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**Danube** Strategy  
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Forum

# **Tapping the full potential of Macro Regional Strategies**

**Enhanced bottom-up participation  
and  
Multi-Level Governance in the Baltic and Danube  
Macro-Regional Strategies**

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Commentary on the

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**  
- 27.06.2013 –COM (2013) 468 final

by

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Danube Civil Society Forum and the Council of Danube Cities  
and Regions**



## Executive Summary

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## ***Executive Summary***

Macro-regional strategies of the European Union (MRS) are elaborated to provide mutual regional answers to economic, social and environmental challenges. These approaches better exploit and coordinate resources and they promote common planning in special geographic areas. MRS are elaborated on the basis of territorial cohesion and place-based approaches, which would mean solid participative processes and strengthened local and regional institutions in the decision-making, planning process and implementation. Although MRS are still in their early phase with 4 and 2 years of operation, both the EUSBSR and EUSDR can present some concrete results such as established institutions, a number of project concepts and initiatives, and a couple of implemented projects.

At the same time, from our point of view, the operation of MRS does not provide clear evidence for strengthened cohesion and regional economic development, enhanced participation of bottom-up actors such as civil society organizations (CSOs) and regional and local stakeholders. Furthermore, while MRS structures have been established at international and national level, and alongside sectorial interests, transparent mechanisms for participation are still missing in order to involve bottom-up actors in the decision-making and implementation process. So far, MRS have not been able to adequately incorporate bottom-up stakeholders into the *planning* and *decision-making* processes. In addition, bottom-up stakeholders are poorly embedded in the financing and governance structure of MRS. We see this as an unsolved challenge in MRS; however, the proper involvement and integration of these actors are especially important, as bottom-up actors are the primary beneficiaries of these strategies. About 70% of the actual implementation of MRS projects is delivered by local and regional actors.

This opinion paper draws attention to the importance of better establishing key principles of the European Union in MRS, such as subsidiarity and proper multi-level governance structures with extended participation. The best practice examples of European transnational co-operations show that effective institutional operation requires well-structured and well-established governance structures and the involvement of a wide range of stakeholders. MRS should be able to operate *governance* mechanisms which equitably integrate the local, regional, national and EU actors, in both vertical and horizontal aspects.

At the same time, the actual involvement of bottom-up actors in the everyday operation and involvement of MRS have hardly been investigated by the Commission and the member states. Official evaluations by the Commission mainly focus on the investigation of key stakeholders such as participating states and intergovernmental organizations. Essentially, their active involvement is underlined in the consultation processes through stakeholder conferences in both the EUSBSR and EUSDR. However, their recent roles in the planning and decision-making process, as well in the implementation, have not been assessed.



Based on our own perceptions and the initial output of the Danube River Show conference-series<sup>1a</sup> a sharp decline in the involvement of bottom-up actors is able to be assessed in the EUSDR. At the start of the implementation phase, CSOs and local communities/municipalities have continuously been crowded out of the decision-making and planning process. These actors are provided with little information about the operation and implementation of MRS, and they are hardly present in the national consultation (e.g. in the network of the National Contact Point) or international network (Priority Area – Steering Group or Working Group). These shortcomings are particularly present in the Middle and Lower Danube area and in the Baltic States. Civil society and local communities/municipalities (as well as medium-sized cities, but in some cases even large cities) are the weakest link in the MRS due to the lack of staff, funding, administration facilities and communication tools. Furthermore, these actors often have difficulties participating in any formal or informal networks in the MRS.

So far, MRS have not developed sufficient structures and co-ordination processes to meet the needs of these stakeholder groups who have weaker capacities. Horizontal Action Leaders in the EUSBSR or Priority Area 10 have taken some important initiatives for horizontal participative co-operation in the EUSDR. However, the lack of support from national levels, other PACS, or the EC is a burden on these initiatives.

In order to fill the gap and meet the structural demands of the place-based approach, we call for the introduction of *regular consultations with civil society and local communities/municipalities, regions and their respective networks and platforms in the MRS*. These would mean gradually increasing the institutional involvement of civil society and local actors, and their respective platforms, e.g. the Baltic Sea NGO Network, Danube Civil Society Forum, Council of Danube Cities and Regions in the operation of PACs, National Contact Points (NCPs), as well as proper representation in High Level Group meetings to the European Commission.

We also call for stronger involvement of bottom-up stakeholders in the Annual Forum of MRS, as these forums should mirror and value multi-level structures, regional and ethnic diversity and a proper mix of top-down and bottom-up stakeholders.

In light of the new financial framework for MRS in the financing period 2014-2020, we call for an open, transparent, and participative revision process in order to adopt the Action Plans (APs) to the new environment and conditions.

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<sup>1</sup>Refer to the upcoming Danube River Show Progress Report available on the homepage of the Danube Civil Society Forum from 27.10.2013



## **1. Participation and Approach of Macro-Regional Strategies**

Macro-regional strategies (MRS) in the EU have so far been endorsed for the Baltic Sea Region (EUSBSR) (2009) and the Danube Region (EUSDR) (2011). In the meantime, other macro-regional strategies are in their elaboration process, e.g. the EU Strategy for the Adriatic Ionian Region is expected to be ready by the end of 2014 (EiT, 2012).

The key aims of macro-regional strategies are:

- to establish new learning processes and new forms of co-operation within a multi-level and trans-regional/trans-national framework;
- to bring new perspectives, know-how and practice to the national, regional and local administrations, in order to enhance governance
- to ease regional development through improved use of respective EU and coherent national policies and local plans;
- to promote Europeanization and enlargement processes by adapting EU policies and regulations in countries which are in their accession or preparation phase for EU membership (EUSDR). Furthermore, they could transform former conflict areas (e.g. former Yugoslavian countries, EUSDR) into areas of co-operation;
- Furthermore, MRS contain the imperative principle of participation of the Lisbon Treaty Art. 8b.2 to *“maintain an open, transparent and regular dialogue with representative associations and civil society.”* and Art. 174, *“In order to promote its overall harmonious development, the Union shall develop and pursue actions leading to the strengthening of its economic, social and territorial cohesion”*.

This paper provides an opinion on the latest report adopted by the European Commission, on 27th June 2013. Our commentaries are based on our experience in the Danube and Baltic region, from a bottom-up perspective. Furthermore, our comments are strongly based on empirical research which has been recently carried out in the Middle and Lower Danube region, approaching more than 175 stakeholders in Esztergom, Novi Sad, Smederevo and Ruse in the context of the Danube River Show conference series.

The EU report assesses the added value of existing macro-regional strategies (for the Baltic Sea Region and Danube Region) and it provides recommendations for the future development of MRS (COM, 2013 a,b).

Among others, the report emphasises the importance of:

- a) Adequate multi-level governance structures, in order to successfully implement policies and programs;
- b) Approaches being *“based on broad bottom-up consultation”*;
- c) Increased and improved trans-national cooperation.



MRS were established under the impression and impact of the new *place-based approach*<sup>2</sup> with a strong emphasis on local and regional potential and actors, as well as on the participation of civil society. Among other things, the *place-based* approach requires:

- strengthened local and regional institutions that are able to assess, *develop and exploit the* local economic assets and resources;
- solid participative processes which can mobilize and provide active involvement of the bottom-up stakeholders, such as local and regional authorities, academia, private sectors and civil society.

To achieve these aims, MRS followed a top-down co-ordination mechanism which is meant to increase the effectiveness and efficiency of territorial co-operations. This means that the decision-making (policy-formulation) and the implementation process are mainly driven by the European Commission and participating states (at national executive level). At the same time, this does not mean that other actors, such as bottom-up stakeholders, are excluded from the strategy, but these stakeholders do not have institutionalised platforms for participation. The existing operational experience shows significant shortcomings within the sectorial (vertical) and general (horizontal) structures. The involvement of bottom-up actors does not have a common procedure; it is organised in an ad-hoc manner which depends heavily on the quality and capacity of the public administration system of the participating states, and the respective coordinators of Priority Areas or Horizontal Actions.

At the same time, the roles and commitments of bottom-up actors, regarding implementation of the MRS, have not been identified in either the Communication or the Working Document<sup>3</sup> of the recent report by the Commission. Some non-concrete commitments from partners at national or regional levels are mentioned (COM, 2013b:28), whereas the inclusive participation of civil society is only mentioned in the realm of research, innovation and competitiveness policies (COM, 2013:65). Furthermore, the undefined roles and commitments are also general phenomena in earlier documents by the Commission (COM, 2011, 2012, 2013). Clear roles and responsibilities or structures for bottom-up actors are not stated in any of the official documents of the EUSBSR or the EUSDR.

Furthermore, there are slight institutional differences between the EUSBSR and EUSDR which gives the EUSBSR a stronger horizontal approach. While “strengthening multi-level governance including the involvement of civil society, business and academia” has qualified in the EUSBSR for a stronger presence of horizontal structures, see *Horizontal Action Leaders (HALs)*, the same structure has not been established in the EUSDR. As a comparable element in the EUSDR, the *sectorial* structure of Priority Area Coordinators (PACs) was established in the frame of PA 10, led by the City of Vienna and

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<sup>2</sup> This new concept was introduced by the Barca report on the new EU Cohesion Policy, Fabrizio Barca “The Union and Cohesion Policy – Thoughts for Tomorrow” (04 November 2009), see: [http://ec.europa.eu/regional\\_policy/archive/policy/future/pdf/report\\_barca\\_v0306.pdf](http://ec.europa.eu/regional_policy/archive/policy/future/pdf/report_barca_v0306.pdf), 14.02.2013. As Barca puts it: “to reduce persistent inefficiency (underutilisation of the full potential) and inequality (share of people below a given standard of well-being and/or extent of interpersonal disparities) in specific places, through the promotion of bundles of integrated, place tailored public goods and services, designed and implemented by eliciting and aggregating local preferences and knowledge through participatory political institutions, and by establishing linkages with other places” (Barca Report I.c., p. 5)

<sup>3</sup> Commission Staff Working Document SWD(2013) 233 final, accompanying the Report concerning the added value of macro-regional strategies, {(2013) 468 final}



Slovenia. This operation in the EUSDR has an institutionally weaker performance than the 5 HALs in the EUSBSR.

A warning sign for MRS could be the declining interest of stakeholders. While participation was vivid and promoted by the Commission and member states in the public consultation of the MRS, which resulted in a number of gaugeable results in the context of the action plan, cornerstones of the placed-based concept, such as participation, and the involvement of civil society stakeholders and local entities (municipal level), became marginalized in the implementation and starting phase. Neither the Commission, as the custodian of the action plan, nor any of the participating (member-) states and regions followed a consistent policy furthering a participative concept. As a result, many stakeholders have shown moderate interest in MRS.

## **2. Civil Society and Local Communities in MRS**

Until now, civil society has only had a very limited role in the implementation of MRS. On the one hand, this is partly due to their shortcomings with regard to capacity. In addition to smaller and mid-sized municipalities, civil society organisations are the weakest link in MRS, nevertheless they are the first affected when it comes to implementing projects and programs on the ground. About 70% of all projects are implemented by local and regional stakeholders; they are inevitably the largest group of operational partners for the MRS at local level. At the same time, NGOs and municipalities suffer from a lack of staff and financial or specialist expertise, which strongly determines their involvement in the strategy. In a number of countries (EU and non-EU states), multi-level governance is not developed in a way which empowers local actors with the necessary expertise and financial instruments. This is recognised in the EU report.<sup>4</sup>With regard to the civil society sector, there are only a few well-established NGOs. These NGOs have been operating for a longer period of time and they are directly involved in the institutional structure of the strategy. They have fairly good personal and financial capacities, and considerably broad experience of participating in international project management. Furthermore, they often have a narrow scope of activities with specific knowledge and expertise, limiting possible participation to one specific subject area (e.g.: environment) and, in doing so, being an element of sectorial (vertical) participation in one Priority Area. The largest group of civil society organisations, especially in the less developed areas of MRS, are not in a position to follow the complex political and technical discourse of MRS. These groups do not have the capacities to travel to meetings and join (often informal) networks of MRS, which stakeholders, states, business and interest groups can do. Furthermore, not just civil society lacks capacity, but most of the municipalities do as well<sup>5</sup>.

On the other hand, these limitations are also due to capacity shortcomings in the area of PACs, as well as the lack of a working structure for incorporating adequate civil society and municipalities in the MRS

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<sup>4</sup> 3.6 Promoting multi-level governance: The macro-regional approach can only work if there is strong cooperation between regional, national, and local levels, in order to plan together and align funding. It reinforces multi-level governance as an element of Cohesion Policy, given the variety of the actors involved. Civil society is also present, and the approach is based on broad bottom-up consultation. Several regions and (in the EUSBSR) regional organisations serve as coordinators. See: 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 - 27.06.2013 - COM(2013) 468 final, p.

<sup>5</sup> In the BSR, the number of municipalities continuously active, engaged and following the MRS is below 10.



decision-making process. At a national level, civil society actors and municipalities are not represented by a national inclusive approach in the MRS. This leads to the often-criticised *national bottleneck*, by having national institutions (mainly at the level of national ministries) as gate keepers of access and information to MRS. This means many national administrations do not have the personal and financial capacities for establishing proper communication channels for the adequate involvement of bottom-up stakeholders. In some cases, experience in horizontal participation is also lacking.

Two aspects have particularly weakened the possibility of wider participation of the civil society, in both sectorial and horizontal aspects. One was the fact that most of the Priority Area Coordinators (PACs) and the National Contact Points (NPC), as key forums for the implementation of the EUSDR, had a limited relationship with civil society and inadequate experience of participation models. While some PACs could build on long-standing experience of cooperation with civil society (i.e. in environmental issues), some do not have the experience, means or funds to include civil society. The second factor was the absence of any funds which could enhance bottom-up stakeholders, civil society/academia and private companies. This seems to be one of the weakest links both on behalf of PACs/NPC as well as on behalf of states/municipalities. National, regional, or private funds made available to the MRS process and stakeholders (Baden-Württemberg, Foster Europe Foundation and the DCSF) triggered valuable initiatives and projects, but were too small and basically not designed to fill the gap.

In response to the limited participation opportunities of the civil society and municipalities, networks of municipal and civil society stakeholders evolved in MRS, such as the Baltic Sea NGO Forum (BSNN), the Baltic Development Forum (BDF), the Council of Danube Cities and Regions (CoDCR), and the Danube Civil Society Forum. These forums seek to work in close contact with PACs, NCPs and HALs, participating states and regions, as well as the EU Parliament, the EU Commission, the CoR and the financing institutions. The aim is to function as a platform for participation, cooperation and capacity building in the MRS. Umbrella organisations like the DCSF, the CoDCR, BDF, and BSNN are able to extend *horizontal and sectorial participation* and increase the promotion of democracy and human rights, rule of law, and the sustainable development of the environment. However, this is only possible if active political support is given and a path is paved for participation.

A number of these umbrella organisations act as clearing houses for forming opinions among their constituencies, and are qualified to support and participate in *horizontal participation* to feed positions of civil society and municipalities into the development and decision-making at a primary level.

PA 10 of the EUSDR, with support from the civil society, has begun a process to install an Electronic Danube Civil Society Platform as a tool to enhance coordination between the various actors/stakeholders, such as PACs; NCPs, Civil Society Organisations, national actors and the Commission. Furthermore, corresponding to the Danube Civil Society Platform, an Urban Platform Danube Region is in the making. While participative approaches have been conceptualized in the implementation, we still lack the necessary support and ownership for these new models from participation by national actors and the Commission. This leads to a rather cornered position of these tools, which are insufficiently embedded in the financing and governance structure of MRS.



### **3. Breaking the Ice for Participation**

Given the top-down co-ordination mechanism of MRS, concepts of civil society participation and participation of local communities/municipalities, and capacity building efforts in MRS in order to foster an “*open, transparent and regular dialogue with representative associations and civil society*”, are doomed to fail as long as there is no political support from the primary level of participating states, regions and the Commission. Failure in this area will create widespread disappointment and increasing distance to the concepts within MRS and their implementation.

The added value of MRS, based on the place-based approach, cannot be tapped to the full potential if the local actors, civil society and local communities/municipalities continue to suffer from structural deficits. Furthermore, the extension of consultations, the actual involvement of bottom-up stakeholders in the implementation, and the decision-making process in MRS, need to be improved in the short term.

The cornerstones of the *place-based approach* form the new paradigms of MRS:

- Emphasising bottom-up strategies which are designed and owned locally and which aim to promote growth potential in all local economies;
- Claiming that skills and innovative capacity of human capital are very important to regional development because they can be used to embed investment in cities and regions, in an era of more mobile capital, in a way that the provision of low cost labour and infrastructure alone cannot;
- The demand for strengthened local and regional institutions which are able to assess and develop local economic assets in a way that amounts to more than “tailoring national policies”;
- Implementing participative structures and processes throughout the MRS,

At the same time, these cornerstones are basic prerequisites for the success of MRS concepts for more than 230 million citizens in the Baltic Sea and Danube region.

Inclusive and participative approaches and structures in MRS are not only imperative by European Primary Law, but they also contribute significantly to better governance performance, increased motivation among stakeholders, and the increased popularity of MRS as a policy tool for the European Union.



#### 4. Key Exigencies

In order to use MRS as a tool for strengthening democracy and regional development, participative elements must be introduced and strengthened.

Among other, we demand:

1. Incorporation of respective *forums* for CSOs and local communities/municipalities in the decision-making and communication structures, which will facilitate communication and mutual access between MRS PACs/NCPs and civil society/local stakeholders;
2. Organization of regular hearings with local communities/municipalities and civil society at the level of PACs, NCPs. For High Level Group meetings, national hearings should reflect comments from regions/counties. We also call for the CoR to take a more active role in representing bottom-up stakeholders' interest in HLG meetings to the Commission.
3. Stronger and equitable involvement of bottom-up stakeholders in the Annual Forum. The annual forum, especially in the EUSDR where it represents the only platform for stakeholder dialogue, should be more open to bottom-up participants. This would mean a thematic workshop for CSOs and local municipalities, as well as a stronger involvement of bottom-up actors in the preparation work for the forum (preliminary consultations with the organising state and the Commission).
4. Installation of adequate electronic information tools (website) to share information on MRS on a wide-scale, making processes and action timeframes more transparent;
5. Organization of funds providing micro-funding for focussed capacity building, in order to further qualified participation and articulation in MRS. Small grants, seed money facilities, which promote low budget projects and co-operations in cultural, environmental and touristic projects in these sectors, are the most relevant for CSOs and private companies.
6. Reduction of hurdles and lower minimum funding in programmes of structural funds and other EU-programmes which are earmarked for capacity building of civil society organisations and local/regional administrations;
7. Meaningful implementation of participative elements wherever possible and in EUSDR projects.
8. An open, transparent, and participative revision process in order to adopt the Action Plans (APs) in close consideration of the new financial instruments and conditions of the 2014-2020 programming period.



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**THE DANUBE CIVIL SOCIETY FORUM, FORMED 1ST JULY 2011 BY MORE THAN 70 NGOs, INSTITUTIONS AND ACADEMICS IN THE DANUBE REGION IS A NETWORK FOR CIVIL SOCIETY PARTICIPATION, COOPERATION AND CAPACITY BUILDING IN THE EUSDR.**

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