



Report on the meeting of ESIF/IPA Programme Authorities and EUSAIR structures, 17 September 2019, Portorož, Slovenia

During the 3rd EUSAIR Annual Forum the representatives of the ministers from all eight EUSAIR countries called on the national and regional authorities responsible for ESI and IPA funds in EUSAIR countries to closely coordinate with each other across the Region from the very early stages of 2021-2027 strategic planning so as to jointly agree on the macro-regional priorities to be included in the ESIF Partnership Agreements and IPA Strategy Papers and in the relevant programming documents. The ministers urged the ESIF and IPA programme authorities and the EUSAIR key implementers to jointly work to identify as early as possible pilot macro-regional actions and projects which require coordinated planning and programming of national/regional ESI and IPA funds across the Region for their implementation.

During the Montenegrin Presidency, National Coordinators agreed on the consolidated version of the so called Position Paper which identified the steps to approach the process. One of the most important steps was the identification of the so called Thematic Steering Group Priorities which were approved by consensus in all four Pillars and sent to the National Coordinators in April 2019. National consultations were based on different approaches undertaken by the countries to ensure the integration of the suggested priorities into the relevant document addressing post 2020 period. In parallel, a joint dialogue will be continued and extended to the key programming and implementing bodies in the region. The complexity of the process calls for a pragmatic step-by-step approach.

The Meeting of the ESIF/IPA Programme Authorities and EUSAIR structures on 17 September 2019 in Portorož, Slovenia aimed to answer concrete practical questions: Can a continuous dialogue in the Adriatic-Ionian region bring added value in order to efficiently address the common territorial challenges? What are the tools and mechanisms needed, what are the opportunities/threats? What concrete steps should be taken as early as possible and what are the responsibilities of the key bodies? How will EUSAIR serve as a platform for a continuous dialogue, not just for a limited scope of actions, but in general when addressing the common (natural, societal and other) challenges the region is facing and seizing opportunities?

First steps towards joint cooperation initiatives

From identification of common priorities to embedding them into partnership agreements – mission possible?

The Position Paper on Follow-up actions in response to the request from EUSAIR Ministers under Paragraph 6 of the Catania Declaration adopted in February 2019 recognises the role of National Coordinators as mediators between macro-regional and cohesion communities in their respective

countries. According to the agreed position paper, the aim is to set a forum in each of the eight EUSAIR countries allowing the national and regional authorities responsible for ESI and IPA funds countries to coordinate their 2021-2027 planning and programming exercise from the earliest stages with a view to support the implementation of the Strategy through relevant national/regional programmes in an organised/synchronised manner. Such network should then become a permanent tool for coordinating/overseeing the implementation of macro-regional actions and projects included in Operational Programmes and/or Action Plans.

But what is the next step? How to translate theory into practice?

Experience of other macro-regions – from Flagships to Networks of Managing Authorities

Pragmatic, challenge-driven actions *beyond projects*, so-called Flagships, were introduced within the EU Baltic Sea Strategy (EUSBSR) where **the envisaged impact** becomes the guiding vision. **Flagships – joint transnational development processes** are strategic actions born to respond to macro-regional challenges, for which they gather relevant stakeholders from all levels of society. **Flagships** become “the home” (**containers**) for projects, chains of projects, processes, thematic groups and platforms that together produce a much higher impact on the issue.

Working with Flagships instead of projects allows EUSBSR to pursue policy work in three dimensions:

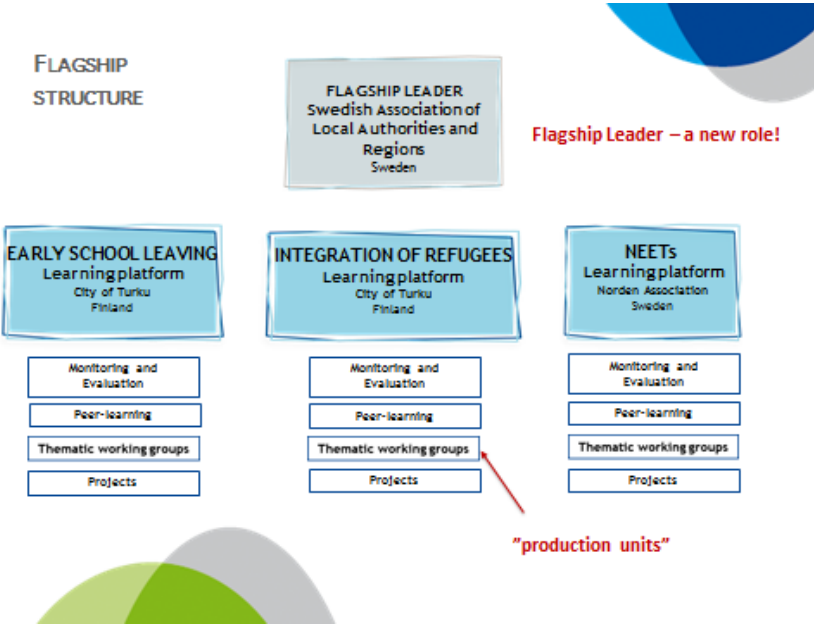
- Policy implementation: in areas where EU/region-wide policy frameworks and agreements exist and are to be implemented in the countries;
- Policy alignment: in areas where the implementation of a thematic policy varies from country to country or/and where it creates institutional and other types of hindrances, so that cohesion of the implementation becomes a goal;
- Policy making/co-creation: in areas where policies are incoherent between the governance levels, where policies are detached from realities on the ground or where policy is needed but non-existent.

Depending on the state of play in a chosen area or with regard to a chosen macro-regional challenge, the designers should be able to assess the relevant policy field, identify gaps, agree on the policy impact needed and lay out a course of action for a future ‘collaboration’. Essentially, the work should continue until the impact envisaged has manifested as a reality.

Working in such multi-stakeholder flagships requires that the policy-level actors and the ground-level actors meet, discuss, learn from each other and together create multi-level solutions to the challenge they chose to collaborate around. **The benefits of ‘containers’ (vs ‘projects’) are the following:**

- Involvement of all types of stakeholders (Multi-level Governance + civil society);
- Incompatibilities between EU members and IPA countries matter less;
- No time limit;
- Real alignment of funding;
- Real alignment of policies;
- Collaboration capacity of all involved grows through learning-in-action.

Figure 1: Flagship structure in EUSBSR



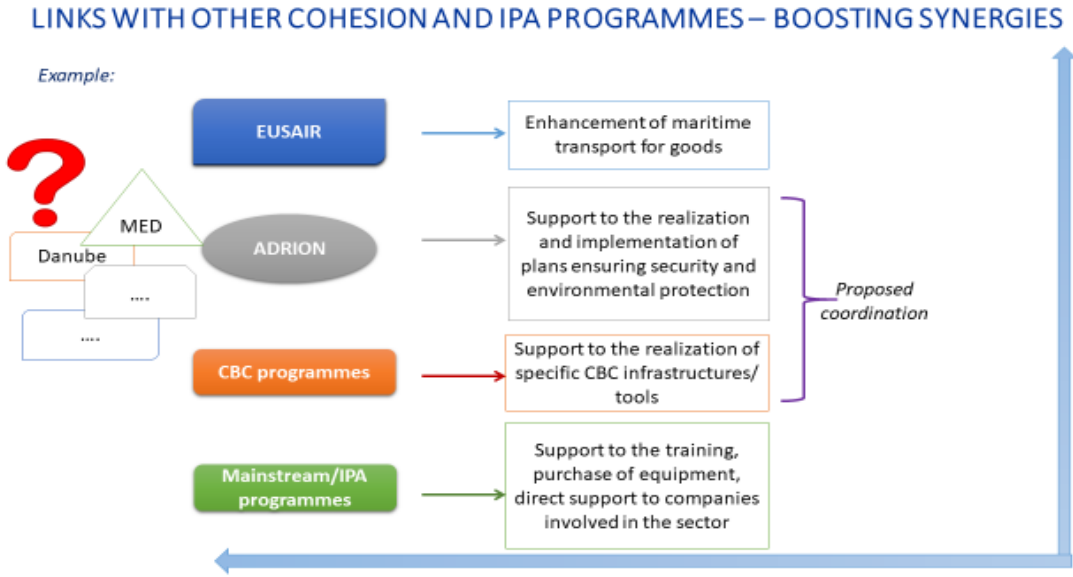
Source: EUSBSR

To facilitate the use of the Strategy as a strategic framework for ERDF and ESF so-called Managing Authority (MA) networks have been established to support the implementation of the EU Strategy for the Baltic Sea Region. The networks consist of representatives from the MA in the eight Member States. They hold regular meetings and support the implementation with **agreement on thematic priorities and mandates defining “modus operandi”**, with synchronised or coordinated calls, allowing for invoking of Article 70. The MA networks are established to facilitate and support cooperation between Member States on the use of the EUSBSR as a strategic framework for the ESIF, but the experience shows that more needs to be done in order to unlock the full potential of cooperation between Member States. The appropriate way of aligning thematic objectives of the Strategy and the Programmes is to synchronise and coordinate macro-regional operations in mainstream programmes. A formalised mandate and/or guidance describing the functions for the MA networks’ operation is highly desirable.

Transnational Cooperation programmes as supporters of common challenges

Already today transnational programmes are supporting strategy-relevant thematic areas, however due to their size and mission, mainly soft measures can be supported. Interreg ADRION programme reflection on the future deriving from past experience shows potential for future investment in the mainstream programmes developed and tested in cooperation projects. There is greater room for synergies as well. The figure below shows the potential to boost synergies among transnational, cross-border and mainstream programmes.

Figure 2: Links with other cohesion and IPA programmes – boosting synergies



Source: ADRION

Common capitalisation activities among different types of programmes are a possible way to jointly build on the potentials.

Interact experience in the cooperation practice in macro-regional context

The overall agreement among the key EUSAIR implementers is that programmes and projects can make better use of macro-regional strategies – as a strategic framework – to increase the efficiency of investments and strengthen their policy relevance. In many regards, projects as well as programmes are too small to really ‘solve’ the development challenges they address alone (e.g. sustainable fisheries policy cannot be implemented without close cooperation with partner countries).

Macro-regional strategies as a coordination framework ensure:

- Increased visibility, critical mass and credibility for both projects and programmes;
- Capitalisation of the results beyond project and programme lifetime;
- Capitalisation of the “symbolic” importance of the Macro-regional strategies using the possibility to position single programmes and projects in a wider context. Macro-regional strategies help confirm the importance of actions, processes, projects and programmes that may individually be criticised for insufficient results, but become more meaningful when considered in a wider context.

There is no right and universal way, but there are different examples of cooperation practices among macro-regional strategies used in the period 2014-2020.

Macro-regional strategy supports the following approaches at the operational level:

- *Specific selection criteria benefitting macro-regional strategy's relevance* (EUSAIR: thirteen ESI Funds and three IPA-CBC programmes contributed extra points to EUSAIR labelled projects);
- *Targeted calls* (e.g. a specific programme was designed in Romania to support twelve counties in the Danube river basin implementing measures such as energy efficiency, urban mobility and improved water quality);
- *Participation of key implementers in programme Monitoring Committees;*
- *Inclusion of transnational component* (e.g. the Swedish Operational Programme provides the already approved projects with a possibility to apply for an additional cooperation package, so-called Transnational Component. The Transnational Component is applied for in a separate application. The beneficiaries have enough time and opportunity to develop the main project and to find partners in another Baltic Sea Region country working on the same topics to achieve benefit by cooperating);
- *Alignment of call timelines* (e.g. *European Maritime Affairs and Fisheries Fund MA and national FLAG networks in the Baltic Sea Region (BSR-EMFF network) have a conceptual agreement on more synchronised calls: Launching calls for proposals covering the same theme during the same time period;*
- *Pooling of resources* (more at the Pillar level, e.g. river research and management activities are implemented in a coordinated manner by using various funding sources, such as cross-border and transnational cooperation programmes funding as well as investments in Growth and Employment Austria 2014-2020 Operational Programme funding);
- *Coordinated parallel calls* (e.g. *InnovationExpress supporting cluster cooperation in the Baltic Sea Region and second call for cross-border multilateral scientific co-operation in the Danube Region. The focus is on a coordinated call requiring cooperation and joint work plan shared between partners. However, eligibility and implementation requirements are determined by national/regional Operational Programmes. To improve the use of such a cooperation instrument, stronger coordination of Operational Programmes would be advisable, as well as similar eligibility requirements needed. Coordinated parallel calls require coordination efforts (promotion and branding of the funding instrument, events like matchmaking, staff resources to coordinate the parallel calls and reply to potential partner questions).*¹

The Commission proposal for the regulative framework of the 2021-2027 programming period recognises cooperation between regions and across the borders (to embed cooperation in mainstream programmes) as a horizontal objective. As stressed by the representatives of DG REGIO, during the implementation phase programmes may develop and apply:

- *Specific project selection criteria* to facilitate or encourage cooperation projects by beneficiaries or projects supporting the priorities of a macro-regional or sea-basin strategy, functional area or network;
- *Programmes can earmark (allocate) a budget*, i.e. a certain percentage of their funds, for cooperation actions or projects that are considered to be of international importance or impact;

¹ The last two examples have similar elements. Coordinated parallel calls include coordination of the timeline. However, the alignment of the call timeline does not mean there is an element of cooperation as a pre-condition. Here, the MAs only agree to launch the calls close to each other to be able to draw the conclusions. But it is not required that the partners cooperate.

Coordinated calls not only have the same timeline, but they require cooperation between involved partners, even if they apply individually. The aim is cooperation, joint work.

The transnational component is a passive way of approaching cooperation. Operational Programme enables to integrate partners later, but it does not mean they will join and it takes time.

- *Funds can be allocated in a well-targeted manner* through specific calls for transnational, cross-border or macro-regional or sea-basin related projects;
- Projects can be defined ex-ante as being of macro-regional importance, based on the projects/actions prioritised or "labelled" by the actors of the macro-regional/sea-basin strategy.

General calls may foresee, *inter alia*, the allocation of extra (bonus) points to cooperation projects or project contributing to the implementation of the macro-regional/sea-basin targets and actions.

Opportunities within the smart specialisation cooperation

The European Commission's Joint Research Centre for the S3 Platform, has recently launched S3 Framework for selected non-EU countries to support them in preparing smart specialisation strategies through the Horizon Europe 2020 programme. Several already initiated or advanced S3 activities are carried out in EUSAIR countries, i.e. Montenegro, Serbia, Bosnia and Herzegovina, Albania and North Macedonia. Institutional capacity building will be followed by mapping of the stakeholders, entrepreneurial discovery and institutional capacity building for implementation of the S3. In this respect, numerous S3-related activities are planned across the region: mutual trans-national learning activities, identification of common problematic areas across regions and development of thematic advice, matchmaking between regions with specific interests, organisation of discussions and exchange and sharing of good practices. In the longer term, integration of different key actors and creation of enabling environments for the development, commercialisation and exploitation of innovation, and strong territorial innovation ecosystems are also essential for the valorisation of the macro-regional innovation potential. Interregional cooperation based on Smart Specialisation has the potential to connect innovation ecosystems, complementary skills, infrastructure and markets. Nevertheless, the challenge is to promote investment synergies between the private and public sectors and to build competitive interregional value chains.

Grid 1: Some of the screened collaboration potentials for innovation (from the round table exercise)

<p><i>BLUE GROWTH</i></p> <p><i>Digitalisation/open data, fisheries management, new technologies, scientists collaboration</i></p>	<p><i>CONNECTIVITY</i></p> <p><i>Clean transport, renewable energy, energy efficiency, smart-grid, intermodal transport solutions, intelligent transport solutions</i></p>
<p><i>ENVIRONMENT</i></p> <p><i>Clean technologies, risk prevention, risk response</i></p>	<p><i>TOURISM</i></p> <p><i>Health tourism, branding, smart tourism solutions</i></p>

MOVE FORWARD

Collaboration potentials in addressing common territorial challenges and needs – roundtables

The embedding process remains a difficult challenge to tackle in each EUSAIR country, particularly due to different funding mechanisms of EU Member States and Enlargement Countries. Based on the perspective on the common challenge, different stakeholders have to be involved in the process and different funding sources should be addressed (soft measures can play a significant role also in the transport, energy or other sectors), while the biggest challenges remain:

- Identification of the key stakeholders to be involved in the embedding processes strongly relies on the perspective of the challenge/priority;
- The right mechanism to be used in the planning/implementation process, among others: exchange of good practices, developed networks of business and clusters, targeted calls, matchmaking, programming or sometimes MA's networks. Those networks will also influence the openness and flexibility of further policy implementation instruments;
- Difference between full members of the EU with a variety of funding sources at different levels and non-members of the EU with limited sources, additional preconditions and strong horizontal role of DG NEAR. In this respect, the macro-regional processes should also unite the region enabling it to speak with one voice in the dialogue with the decision makers and act as a positive EU incentive for delivering "basic" requirements and the needed reforms;
- EUSAIR Facility Point can support the process by offering the opportunity to the pre-defined key stakeholders to network in this respect.

ANNEX 1: How to move on – key takeaways from the participants (feedback from the participants through the feedback form):

- Common initiative can lead the pragmatic approach in smaller, well-defined groups for a focused financial dialogue according to the defined target groups - no unified way of macro-regional collaboration – each stakeholder can be an important mosaic piece and the process is also understood in the context of learning from each other;
- A country's voice will be represented in the macro-region's voice and vice versa; common priorities are a good start;
- Need to focus on simplification of processes as the key approach (step by step);
- Stronger cooperation among EUSAIR/mainstream partners at national and EUSAIR level.

- Networking between mainstream programming authorities once the priorities are agreed;
- Macro-regional strategies' challenges need to be addressed from various perspectives; sufficient time is needed for doing this;
- There are options and experiences for better coordination of funds among the programmes;
- Pillar coordinators should guide/be involved in the coordination work among the stakeholders;
- The roles within the EUSAIR structure should be clearer. Key implementers should agree on their tasks and responsibilities, the Position Paper is a good start;
- Funds have their own rules of eligibility, with differences between MS and non-MS, things can be done with effort, communication and support from the Commission;
- Setting of recognisable and realistic strong priorities is needed at the national level;
- A task force at national level should be established to move things on;
- Discussion among mainstream and INTERREG programme authorities on macro-regional operations to increase synergies and avoid negative overlapping, including of centrally managed EU funds;
- Stakeholders mapping, raising awareness of the impact of the Strategy at the national level.

- A structure where the MA (Member States) and corresponding IPA can coordinate collaboration with the key implementing stakeholders of EUSAIR (Pillar Coordinators). Preferably start with one MA/IPA network for the ERDF questions/ corresponding IPA. This could, for example, be innovation, transport, tourism and environment;
- The MA/IPA network need a mandate from the ministries (Member States) and DG REGIO/NEAR (IPA) which sets out how to coordinate/synchronise calls, how to manage relations between the individual projects (Transnational Cooperation Agreement), and how to audit these joint projects;
- A decision by the Programming Authorities/Geographical Units (DG REGIO) and corresponding IPA on joint thematic priorities, for example innovation, transport, tourism and environment;
- Provisions in the Operational Programmes and/or Action Plans supporting the mandate on HOW to implement macro-regional projects and WHAT thematic priorities should be included as joint priorities to be financed in the next generation programmes (ESIF/IPA).