries, managing authorities of programmes, local associations and e.g. scientific institutes.

In addition, a **High Level Group**, with representatives (National Contact Point or equivalent) of all 28 EU Member States, and non-EU countries present, meets to consider the overall approach for all macro-regional strategies. Regional National Contact Point discussions are organised back-to-back with these meetings. However, the role of the Group, and its communication with other institutions and key actors, needs to be clarified. The forthcoming Adriatic-Ionian Strategy and a potential Strategy for the Alpine Region, will make exchange of information and good practice, and participation of non-EU countries and regions, even more important.

4.1. Recommendations

- **National Contact Points** should have the lead in coordination and operational leadership. National arrangements should facilitate this. They should meet regularly to ensure continuous coordination and good information flow. Meetings could be chaired by the country holding the rotating chair of the macro-regional strategy, or by the proposed special representative;

¹³ A good example of Commission guidance linking the Strategy to the policy level discussions is the Commission Staff working document on "A Sustainable Blue Growth Agenda for the Baltic".

- The **Commission** should continue playing a key role, where there is a clear added value for its involvement. In addition to the role outlined above this includes, in partnership with National Contact Points, addressing issues, such as insufficient staffing, insufficient synergies with existing institutions or uneven commitment of government authorities. Where these lead to concern about progress on performance and the added value of Priority Areas, joint decisions on future viability should be taken;
- The **High Level Group** should become more active in ensuring coherence between macro-regional strategies, and with EU actions and objectives overall. This group should share good practice on issues such as governance, the setting of targets and indicators, monitoring and evaluation, and on raising public awareness. It should be the forum where the approaches and practices in each Region are compared, with a view to maximising leverage and impact;
- The relevant **transnational cooperation programmes** and **INTERACT** should provide targeted facilitation to this key coordination level. Tasks could include conceptual and further developmental work on projects (existing, on-going, planned, and proposed), funding sources, and targets. They should facilitate reporting and publicity.
- It is important to ensure the macro regions are covered by debates at EU 28 level, including in the European Parliament, the Committee of the Regions and the Economic and Social Committee.

5. Implementation

The implementation of the Strategies includes tasks such as facilitating generation and implementation of initiatives and projects, setting of indicators and targets, reinforcing bridges to the relevant funding programmes, such as the European Structural and Investment Funds, Horizon 2020, LIFE, COSME, and participation in programme committees, where appropriate. Synergies with EU external instruments, and notably the Pre-Accession Instrument and the European Neighbourhood Instrument, should be sought.

Thematic experts and their Steering Groups are the key force to drive implementation forward in a thematically sound way. Current challenges include:

- their **capacities and resources**: while some do outstanding work, for others Strategy-related tasks are an add-on extra, on top of core duties, and lacking institutional and financial backing from their authorities. Although Steering Groups, comprising of national experts have been set up in most thematic areas, not all have good participation. Good examples include Priority Areas “People and Skills” in the Danube, or “Safe” or “Ship” in the Baltic;
- **non EU countries and regions** are officially fully involved. However, in practice their active participation is often limited, due to capacity and resources;

- **lines of accountability** are currently not clear with respect to reporting on progress towards targets and overall evaluation of performance;
- temporary financial support¹⁴ is provided to coordinators but the Strategies lack **professional and durable support** on a day-to-day basis. Transnational cooperation programmes now allow closing this gap. It is crucial that sufficient resources are dedicated in these programmes;
- although the **INTERACT** support programme has facilitated specific communication work and overall facilitation, it must now evolve to provide conceptual and developmental facilitation overall, and in particular to complement macro-region specific transnational programme support, to promote particularly the exchange of good ideas and approaches between regions;
- While availability of funding had up to now frequently been an issue, the new regulatory frameworks for 2014-2020 programming, and the start of a new financial period, mean that projects can now be supported by **EU programmes**. However, important work still remains better to align funds with the goals of the Strategies.

5.1. Recommendations

- **Sector Ministers** (or where relevant, leaders of other organisations leading Priority Areas) should be fully accountable for the work in the thematic areas, and for the conditions offered to thematic experts and Steering Group members. These should be officially appointed and receive a clear mandate, along with sufficient resources;
- **Thematic experts and Steering Groups** should be the expert drivers of day-to-day implementation. Steering Groups, with members from all involved countries, should be established for all areas. Their role, capacities, resources and engagement is key to success. The Commission should provide equivalent thematic expertise. Information and communication technologies could facilitate good communication flows between meetings;
- Integration of non **EU countries and regions** participating in the Strategies should be facilitated, based on the good approach developed in the Danube Region with regard to participation to Steering Group meetings, and making use of communications technology;
- Cooperation with **existing institutions**, avoiding duplication or overlapping of activities is a must. Where agreed, and building on good examples from the Baltic work, existing regional institutions should play their role in implementation;
- **Transnational cooperation programmes**, while retaining current objectives, should also be used effectively to support coordination and implementation of the Strategies. They should exploit innovative approaches to networking and discussions. Platforms

¹⁴ Pilot projects and preparatory actions introduced in the EU budget by the European Parliament.

or points, where appropriate to be hosted by existing regional institutions, could include tasks such as:

- supporting the work of key implementers, both in practical ways, and in terms of data collection, analysis and advice;
 - providing a platform for the involvement of civil society, regional and multi-governance levels, and parliamentary debate;
 - facilitating the Annual Forum.
- Building on experiences, skills and networks already developed in its initial support work, INTERACT should provide overall conceptual and developmental assistance. Tasks should include:
 - providing overall services across macro-regional strategies, such as communication, and capitalising on cooperation results;
 - exchange of good practice between existing and upcoming macro-regional strategies;
 - facilitating links between macro-regional strategies and funding programmes;
 - facilitating thematic synergies.

6. Conclusions

In summary, macro-regional strategies, delivering meaningful results and leveraging existing policies require a well- performing governance system. They require:

- **political leadership and clearer responsibility**, including a decision-making formation, recognising the Strategies as **horizontal interests** and responsibilities at every level of government;
- continued involvement by the **Commission**, in partnership with countries and regions, ensuring a coordinated approach at EU level;
- a sustainable framework to provide **systematic linkage** between this political level and coordination and implementation, including clear lines of responsibility ensured by regular ministerial meetings, and where so agreed, by the appointment of a **special representative**;
- improved mechanisms to ensure full engagement of **non-EU countries** at all levels;
- better use and complementing work of **existing regional organisations**, at the appropriate level;
- **stronger management** at the level of National Contact Points, giving strategic coordination and monitoring implementation;

- better focused **use of existing funds** and better coordination of sector-specific initiatives and programmes, through key implementers and the Commission, but also including involvement of the private sector and international financing institutions, where appropriate;
- sustained support to key implementers, using especially the institutional and capacity-building support of newly-aligned **transnational programmes 2014-2020**;
- better **publicity and communication** about the work ;
- enhanced use of **information and communication technologies** to facilitate modern, fast and cheap communication between stakeholders;
- stronger involvement of **civil society**, including through **national and regional parliaments** and consultative networks or platforms, enhancing awareness for the strategic objectives and timetable.

The Commission invites other institutions, and countries and regions involved, to endorse the proposed recommendations, and work with the Commission to improve the governance of the Strategies to maximise results and impact, taking into account the different macro-regional contexts.