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'Macro-regional Europe' – Paving the Ground for a New Form of European Governance?

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Abstract: Drawing on an assessment of the first macro-regional strategy, the EU Strategy for the Baltic Sea Region (EUSBSR) launched in 2009, we argue that the European Union has started a process of 'macro-regionalization' - underwritten by macro-regional strategies - because it has become too diverse to devise integrative schemes that will sustain collective action problems. We conceive of macro-regionalisation as a process underpinned by a single strategic approach focussing on a sufficient number of issues in common, such as a common pool resource (sea, river, etc.). It aims at building functional and transnational regions between the EU, the Member States as well as partner countries. Macro-regional strategies affect numerous international, intergovernmental, and non-governmental actors stretching from the European to the local level. They affect the implementation of EU policies; require an alignment of project funding through Structural Funds; improve horizontal and vertical interplay among the different countries, sub-national governments, and stakeholders in the region; and combine the internal and external dimension of Europeanization because they co-opt non-EU macro-regional institutions (e.g., regional sea conventions such as HELCOM). Thus, macro-regional strategies have the potential to lead to a new mode of European governance.

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1. Introduction

The EU Strategy for the Baltic Sea Region (EUSBSR), which was presented by the European Commission in June 2009, is the first macro-regional strategy of the European Union. In the words of the EU Commissioner for Regional Policy, Johannes Hahn, it was designed to serve as a “new model for co-operation” and “to inspire other regions” (Hahn, 2010, 2) in Europe. From this perspective, the EUSBSR has certainly provided some ‘inspirational successes’, almost triggering a veritable “macro-regional fever” (Dühr, 2011, 3) amongst EU members and partner countries, and pushing the number of countries currently involved in the formulation of macro-regional strategies to twenty-nine.¹ The EU Strategy for the Baltic Sea Region targets eight EU member states (Sweden, Denmark, Estonia, Finland, Germany, i.e. the German *länder* of Schleswig-Holstein, Mecklenburg-Vorpommern as well as the free city of Hamburg – Latvia, Lithuania and Poland), as well as two ‘partner countries’ (the Russian Federation and Norway); hence, it can almost be conceived as an EU internal strategy. In contrast, the EU Strategy for the Danube Region or the EU Strategy for the Adriatic-Ionian Region are far more diverse in membership and exhibit a strong external focus.

Four years after the launch of the Strategy – “the first of its kind in the EU” (Rostoks, 2010, 9) – implementation of the ‘macro-regional project’ is certainly most advanced in the Baltic Sea Region (BSR). Prospects of furthering the macro-regional project in the region are bright: Lithuania declared the EUSBSR to be one of the main objectives of its Presidency of the EU Council in 2013. In addition, Latvia’s imminent EU Council Presidency in 2015 provides even more potential for sustaining a Baltic momentum *vis-à-vis* a “Europe of macro-regions” (Lithuanian EU Council Presidency, 2013, 9). Towards this background, this chapter pursues five central objectives: (1) to analyse the evolution of the EUSBSR’s governance architecture in light of the so-called “three No’s” – which is the expectation that macro-regional strategies virtually come at no additional costs or funding, and do not result in the establishment of new institutions and legislations – declared in 2009; (2) to grasp its impact on existing and well-established organisations of regional cooperation, e.g. HELCOM (horizontal interplay); (3) to discuss the role of subnational authorities and civil society in the EUSBSR (vertical interplay); (4) to assess the external impact and governance of the Strategy with regard to third states, in particular the Russian Federation; and, finally, (5) the concluding section discusses the major achievements and shortcomings of the EUSBSR thus far. Although the EUSBSR has not led to new institutions, new legislation or new funding, we

argue that it has generated a governance architecture *sui generis* that has started to affect existing institutions at the macro-regional level, EU legislation and funding schemes for the BSR.

2. The development of the EU Strategy for the Baltic Sea Region

Collaboration in the BSR is deeply entrenched in a long historical trajectory of regional – or, for that matter, macro-regional – cooperation dating back to the Hanseatic era and, more recently, the formation of international regimes and organisations, such as the Helsinki Commission, to address issues of ecological degradation of the Baltic Sea, even during the East-West conflict. Obviously, EU cross-border, transnational and interregional cooperation programmes are a rather new phenomenon, as most of countries on the Baltic Sea have only been members of the EU since 2004 (with the sole, but important exception of the Russian Federation). Yet, it was already at the beginning of the 1990s that the European Commission issued its “Europe 2000” report on the future of the then European Community’s territory, endorsing the idea of “regional groupings”; as one example thereof, the Baltic Sea Region was singled out (European Commission, 1991, 55ff.). Toward the end of the 1990s, collaboration amongst countries on the Baltic Sea was eventually captured under the label of Europe’s “new sub-regionalism” (Cottey, 1999; Antola, 2009, 21ff.). Since then, the established track record in cooperative efforts across various levels of governance has been complemented by EU approaches toward the region, ranging from the “Union Approach towards the Baltic Sea Region” of October 1994 to the Northern Dimension of 1997/99 and, most recently, the EUSBSR (see Herolf, 2010, 6ff.).

The Strategy for the Baltic Sea Region started life in the European Parliament: a Euro-Baltic Intergroup consisting of MEPs from member states in the BSR presented the Strategy to European Commission President José Manuel Barroso in 2005. The core idea of the initiative was to maximise the potential of the reunited BSR (see Beazley, 2007, 14), and to lobby for a consolidated EU pillar of Baltic Sea states within the Northern Dimension. Following a mandate by the European Council (2007), the European Commission subsequently took up the initiative and quite considerably deemphasised the external dimension of the Parliament’s original proposal.

A public consultation process among different stakeholders in the region took place between August 2008 and February 2009 (see Bengtsson, 2009, 3; Rostoks, 2010, 15ff.). Schymik and

Krumrey (2009, 15) conclude that “the European Commission has by and large been able to draft an Action Plan that captures the essence of public opinion in the region”. This particular instrument of stakeholder participation was perpetuated by a so-called annual forum for the EUSBSR, the first of which was held in Tallinn in 2010; annual fora in Gdansk (2011), Copenhagen (2012) and Vilnius (2013) followed suit. By bringing both policymakers and stakeholders together, these meetings provided a platform for networking, discussions and exchange of views about the Strategy and its implementation.

Eventually the EU Strategy for the Baltic Sea Region, presented by the European Commission in June 2009, was adopted by the European Council in October that year. The Strategy was based on the assumption that macro-regional strategies would: (1) not create new institutions, but would be supported by a multilevel, multi-actor and multi-sector governance approach; (2) not generate new legislation for developing and implementing macro-regional strategies, but would be driven by action plans and their regular updates; and (3) not lead to new funding schemes, but would be based on the need to utilise and combine the already existing schemes (European Commission, 2013b, 10). The EUSBSR was accompanied by an Action Plan which proposed the establishment of four pillars. The Strategy aimed to: (1) improve the environmental state of the Baltic Sea; (2) promote more balanced economic development in the region; (3) make the region more accessible and attractive; and (4) make it a safer and more secure place. These areas have been broken down into fifteen different so-called Priority Areas (PAs), and have been assigned a set of highly relevant projects (also known as flagship projects), which served as a showcase for the EUSBSR. The Action Plan was conceived as a ‘rolling’ plan, which implied that it was designed in order to quickly absorb ‘lessons learnt’; as such, it was revised in 2010 and 2013 (European Commission, 2013c). As a result, the original four overall pillars of the Strategy have been turned into three objectives, which are (1) to save the sea; (2) to connect the region; and (3) to increase prosperity. As the number of priority areas rose from 15 to 17 at the same time, however, it was already doubtful at the time “whether the Strategy will in practice become more focused and more effective” (Etzold, 2013, 11). Still, the horizontal actions (cross-cutting themes) have been reduced quite significantly from 13 to 5 (see table 1).

Following an interim implementation report in 2010, the first major report was drawn up in June 2011. The Commission found that the EUSBSR’s overall impact had been successful; in particular, it “has led to concrete action, with a more streamlined use of resources. New working methods and networks have been established, and many initiatives developed”

(European Commission, 2011, 3). Clearly, as the EUSBSR was launched in the midst of the 2007–13 funding period, a great deal of financial resources had already been earmarked for other projects. Still, a number of new projects were launched, such as the “Baltic Deal” whereby members would work “with farmers across the Region to reduce nutrient run-off, and therefore eutrophication” (European Commission, 2011, 2). This project is often referred to as a show case for enhancing awareness across different policy sectors and communities in the region.

Finally, in 2013, the European Commission carried out an evaluation exercise which taped on an extensive survey of more than 100 key stakeholders, as well as independent assessments by external experts. The evaluation concludes that macro-regional strategies have triggered clear results “evident in terms of projects and more integrated policy making, although further improvements are essential in implementation and planning” (European Commission, 2013a, 11). At the same time, the document also identifies a set of problems, in particular the lack of leadership in some corners of the macro-region. While a lack of administrative capacities and national resources may account for political disinterest in some countries, the complexities of the EUSBSR’s governance architecture have not helped to make either EU members or partner countries wholeheartedly hail the new initiative.

3. Assessing the impact of the EU Strategy for the Baltic Sea Region

Although the establishment of new institutions within the framework of EU macro-regional strategies is not intended, the EUSBSR affects the existing institutions and stimulate new forms of institutional interplay; it have has the emergence of an ‘institutional structure’ that is built into existing forms of EU governance. The institutional interplay with organisations and conventions at macro-regional level presents a very important aspect of implementation of the Strategy itself, e.g. for the establishment and implementation of priority areas and flagship projects. Applying an MLG lens of analysis directs our interest to processes of political mobilisation (politics dimension), policy-making (policy dimension) and change of polity (polity dimension) that results in permeability and fluidity between institutions, (internal and external) policy-makers and policy-takers (see Piattoni, 2009; 2010 and Piattoni in this volume). The following sections will analyse the character of these processes of mobilisation in a vertical and horizontal way and close with an assessment of how the boundaries of

governance have been blurred with regard to Russia and its North-West Region that partakes in Baltic Sea cooperation.

Evolution of the EUSBSR governance architecture

Following the revisions introduced in the Action Plan of February 2013, the EU Strategy for the Baltic Sea Region now subscribes to three core objectives, which focus on environmental protection ('Save the Sea'), economic development ('Increase Prosperity') and improvement of the infrastructure ('Connect the Region'). The three overall objectives are now linked to seventeen so-called priority areas (PAs) – for instance, biodiversity (PA 'Bio') or innovation (PA 'Innovation') – and complemented by five horizontal actions (e.g. HA 'Neighbours' or HA 'Spatial Planning') that cut across various policy areas. Different member states or organisations are responsible for the PAs and the HAs. Several organisations operating at the macro-regional level – for instance, the Council of the Baltic Sea States (CBSS), the Helsinki Commission (HELCOM) and Vision and Strategies around the Baltic Sea (VASAB) – actively take part in the implementation of the Strategy as either Priority Area Coordinators (PACs), such as CBSS for PA 'Secure', or Horizontal Action Leaders (HALs), such as VASAB and HELCOM for HA 'Spatial Planning' (see table 1).

[Table 1 about here]

Each priority area is coordinated by administrative managers from different member states and organisations participating in the Strategy – the so-called PACs. PACs assume a managerial role in the implementation of the Strategy; they create ideas and support the implementation of the EU structural policy in the macro-region alongside HALs. Whilst steering groups have been established in the EU Strategy for the Danube Region from the beginning, bringing together various interested stakeholders from other line ministries, international organisations of the region, subnational authorities and civil society, these committees are still in the process of being put together in the BSR (see chapter by Gänzle and Wulf in this volume). Hence, the delivery of the strategies very much depends on the willingness and capacities of participating states. EU member states also operate the network of National Contact Points (NCPs), which assist and coordinate the implementation of the strategies at the national level. By and large, the commitment and willingness of member

states to (re-)allocate national resources for the aims of the strategies are decisive. In addition, participating countries' public management traditions vary considerably, and thus influence the effective implementation of the strategies; an institutional basis is therefore required at the national level so as to generate a certain degree of convergence among countries.

Apart from the increasing visibility of the member states in this process, the Commission has maintained an important role. It is, together with the EU member states in the BSR, the driving force behind the policy process leading toward the successful implementation of the strategies. It assumes an important role in preparing strategy reviews, monitoring its implementation and leading the overall coordination of the rolling Action Plan. Participating states are linked to policy formulation by the so-called High Level Group (HLG), which also brings together all other member states at the EU level. EU member states that are not part of a given macro-region, however, do not actively participate in the HLG meetings (Author's interview with HAL, June 30, 2013). Perhaps this will change when an increasing number of EU member states are engaged in macro-regional strategies.

Impact on international organisations and conventions at the macro-regional level

Amongst the most important institutions at a macro-regional level in the BSR are the Council of Baltic Sea States (CBSS) and the Helsinki Convention, short HELCOM. Although the European Union joined the Helsinki Convention as early as 1992, its influence on marine governance in the BSR has since remained rather limited. Similarly, the Commission's influence was also rather marginal in the Council of Baltic Sea States. The CBSS was established in 1992 with the aim of building trust and security, and coping with the region's challenges after the end of the Cold War (Etzold, 2010). Now, however, the EUSBSR provides the European Commission with a central, if not policy entrepreneurial, role in its own decision-making, and with EU member and partner countries much more relegated to matters of implementation. It is also evident that the Commission enjoys the role of a watchdog with regards to policy coherence.

The CBSS deals with concrete joint regional, but places no more emphasis on security-related 'high politics' than is considered necessary. Such pragmatic functional regional cooperation could have a positive impact at high political levels, where the cooperation between EU member states and Russia is more difficult. The CBSS has outstanding expertise in issue areas such as civil security (for example, children at risk, trafficking in human beings, and radiation

and nuclear safety), maritime economy and sustainable development. By involving Russia and the EU (European Commission/European External Action Service) as equal members, and being involved in the Northern Dimension (ND) and the EUSBSR, the CBSS is in a favourable position to provide a platform for cooperation at the intersection of EU internal and external policies. The CBSS plays a unique role in integrating Russia in regional cooperation, and provides a relevant link between Russia and the EU. In this respect, the South Eastern Baltic Area (SEBA) modernisation partnership and the Northwest Strategy of Russia (in which the CBSS is closely involved) also have an important function.

The environmental objectives of the EUSBSR in general, and the priority areas of this area in particular, overlap with the core tasks of HELCOM, the executive body of the Helsinki Convention, which was set up in 1974 to foster international environmental cooperation in the region. HELCOM's main goal is to protect the marine environment of the Baltic Sea from all sources of pollution, and to restore and safeguard its ecological balance. After the convention was updated and broadened in scope, it was signed in 1992 and entered into force in 2000. The HELCOM Baltic Sea Action Plan (HELCOM, 2007) was adopted in 2007 and has since established the framework for action (Kern, 2011).

Consequently, the EUSBSR provides regional organisations with the opportunity to embed their activities in a wider strategic design and broader institutional framework; meanwhile, the EU might be able to benefit from the regional experience and expertise that these bodies have accumulated over time. Hence, the Council of the EU encouraged member states to further investigate:

“[the] synergy effects between the EUSBSR and multilateral cooperation structures and networks within the Baltic Sea Region [...] through better co-ordination and effective use of communication channels and for a related to EUSBSR and Baltic Sea Region to provide increased efficiency of intervention within macro region” (Council of the European Union, 2011, 5)

The institutional interplay and the resulting synergies between HELCOM's Baltic Sea Action Plan (BSAP) and the EUSBSR are evident in the EU Strategy's recommendation for the implementation of the BSAP (European Union, 2010, 144ff.); we argue therefore that the EUSBSR supports the implementation of a cross-sectorial approach to environmental issues laid down in the BSAP. This has strengthened HELCOM's position, as well as the implementation of BSAP, which had been hampered by the influence of sectorial interests

because they were seen as negatively affecting the implementation of an integrative ecosystem approach (European Commission, 2013a, 5). The development of individual priority areas shows that there is now a direct link between the EUSBSR and existing international organisations such as HELCOM. For the implementation of Priority Area 2 ('Natural Zones and Biodiversity'), for example, HELCOM provides the technical and scientific framework (indicators and targets) for the implementation of EU Directives (EUSBSR News, May 2012, 5).

Clearly, macro-regional strategies are rather more law-shaping than law-making (Schymik, 2011, 17). However, the analysis of existing environmental legislation, such as the Water Framework Directive (WFD, 2000/60/EC) and the Marine Strategy Framework Directive (MSFD Directive 2008/56/EC) on the one hand, and the EUSBSR on the other, account for the close interplay between the Strategy and EU legislation. Although the EUSBSR has not created new legislation, it aims to improve the implementation of existing EU legislation (European Union, 2010).

The synergies resulting from the institutional interplay between the EU and HELCOM are striking. While HELCOM is in a position to influence decision-making in Brussels, the EU can similarly utilise HELCOM as a regional environmental protection agency of sorts. Thus, it can be argued that the EU has started to co-op existing institutions so as to implement EU legislation. Furthermore, the European Commission maintains the important role of controlling the EU legislation that is implemented in the macro-regions. The case of the MSFD shows the impact of macro-regional strategies on the institutional interplay between international institutions such as HELCOM and EU institutions. The MSFD has been built on the experience of HELCOM's BSAP, and the Commission uses the macro-regional approach to systematically improve the implementation of HELCOM guidelines that have thus far been only politically binding. While HELCOM recommendations require a consensus among the cooperating countries and lack formal enforcement powers, most EU directives are decided on the basis of a qualified majority, are binding after transposition into national law and are also subject to the infringement procedure for EU member states (Wenzel, 2011; van Leeuwen/Kern, 2013).

Involvement of subnational authorities and civil society

Macro-regional strategies provide new political opportunities for subnational authorities and civil society. If subnational authorities establish transnational networks, for example, they can develop into constitutive elements of macro-regions. In the Baltic Sea Region, institutional capacities are well established, as demonstrated by the 100-member-strong Union of the Baltic Cities (UBC) and the Baltic Metropolises Network, both of which play an active role in the implementation of EUSBSR. They have a long history of cooperation and are relatively well-equipped. Cooperation between Hanseatic cities, often based on twinning relationships, even survived the Cold War period. In the aftermath of the Cold War, the UBC was soon complemented by a wider network of sub-regional authorities, most prominently by the Baltic Sea States Sub-regional Cooperation (BSSSC). Drawing on previous literature, these networks which often include cities with active sister-city agreements (Kern, 2001) can be expected to trigger a positive impact on the implementation of the EUSBSR. It is interesting to see how macro-regional cooperation is being affected in those cases where the subnational level builds on less collaborative agreements amongst municipalities, such as for example in the Danube region (see contribution by Ágh in this volume).

In very few priority areas, subnational governments serve as coordinators. In the case of the EUSBSR, for example, Mecklenburg-Vorpommern (Germany) is in charge of the PAC focussing on tourism. Interestingly, Brandenburg – which was not yet part of the established group set of Germany's Baltic länder (i.e. Hamburg, Schleswig-Holstein and Mecklenburg-Vorpommern) – has declared its interest to join the EUSBSR (Interview with German official, June 12, 2013). Moreover, city initiatives have become essential for the implementation of the EUSBSR, in particular the so-called 'Turku Process'. This collaborative process was initiated by the City of Turku and the Regional Council of Southwest Finland in 2010, based on the continued cooperation between Turku and St. Petersburg, and stimulated by the start of the EUSBSR and HELCOM initiatives. It adds the expertise and knowledge of local authorities to the EUSBR process. Today, the process is coordinated by three partners: the City of St. Petersburg, the City of Hamburg and the City of Turku-Region (together with the Region of South-West Finland) (EUSBSR News, March 2013, 5).

Despite these positive trends, such as the above-mentioned Turku process, shortcomings persist in the implementation of the EUSBSR when it comes to the integration of local and regional authorities. This is deplorable, since these actors could assume an essential role in the implementation of macro-regional initiatives. Regions, cities and their associations could serve as PACs, who help to implement specific projects that require the cooperation of actors

from different levels, and which need alignment of EU and macro-regional approaches on the one hand with national and subnational policies on the other (European Commission, 2013b, 15). A recent online survey conducted amongst PACs and HALs of the BSR found that only very few representatives from municipalities had become members of steering groups thus far (Gänzle/Wulf, 2013; Gänzle/Wulf, 2014). In the same survey, only one (out of 20 participating) PAC/HALs conceded that coordination with local authorities is efficient and effective in the context of the Strategy.²

Moreover, the EUSBSR paves the ground for a trend toward transnationalisation of the region's civil society. The BSR, for example, has developed into a highly dynamic area of cross-border cooperation and transnational networking (Kern, 2001; Kern/Löffelsend, 2008; Kern, 2011) that includes not only cities and subnational regions, but also non-governmental organisations covering the whole macro-region. As macro-regional governance is not restricted to the nation-states, this requires the institutionalisation of new forms of cooperation and collaboration at the macro-regional scale. Transnational institutions are a constitutive element of macro-regions, and include hybrid arrangements of governmental and non-governmental actors (Joas et al., 2007).³ The combination of these different forms provides options for the direct involvement of stakeholders and the public at the macro-regional level. This development opens new opportunities, but it also leads to new challenges, because stakeholder participation in macro-regions faces the same legitimacy and accountability problems as stakeholder participation at the global level. Due to a lack of capacities, stakeholder participation – for example, in the annual forums on the macro-regional strategies – seems to be limited to a small number of organisations who have sufficient capacities to participate in such events (Kodric, 2011). However, the Horizontal Action 'INVOLVE' (Strengthening multilevel governance including involving civil society, business and academia) aims at pan-Baltic organisations and includes experts from NGOs, in particular the Baltic NGO Network, in the preparation and implementation of the EUSBSR. This requires capacity building, which will enable members of this network to cooperate transnationally (European Commission, 2013c, 152).

Blurring the boundaries of the inside-out: The case of Russia

Since the EUSBSR is based on activities of mutual interest to EU member states and neighbouring countries, close cooperation with non-member countries, in particular with the

Russian Federation, is critical in many areas of the Strategy, such as its goals of more efficient and compatible maritime surveillance (European Commission, 2012, 8). As the EUSBSR presents an EU initiative and does not commit non-member states, constructive cooperation with the region's external partners is needed for the successful implementation of the Strategy (European Commission, 2013b, 31). This means that existing institutions, in particular HELCOM, CBSS and VASAB, provide the best platform for cooperation between EU member states and non-EU countries.

Although the EUSBSR is more inward-looking compared to the EU Strategy for the Danube Region, it seeks to draw Russia and Norway closer whenever appropriate, and is related to programmes such as the Northern Dimension (Archer/Etzold, 2008). This programme is a common policy of the EU, Russia, Norway and Iceland, and was set up to create a framework for cooperation, in particular with the Russian Federation. This framework is important because it provides the basis for the external dimension of the EUSBSR (European Commission, 2013b, 31). Hence, the Director General of the CBSS maintains:

“The Strategy has improved transparency in regional cooperation, and the CBSS is together with e.g. HELCOM and the Northern Dimension one of several platforms on which EUSBSR cooperation can occur, with participation also by non-EU BSR countries” (Lundin, 2013, 15).

Since the launch of the EUSBSR, the EU has developed into a point of reference for many actors under the umbrella of the CBSS. Today, many actions and projects – for example, under the ‘Save the Sea’ objective – are implemented under the framework of the Northern Dimension Environmental Partnership (NDEP) through HELCOM, the Council of Baltic Sea States (CBSS), new initiatives like the Turku process and SEBA (European Commission 2013c, 24–25). Indeed, as a reference point for cooperation in the BSR, the EUSBSR seems to be acceptable for non-EU-members who cannot become fully involved in the Strategy, but who should naturally be included in any major framework of macro-regional cooperation (Etzold/Gänzle, 2012, 8).

The inclusion of (some or sub-national parts of) non-member states is a common feature of all macro-regional strategies that have been developed or proposed thus far. This applies in particular to Russia's Northwest Region and the subnational authorities in this part of the country. Although Russia perceives of the EUSBSR as an EU internal strategy, it has meanwhile launched a North-West Strategy which de facto provides for several interfaces

with the EU Strategy (Russian Federation, 2012). Thus, we find parallel actions and initiatives to cooperate within common priorities. This is most obvious when comparing the EUSBSR and the Strategy of Social and Economic Development of the North-West Federal District of Russia (EUSBSR News, March 2013).

With respect to the EU non-member states, macro-regional cooperation – particularly the establishment and consolidation of institutions at the macro-regional level – is conducive to processes of socialisation of government officials in the macro-region, including non-members like the Russian Federation, fostering the emergence of new trans-governmental networks (see Gänzle/Wulf in this volume). This may also explain why Russia pursues rather different strategies in the Baltic Sea Region than, for instance, in the Black Sea area. Russia is much more cooperative in the Baltic Sea Region due to the fact that it has been part of a cooperative trajectory, which began with the Helsinki Convention (1974), and other intergovernmental institutions in the region (e.g. the Council of the Baltic Sea States or VASAB). In sharp contrast, the situation in the Black Sea is characterised by rivalry between Russia and Turkey as the most important geopolitical powers in the region, while the EU does not have much influence in the region (Knudsen, 2013).

In the Baltic Sea Region, cooperation with Russia not only has a long history, it has also become increasingly ‘sub-nationalised’. Under the revised EUSBSR Action Plan, the CBSS Secretariat and the Turku Process have become leaders of the HA ‘Neighbours’, which addresses cooperation with EU neighbouring countries (EUSBSR News, March 2013). The Turku Process aims primarily for practical cooperation with Russian partners at the subnational level, and is based on longstanding twin city partnerships. It includes a variety of actors, ranging from cities and regional authorities to businesses and their representative bodies, as well civil society and research organisations. In addition, the CBSS launched a programme of modernisation of SEBA with special focus on the Kaliningrad region (European Commission, 2013c, 157). Despite these developments, there are still shortcomings when it comes to the involvement of the Russian Federation in the implementation of the Strategy, either through specific projects or existing regional frameworks and organisations (European Commission, 2013b, 31). With regard to the latter, one fundamental issue is still the choice of the institutional platform for cooperation. Whereas Finland and Sweden have always favoured the Northern Dimension Framework – increasingly supported by the three Baltic States – in dealings with (North-West) Russia, Germany and Poland have advocated

the Council of the Baltic Sea States. It remains to be seen whether the EUSBSR will help establish clearer links for interaction.

4. Conclusion

Four years after its inception, the EU Strategy and its Action Plan have been revised and updated several times already; it clearly is a moving target. Today, the EUSBSR is firmly anchored as a tool of European territorial cooperation within the broader set of objectives of the EUROPE 2020 framework that primarily aims for smart, sustainable and inclusive growth by, for example, promoting innovation clusters, removing obstacles to trade and facilitating green and blue growth (see EUSBSR News, November 2012, 3-4).

The Strategy has established a new architecture of governance in the region with the aim of solving problems which transcend the member state and/or EU level, and which need to be addressed in a way that integrates relevant sector policies (European Commission, 2013b, 9). For the time being, the EUSBSR seems to be more successful in some areas, while improvements are still needed in others. First, the EUSBSR affects existing institutions and international conventions such as HELCOM and its BSAP. The existence of strong macro-regional bodies such as HELCOM leads to synergies because HELCOM guidelines influence EU decision-making in Brussels, and make EU legislation based on these guidelines binding for all member states. Furthermore, the Strategy improves the implementation of existing EU legislation because projects under the Strategy are linked to EU regulations such as REACH (1907/2006/EC), European Transport Networks (TEN-T), the Water Framework Directive and the Marine Strategy Framework Directive (see European Commission, 2013b, 15). Thus the Strategy has improved the coordination of existing organisations, networks, projects and financing tools (European Commission, 2013b, 74) and the cooperation between actors in the macro-region, including the private sector; it has initiated new projects, which aim to reduce eutrophication of the Baltic Sea and improve the existing transport infrastructure, among others. Nevertheless, effective integration of non-governmental actors and stakeholders still remains an important challenge.

Second, after a rather bumpy start concerning Russia's involvement, the Strategy has led to greater involvement of Russian partners, in particular subnational actors in North-West Russia, in areas like environmental protection, water quality and innovation. However, given the overall nature of the relationship, there is certainly room to scale up cooperation with

Russia. One important question is to decide whether the Northern Dimension or the CBSS should become the main platform for interaction.

Third, the Strategy has supported more than 100 flagship projects – such as the project ‘CleanShip’, which aims for a reduction of pollution from vessels, or BALTFISH, which aims for a better collaboration of fisheries management – and in those areas where the BSR has always benefited from an established track record of cooperation that predates the EUSBSR, e.g. in the environment. There is also some evidence that spin-off projects have been set up and project ideas have been taken up by other actors, such as national governments (European Commission, 2013a). It is important to note, however, that the overall success of the Strategy during the years to come is largely dependent on the regulations of the new Multiannual Financial Framework in the period 2014-2020. In general, better linking and streamlining of resources remains a problem with regard to the financing of the Strategy activities.

Fourth, the EUSBSR’s governance architecture has been continuously refined and improved over the past four years. It now provides a common basis for cooperation and implementation of the Strategy through the institutionalisation of new forms of multi-sector, multi-actor and multilevel coordination and cooperation. This framework links the EU, member states and partner countries, international organisations, subnational authorities and private actors through the High Level Group, National Contact Points, Priority Area Focal Points, Priority Area Coordinators, Horizontal Action Leaders, Flagship Project Leaders and bodies in charge of implementing programmes/financial instruments. Capitalising on sectoral interdependence and transgovernmental ties, the system of PACs and HALs constitutes an important transgovernmental networks, including partner organisations and countries. The system of co-PACs in some of the Priority Areas – e.g. in PA “Energy” led by Latvia and Denmark – has triggered even closer forms of consultations and cooperation (author’s interview with PAC, June 3, 2013). However, it remains an important task to ensure that PACs and HALs are supported by determined and committed steering committees that would extend the reach of the Strategy well beyond the inner circles of a prime minister’s or foreign minister’s office dealing with EUSBSR matters.

Fifth, the EUSBSR has been complemented by a monitoring and assessment system that contains realistic and feasible targets and indicators for the three overall objectives (including its twelve sub-objectives): ‘Saving the Sea’, ‘Connecting the Region’ and ‘Increasing Prosperity’. The member states were invited to suggest indicators and targets for individual Priority Areas, including intermediate targets and benchmarks to reach the three objectives

(European Commission 2013a, 8–9). For example, ‘Clear water in the sea’ – which is one out of four sub-goals for the ‘Saving the Sea’ objective – is being measured by the environmental status of the Baltic Sea, in line with indicators being developed by HELCOM and under the MSFD. The respective target is to reach a good environmental status (GES) by 2021. Another example is the sub-objective ‘Improved global competitiveness of the Baltic Sea Region’, for which various indicators (GDP growth; GDP in PPS, etc.) and targets have been set (higher average GDP growth by 2020; diminishing the difference between the average GDP in the member states with the highest-lowest GDP by 2020, etc.). However, the new monitoring system, i.e. the indicators and targets laid down in the EUSBSR Action Plan, still needs to be incorporated in national and subnational programmes.

The European Commission argues that it will continue to play a key role in the Baltic Sea macro-region, but that its support must be complemented by leadership within the regions and member countries. Thus, the “key to the future will be stronger leadership, reinforcing ownership in the regions concerned, delivering clear decision-making and greater visibility” (European Commission, 2013a, 9). Or, in other words, the participating countries – EU member states and non-EU members alike – need to develop a stronger commitment and sense of ownership. Macro-regional strategies can thus “function as building blocks in reaching European objectives” (European Commission, 2013a, 20). In short, the EUSBSR can develop a new transnational and flexible governance architecture that provides the capacities to solve common problems in a multi-actor, multi-sector and multilevel setting, and which facilitates learning and adaptation to a dynamic environment. The Strategy can contribute to better implementation of EU legislation in the member states and partner countries by systematically integrating EU legislation with the EUSBSR and its Action Plans. The Strategy may eventually become a solid platform for solving challenges at the macro-regional level, leading to synergies that could not be utilised by the individual member states and the EU; for example, by fostering institutional interplay between the EU institutions, the member states and international organisations. Although there are still shortcomings with respect to the participation of subnational authorities (regions, cities), civil society and business, developments such as the Turku Process exhibit considerable improvements. In the future, the Strategy will be compelled to focus even more on existing transnational networks in the macro-region, which could contribute to the implementation of the Strategy. As the Baltic Sea Region is likely to remain a model for other macro-regions in Europe, the success of the EUSBSR is of paramount importance to the overall success of the macro-regional idea.

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Table 1: Priority Areas (PAs) and Horizontal Actions (HAs) of the EU Strategy for the Baltic Sea Region

Priority Areas (PAs)	Coordinator(s)	No. of actions	Number of flagship projects (incl. potentials)
Save the Sea			
PA Agri – Reinforcing sustainability of agriculture, forestry and fisheries	Finland, Lithuania, Sweden	7	11
PA Bio – Preserving natural zones and biodiversity, including fisheries	Germany	2	4
PA Hazards – Reducing the use and impact of hazardous substances	Sweden	4	6
PA Nutri – Reducing nutrients input to the sea to acceptable levels	Finland, Poland	6	7
PA Safe – To become a leading region in maritime safety and security	Denmark, Finland	7	8
PA Secure – Protection from emergencies and accidents on land	Sweden, Council of the Baltic Sea States (CBSS)	3	6
PA Ship – Becoming a model region for clean shipping	Denmark	1	6
Connect the Region			
PA Crime – Fighting cross-border crime	Finland, Lithuania	2	4
PA Energy – Improving the access to, and the efficiency and security of, the energy markets	Denmark, Latvia	2	9
PA Transport – Improving internal and external transport links	Lithuania, Sweden	4	5
Increase Prosperity			
PA Culture – Developing and promoting the common culture and cultural identity	Schleswig-Holstein (Germany), Poland	5	13
PA Education – Developing innovative education and youth	Hamburg (Germany), Norden Ass. (Sweden)	7	11
PA Health – Improving and promoting people’s health, including its social aspects	Northern Dimension Partnership in Public Health and Social Well-being	3	6
PA Innovation – Exploiting the full potential of the region in research and innovation	Sweden, Poland	1	6
PA Internal Market – Removing hindrances of the internal market	Estonia	3	4
PA SME – Promote entrepreneurship and strengthen the growth of SMEs	Denmark	4	9
PA Tourism – Reinforcing cohesiveness of the macro-region through tourism	Mecklenburg-Vorpommern	2	5
Horizontal Actions (HAs)			
HA Involve – Strengthening multilevel governance including involving civil society, business and academia	Region Västerbotten and Kalmar, the Baltic Sea NGO network	8	5
HA Neighbours –increase cooperation with neighbouring countries to tackle joint challenges in the BSR	City of Turku (Finland), CBSS	8	14
HA Promo – Boosting joint promotion and regional identity building actions	Baltic Metropolises Network, Baltic Development Forum	2	2
HA Spatial Planning – Encouraging the use of maritime and land-based spatial planning in all member states around the Baltic Sea and develop a common approach for cross-border cooperation	VASAB, HELCOM		1
HA Sustainable development and bio-energy	CBSS, Nordic Council of Ministers	3	13
Based on European Commission, 2013b, 42			

Endnotes

¹ Whereas the EUSBSR targets eight EU member and two non-member states, the EUSDR brings together nine EU member states and five accession, candidate and partner countries (and subnational authorities thereof) of the European Neighbourhood Policy (ENP): Germany (i.e. Baden-Württemberg and Bavaria), Austria, Hungary, the Czech Republic, the Slovak Republic, Slovenia, Bulgaria, Romania, Croatia, Serbia, Bosnia-Herzegovina, Montenegro, as well as Moldova and the south-western part of Ukraine. The macro-regional strategies for the Ionic-Adriatic addresses Albania, Bosnia-Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia; the Alpine Strategy targets France, Italy, Germany, Switzerland, Lichtenstein, Austria and Slovenia.

² Concerning the question of the impact of the EUSBSR has improved coordination with local authorities, six PACs/HALs remained neutral, nine (strongly) disagreed and four did not make any comments (see Gänzle/Wulf, 2013).

³ There are three types of transnationalisation: (1) the emergence of transnational networks and institutions such as the Coalition Clean Baltic; (2) the transnationalisation of existing international and intergovernmental organisations that provide access to decision-making for non-governmental and subnational actors; and (3) the establishment of new transnational institutions that are based on a multi-stakeholder approach and promote the participation of civil society from the outset (Kern/Löffelsend, 2008).