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**MULTILEVEL GOVERNANCE AND TERRITORIAL COOPERATION.  
OPPORTUNITIES FOR LOCAL AUTHORITIES IN EUROREGION BALTIC**

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*Ai miei genitori*



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# INTRODUCTION

Since the end of the 1980s, territorial cooperation and cohesion policies have been included in the list of political priorities of European integration thereby opening new opportunities for cooperation not only between states, but also between regional and local authorities. These processes clearly emerged at macro-regional scale and concerned territories characterized by common historical and cultural heritage, which nowadays try to find shared solutions to common challenges.

The so-called “Baltic Sea Region”, which is the subject of this research, is a par excellence example of such a development. Eight different countries border the Baltic Sea (Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany and Denmark) with 85 million inhabitants (17% of the EU’s total population). These countries share the Baltic Sea resources and, as a consequence, they are all concerned with safeguarding water and biodiversity by developing joint efforts for sustainable development. Obviously, we can note at a glance that the extension of the whole area is huge and its size may be expected to be a challenge for formulation and implementation of vast scale policy measures. Instead, the Baltic Sea Region is known for its particularly active cross-border and transnational cooperation, the scope of which relies on a strong trend towards homogenization of the area and to its growing perception as a single entity. Several generations of the European territorial cooperation programmes (INTERREG) have been among the main triggers of these processes, with the objective of coordinating political and financial actions of all countries of the region for the achievement of common goals. At the same time, the Baltic Sea Region has experienced the process of regionalization which brought about the creation of the so-called “Euroregion”. This Euroregion was established in 1998 as cross-border cooperation among 8 regions of Denmark (Bornholm), Lithuania (Klaipeda), Poland (Pomeranian and Warmia-Masurian Region), Russia (Kaliningrad Oblast), and Sweden (Blekinge, Kronoberg and Kalmar Counties). These two processes have merged at a later stage in unique strategy of macro-regional cooperation and has been institutionally established within the framework of the EU Macro-regional Strategy for Baltic Sea in 2009.

The objective of this research is to understand whether and how the EU INTERREG program has contributed to develop a transnational multilevel governance architecture in the “Euroregion Baltic” and to what extent it has enhanced the involvement of local actors and civil society in the definition and implementation of sustainable development policies.

The research is structured as follows. Chapter 1 introduces the theoretical and methodological framework, explaining how the concepts of Europeanization and Multi-level Governance help understand processes of regional cooperation and integration in Europe and how they allow us to trace the process of empowerment of local or non-state actors in development policies. As studies on multi-level governance have illustrated, a number of EU policies have encouraged the engagement of different actors at different territorial levels in policy-making as a consequent reduced capacity of states to respond to the current challenges at European and regional level. In particular, in order to develop sustainable development policies and better seize the opportunities for social, economic and human development, the EU has tried to meet the growing demand of governance by introducing new modes of policy-making which acquired a multi-level pattern. The concept of Multi-level Governance (MLG) refers in fact to a vertical shift of power from nation States to EU institutions, on one hand, and regional and local authorities on the other. Horizontally, non state actors intervene side by side with regional and local authorities starting bottom-up initiatives that involve local actors from civil society, academic world and private sector. Such a pattern of governance has consolidated in particular in the field of regional and territorial cooperation policies. Therefore, the first chapter will be entirely constructed following the logical development of the Multilevel Governance concept in general terms, intrinsically built on the Cohesion Policy. Firstly, the process of integration in the European Union and the evolution of the Cohesion Policy will be described. Secondly, an introduction to the concept of Multilevel Governance and its spread during the process of Europeanization will be followed by its theorization and by the description of the basic principles of programming, partnership and network. These call for a practical approach to MLG and its contextualization in the every-day EU processes. Thus, it will be detected how Multilevel Governance needs to exist in whatever path of territorial cooperation to provide policies that better fit with citizens' needs and expectations. The process of Europeanization will be picked up again in the second chapter, to analyze how the European Union started playing an important role in the Baltic Sea Region, focus area of this research. The latter, in fact, aims at understanding if the concrete actions undertaken by the European Union, in this case INTERREG programs, contributes to build multi-level governance architectures to achieve sustainable development objectives and, in particular, to guarantee that interests and concerns of local actors are taken into consideration. Taking the experience of the Baltic Sea Region, it will be illustrated how these developments may evolve in a very complex manner and the analysis will be conducted on the base of a Governance Assessment Tool (GAT) that will help in the evaluation of two case-studies chosen in the Euroregion Baltic context. Here, Multilevel Governance will be traced considering the five

interrelated dimensions of: levels and scales; actors and networks; perceptions and goals; strategies and instruments; responsibilities and resources.

The second chapter will be thereby dedicated to territorial cooperation paths, tracing how the INTERREG program has contributed to the development of a Multilevel Governance architecture in the Baltic Sea Region. This question can be quite tricky since a multilevel approach to governance emerged in the 1990s, immediately after the fall of the communist regime, but before the official launch of the INTERREG programs in the Baltic Sea Countries (2000-2006 programming period). Anyway, it is evident that this MLG architecture has been reinforced by territorial cooperation, finding a sort of “institutionalization” in the process of macro-regionalization, followed by the draft of the European Union Strategy for the Baltic Sea Region (2009). To prove the last affirmation, the reader will be guided through a historical overview of the processes of cooperation on the Baltic Sea, recapturing those concepts that accompanied the birth and development of the Cohesion Policy in the European Union context. This analysis will go further in the third chapter where Euroregion Baltic and its overlapping governance architectures will be introduced to narrow the field of research. Being a project-based, well-anchored cooperation in the South Baltic Region, Euroregion Baltic presents interesting features of multilevel governance in a cross-border cooperation context. Moreover, ERB was the initiator of the so-called INTERREG South Baltic program (strand A), whose financing capacity opened a window of opportunities for local authorities on the southern Baltic shores for the formulation and implementation of sustainable development policies. To detect whether these policies actually fit citizens’ needs, two case studies will be presented in the fourth and last chapter. The first one, MOMENT project has been financed under INTERREG South Baltic 2007-2013, while the second one, INTERCONNECT, is framed in the 2014-2020 period. MOMENT has been chosen for its significance in aiming to increase political awareness concerning the importance of water management for the development of the situation in the Baltic Sea, to develop and test methods for sustainable water management within pilot areas in the shape of river basins, and to spread the information of achieved results and experiences. INTERCONNECT has been chosen because is a good example of project that can have a positive impact on local sustainable development policy, although it has just been launched. INTERCONNECT’s aim is to bring stakeholders together organizing a cross-border and cross-sectoral dialogue based on good practice in the field of sustainable transport and it is a EUSBSR flagship candidate for its desire and potential of reshaping connectivity in the Baltic Sea Region within ten years. Both the projects will be analyzed utilizing the Governance Assessment Tool presented in the first chapter.

## **-Chapter 1-**

# **THE PROCESS OF EUROPEAN INTEGRATION AND THE CONCEPT OF MULTILEVEL- GOVERNANCE**

### **1.1- THE EVOLUTION OF THE EU COHESION POLICY: principles and instruments**

Territorial cooperation and policies of cohesion have always been a priority in the European Union, that found the best way to concretize them through different programs. Among others, INTERREG stood out as key instrument for the EU to find shared solutions to common issues and challenges among countries across borders. INTERREG program, launched for the first time in 1989, was adopted first as a Community Initiative becoming, later on, one of the EU Cohesion Policy mainstream objectives. It was initiated to enhance cross-border cooperation, and then extended to transnational and inter-regional level, basically foreseeing a multilateral cooperation among local/regional authorities, public/private sectors, private actors and civil society whose action is undertaken internationally through partnerships and networks. INTERREG gained importance to the extent that, in the long term, it became a key instrument for the EU, opening new opportunities for cooperation not only between States, but also between regional and local authorities. This increasing empowerment of local level derived by a reduced capacity of Nation State to respond efficiently to the challenges arisen by a fast process of globalization and Europeanization.

Anyway, to understand the current path of European cooperation and cohesion, it is necessary to step back to the immediate post-war period. At that time, in fact, it emerged the idea to bring the European nations together to create a union found on the ideals of peace, unity and prosperity. Even Winston Churchill called for a “United States of Europe”<sup>1</sup> that could bring all the states of the European continent together, unified by a common history, and with the scope to assure long-term peace, and fighting those forms of nationalism that had brought to the burst of the Second World War. The first idea that stayed at the bottom of this approach was the desire to create a “Common Market” where people, goods and services could move freely. A first attempt was made in 1950 by the European Coal and Steel

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<sup>1</sup> Churchill formulated his conclusions drawn from the lessons of history in his famous ‘Speech to the academic youth’ held at the University of Zurich in 1946: “There is a remedy which [...] would in a few years make all Europe [...] free and [...] happy. It is to re-create the European family, or as much of it as we can, and to provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of United States of Europe.” ([https://europa.eu/european-union/sites/europaeu/files/docs/body/winston\\_churchill\\_en.pdf](https://europa.eu/european-union/sites/europaeu/files/docs/body/winston_churchill_en.pdf))

Community, which brought the European countries together from an economic and political point of view. On this way, Belgium, France, Italy, Luxembourg and the Netherlands constructed the “European Economic Community” signing the Treaty of Rome on 25<sup>th</sup> March 1957. It laid *“the foundations of an ever-closer union among the peoples of Europe, ensuring the economic and social progress of their countries by common action, and eliminating the barriers which divided Europe. It affirmed, as the essential objective of their efforts, the constant improvement of the living and working conditions of their people, recognizing that the removal of existing obstacles called for concerted action in order to guarantee steady expansion, balanced trade and fair competition.*

However, one of the most critical aspects that emerged immediately was the presence of big differences in the European nations especially between urban, industrial and agricultural areas. Thereby, the Rome Treaty established the basis for common policy in matter of agriculture. Afterwards, the community agreed on the creation of a European Social Fund<sup>2</sup> which had the objective of improving workers’ employment opportunities and standard of living. Moreover, the Treaty of Rome is a milestone for the birth of the so-called Cohesion Policy (or Regional Policy), managed by the Directorate-General for Regional Policy, established by the European Commission ever since 1968. The origins of Cohesion Policy were laid down by the Treaty which states that: *“Anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and backwardness of the less favored regions, Member States desired to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade, intending to confirm the solidarity which bid Europe and the overseas countries and desiring to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations, resolved by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who shared their ideal to join in their efforts”*. This declaration foresaw the creation of a union, the completion of which was however not possible in one attempt. In fact, twelve years were necessary for its building, and to reach concrete achievements in the creation of a common path of solidarity.

Further discussions on the Cohesion Policy followed the first enlargement of the Community with the entry of Denmark, Ireland and the United Kingdom on 1<sup>st</sup> January 1973. At that time, Heads of State and governments started discussing on the possibility to create a

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<sup>2</sup>ART 123. In order to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living, a European Social Fund is hereby established. It shall have the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community.

regional development fund that could facilitate the achievement of economic and monetary union objectives (ART. 235 Treaty of Rome). Thus, 10<sup>th</sup> December 1974 the European Regional Development Fund (ERDF) was set up, underlying its solidarity scope among the European states that were facing critical economic problems due to the oil crisis of 1973 (Arab-Israeli war). The establishment of this fund had the purpose of allocating money in the less developed or marginalized regions for the construction of transport and communication infrastructures, for the creation of new job places and for attracting new investments. The ERDF was set up in the Community as a first three-year test period to correct the numerous regional imbalances due to the predominance of agriculture, industrial change, and structural unemployment. A budget of 1.4 billion Units of Accounts (currency used at that time to establish the budgets) was allocated for the period 1975-1977. In the 1970s and 1980s the focus of discussion was on economic integration, namely on the integration of economic activities and aspects like market regulation, macro-economic equilibrium, monetary control, regional equilibrium and social welfare. This dynamic process brought the economies of the single member states to become more and more interwoven.

The 1980s were marked by the entrance in the Community of Greece (1981), Spain and Portugal (1986) and by the approval of the Single European Act in 1986, a six-year program for the creation of the “Single Market”. Building a single economic entity would have accelerated the process of European integration that foresaw a gradual elimination of frontiers between independent states. This would have been the first step for the achievement of higher objectives of non-economic and political entities like economic welfare, peace and security, defence, democracy, human rights and culture. As a consequence, common policies were set up in the Union, deepening in different policy areas, and widening from a geographical point of view, taking advantage from an increasing membership. In this process of integration, the year 1988 has to be remembered for the important Reform of the Structural Funds, integrated into the overarching Cohesion Policy. This reform was a revolutionary event that underlined the importance of involving different layers of government and governance in the policy-making process in a more and more interwoven economic and political European framework. This process, defined from now on as Multilevel Governance, was an innovative approach that made regions and local entities more aware of their possible responsibilities, filling the gaps left by less effective national governments. Thus, a new focus was put on the poorest and most backward regions, multi-annual programming, strategic orientation of investments, involvement of regional and local partners. After the Reform of the Structural Funds, the EU Community started subsidizing projects of economic and social cohesion allocating 69 billion Units of Account through a solidarity policy. In this period, also the INTERREG program was

adopted for the first time together with Leader (for local and rural development), and Reside (Reconstruction of industrial areas), as important territorial cooperation tool.

The fall of the Berlin Wall in 1989 and the progressive collapse of the communist regime in the 1990s brought significant changes in the Community and some processes that accelerated the course of Europeanization. First, the process of homogenization brought to the completion of the Single Market in 1993 with the accomplishment of the so-called “4 pillars” (free movement of goods, services, people and capital). The second important achievement in the Cohesion Policy could be found in the establishment of the PHARE program in 1989, instrument of pre-accession in the EU mainly applied to those countries that were exiting the communist time.<sup>3</sup>

The 1990s was the decade of an important enlargement with the entry of Austria, Finland and Sweden (1995), the drawing up of the Maastricht Treaty, that established the European Union (1993) and the Treaty of Amsterdam (1999)<sup>4</sup>. With these treaties emerged stronger the multilevel nature of the policy-making process in Europe. The Treaty of Maastricht and the Treaty of Amsterdam were two important milestones in the EU integration process because it empowered and concretized the new emerging system of Multilevel Governance that had only been theorized in the course of the previous years. In fact, it emerged stronger the multilevel nature of decision-making and policy-making process in Europe. The Treaty of Amsterdam was signed by national governments that agreed to devolve some of their powers upwards to the European Parliament, especially in matter of security and justice. The Maastricht Treaty, instead, introduced important novelties downwards, on the regional side that are still fundamental. It established:

- A **Cohesion fund**: that provided support to the poorer regions of Europe for their economic stabilization and growth, employment and sustainable development;
- A **Committee of the regions**: a consultative body that allowed local and regional authorities to take part in the EU legislative process. Today, its members are elected among local or regional politicians, leaders of regional governments, or the mayors of cities, and they are nominated by the Council for five years. The Committee was settled in Brussels, where the members have been meeting six times a year for plenary

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<sup>3</sup> PHARE program -Poland and Hungary: Assistance for Restructuring their Economies- was one of the EU pre-accession instruments applied to prepare these applicant countries entering the Union. In a second moment, PHARE was expanded to Czech Republic, Estonia, Latvia, Lithuania, Slovakia and Slovenia, that entered the Union in 2004, and to Bulgaria and Romania (2007).

<sup>4</sup> Treaty of Amsterdam amending the Treaty on European Union, the Treaties establishing the European Communities and certain related acts was signed on 2nd October 1997 and entered into force on 1st May 1999 with the purpose to reform the EU institutions in preparation for the arrival of future member countries.

sessions since its birth. Members work also for the Committee's commission that upholds the three fundamental principles of subsidiarity, proximity, and partnership and operate in the six important policy areas of territorial cohesion policy; economic and social policy; environment, climate change and energy; education, youth, culture and research; citizenship, governance, institutional and external affairs; and natural resources. The Committee was established to give impulse to local decision-making processes feeding the debate on a "Europe of the Regions";

- The **Principle of subsidiarity** that aims to ensure that decisions are taken as close as possible to the citizens. With the exception of some cases where it has an exclusive competence, European Union should not intervene unless its action is more effective than the one undertaken at national, regional or local level. Subsidiarity is closely bound up with the principles of proportionality and necessity, meaning that any Union's action should not go beyond what is strictly necessary for the achievement of the Treaty's objectives. Subsidiarity was first introduced in the Treaty on European Union (Art. 5) in 1992, underlining how the lowest level of governance can be the best one for the execution of the policies since it can better take into account citizens' needs and preferences, the accountability of the institutions is higher, and the implementation costs are reduced leaving more margins for innovation
- The **principle of proportionality**: that states that the higher the form of EU integration, the greater the restrictions of national competences. In this way, the power transferred from national to European institutions is higher. In line with the considerations that lay at the basis of the principle of subsidiarity, unnecessary constraints lead to welfare losses as they preclude the optimal use of instruments. Thus, to put Union's policies into effect, the least constraining instruments should be used, enhancing efficiency and effectiveness. If constraints are inevitable, these should be coordinated or even harmonized.
- **A path for Structural development**

These EU instruments and principles have been particularly important after 2004 when EU experienced the second big enlargement with ten new members that foresaw the entrance of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia. These new countries increased the disparities among regions, although all the efforts were put in achieving social inclusion, stability, democracy, and economic advancement. To conclude the process of enlargement of the EU, Bulgaria and Romania (2007) and Croatia (2013) joined the Community.

## **1.2. MULTILEVEL GOVERNANCE AND THE PROCESS OF EUROPEANIZATION**

Until 1990s the EU had always been considered “less than a state but more than an international organization”. From that moment on, EU evolved towards a regulatory state issuing legislation that affected citizens’ life. Therefore, the process of European integration counted on the single states’ acceptance in renouncing to part of their sovereignty. This renounce has to be intended both upwards (towards European institutions) and downwards (towards regional and local level) and regards not only the political sphere but also economics. The states that entered the EU, in fact, had to open their economies compromising their stability to find a new balance in the process of integration. In terms of costs and benefits analysis, the choice of being part of the Union, or not, had to be balanced in a way that the benefits had to outweigh the costs, considering the fact that costs and benefits are usually different in each stage of integration. While at the beginning the gains can be found in a better allocation of resources, increasing competition and innovation, and economic growth, in a second phase they derive from a more stable situation related to the effectiveness of common allocations and redistribution policies. On the same wave, costs derive firstly from the difficulties encountered in the adaptation process and, secondly, to the difficulties in meeting national preferences, innovation and experimentation, and sometimes from attempts of re-centralization.

In general terms, in a scenario of integration, inequalities can be easily and continuously generated among Member States, in some sectors of the society. The stimulation of economic growth, the enlargement of the Single Market and the need of efficiency can unceasingly create negative or challenging impacts on particular regions (sometimes even on entire countries). The increasing difficulties of the national governments to respond effectively to citizens’ needs on one hand, and their reduced sphere of influence due to the emergence of supranational institutions on the other, call for redistribution policies on European scale. Through the allocation of funds, disadvantaged groups and/or regions can more easily adapt to the Community. It is in this frame that the concept of MLG spread, opening new opportunities for empowerment of local actors and their ownership of the results related to the EU strategies. Following this line, regions gained power in the decision-making process. This was enhanced especially after the establishment of the Committee of the Regions (1992) which institutionalized the entry of sub-national actors in the EU capital –Brussels- and strengthened their roles and importance. The 1988 Reform (Council Regulation EEC No 2052/88 of 24 June 1988) of Structural Fund, was particularly important as it followed the enlargement of the Union with the entry of Greece (1981), Spain and Portugal (1986). When

the reform of the structural policy entered into force, structural fund allocations for the poorest and disadvantaged areas were doubled with the purpose of reinforcing social and economic cohesion, reducing the disparities among regions.<sup>5</sup> The grants were integrated into an overarching Cohesion Policy that introduced some key principles, including a multi-annual programming; a strategic orientation of investments with a special focus on the poorest and lagging-behind regions; and the involvement of regional and local partnership ([http://ec.europa.eu/regional\\_policy/en/policy/what/history/](http://ec.europa.eu/regional_policy/en/policy/what/history/)). These principles paved the way for the adoption of the concept of Multilevel Governance that implied vertical and horizontal interrelation among a multitude of actors. The term Multilevel Governance was introduced for the first time by Gary Marks in 1992 when he defined it as a “*centrifugal process in which decision-making is spun away from member states in two directions, namely to the sub-national as well as the supranational levels*” (Marks 1993: 401-402) when referring to Regional Policy. Marks defined MLG also as “*a system of continuous negotiation among nested governments at several territorial tiers*” (1993: 392), approaching an innovative overarching territorial policy network. This implied a combination of both vertical and horizontal levels, an increasing interdependence of different tiers of government, and the involvement of governments and NGOs at all territorial level in the decision making process. On one hand, it seemed that sub-national governments were gaining more importance and visibility in the EU policy implementation context. On the other hand, since the power was rescaled upwards, from the central government towards the supranational level, organizations

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<sup>5</sup> It contributed greatly in the conversion of regions and borders, urban communities and employment areas affected by industrial decline thanks to the European Regional Development Fund (ERDF). The allocation of the latter could be maximum the 85% of the total amount eligible, delivered by the European Commission per Member State, and it was assigned on a socio- economic basis. The choice of not financing the entire amount (100%) had the scope to empower regions and make them responsible for their expenditures and the initiatives they undertook. The regional programs were reformed around the principles of *additionality*, *concentration*, *programming*, and *partnerships* among Member States and representatives of national, regional, local and supranational actors. The reform foresaw: ‘*Community operations shall be such as to complement or contribute to corresponding national operations. They shall be established through close consultations between the Commission, the Member State concerned and the competent authorities designated by the latter at national, regional, local or other level, with each party acting as a partner in pursuit of a common goal. These consultations are hereinafter referred to as the ‘partnership’. The partnership shall cover the preparation, financing, monitoring and assessment of operations.*’

Among the principles can be found the one of Additionality that “is one of the principles driving the workings of the European Structural and Investment Funds. This principle stipulates that contributions from the Funds must not replace public or equivalent structural expenditure by a Member State in the regions concerned by this principle. In other words, the financial allocations from the Structural and Investment Funds may not result in a reduction of national structural expenditure in those regions, but should be in *addition* to national public spending. The principle of additionality is verified in Member States where less developed regions cover at least 15 % of the population because of the scale of the financial resources allocated to them.” From [http://ec.europa.eu/regional\\_policy/en/policy/what/glossary/a/additionality](http://ec.europa.eu/regional_policy/en/policy/what/glossary/a/additionality)

like the World Trade Organization, the International Monetary Fund and World Bank, started gaining more responsibilities for policy-making in the European sphere.

Despite this first explanation of the term, “Multi-Level Governance” is a concept that remains “fuzzy”, although several scholars strove to provide a unique definition of it. Its flexible definition can be related to its fields of application and to the dynamic process of Europeanization in which MLG can be intended as: “*Processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies*” (Radaelli 2003: 30).

The consolidation of the concept of MLG has helped overcome the two contrasting theories of *inter-governmentalism*<sup>6</sup> and *neo-functionalism*<sup>7</sup>, that attempted to explain the forces that had moved the process of European integration. This process was progressively affecting the domestic sphere, and thus national identities and sovereignty, especially with the increasing presence of supranational and international organization in the European scenario. This raised a debate on the extent to which governments would have had to transfer their power and authority.

In the past governance conceptualization, the capacity of governments was found in their ability of exerting control over their society and economy in a goal-oriented way, mainly through top-down approaches that seldom took real citizens’ needs into account. The challenges brought by the modern world pushed the traditional government’s autonomy, namely the right and capacity to undertake policy initiatives, to adapt to the new requests of governance. In 1990s, Gary Marks introduced the concept of Multi-Level Governance as a sort of new paradigm besides *Inter- governmentalism* and *Neo- functionalism* shifting the point of view from the supranational and national level to the changes that affected the local

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<sup>6</sup> Hoffman (1966;1982;1985) approached the so-called *Inter- governmentalism*, according to which Member States are the only relevant actors in the anarchic frame of the international relations, thanks to their legal sovereignty and political legitimacy. Sovereignty is seen as an exclusive, indivisible and inalienable asset of the Member States, that keep their responsibilities in the decision-making process of the European Community. In this frame, integration is seen as a practice of cooperation and coordination among States, that come up together without renouncing to their autonomy in favor of international institutions.

<sup>7</sup> Functionalism aimed at interpreting each part of the society as it was an organ in a human body, stating that each organ is indispensable in the contribution to the normal functioning and stability of the body itself, and cannot exist and work on its own. Using the same paradigm, each part of the society is functional and so fundamental, for the maintenance of the society as a whole to provide order and stability in institutions like family, educational and religious groups, government etc. In this view, Neo- functionalists<sup>7</sup> conceived the institutional innovation in the European scenario as a kind of compromise for national autonomy and sovereignty. Furthermore, they perceived integration as an inertia process that inexorably brought actors towards the supranational level. Thus, as in economics the market idea of functional spillovers describes interconnection as the only possible way for different sectors to integrate with one another, interconnection of different regions was the only path for a self-perpetuating process of integration.

level in the increasing process of Europeanization. The increasing diffusion of NGOs was the natural consequence of the necessity to respond, on the ground, to the need of cohesion. The national states were losing their capacity of responding effectively to citizens' needs. Therefore, the role of the State started changing from a "*command and control*" to an "*enabling state*" that facilitated the decision-making processes involving a multitude of actors. "*The point of departure for this multi-level governance is the existence of overlapping competencies among multiple levels of governments and the interaction of political actors across those levels... Instead of the two level game assumptions adopted by state centrists, MLG theorists posit a set of overarching, multi-level policy networks... the presumption of multi-level governance is that these actors participate in diverse policy networks and this may involve sub-national actors (interest groups and sub-national governments) dealing directly with supranational actors (Marks et al. 1996: 41-2).*" This poses a new challenge to the European modern state that comes to be represented by the concept of MLG (Piattoni, 2009:163-180). This concept is three-dimensional and has to be analysed from three analytical distinctions (axes of MLG):

- ◆ *Between centre and periphery;*
- ◆ *Between state and society;*
- ◆ *Between the domestic and the international spheres.*

Each dimension embraces changes that can be observed at three analytical levels:

- ◆ *Political mobilization:* it occurs within and across institutional boundaries
- ◆ *Policy-making:* the roles of policy-makers and policy-receivers are mixed, as well as public and private actors.
- ◆ *Policy restructuring:* changes are taking place at the level of politics, policy and polity

(Piattoni, S. 2009:163-180)

What follows is a description of the changes that occur at the analytical levels of political mobilization, policy-making and policy restructuring at in the three MLG axes.

1. *Centre and periphery.* The innovation brought by the concept of Multi-Level Governance can be found in actors' freedom of movement between and across traditional levels, spheres of authority, and territorial scales. This underlines not only the *actor-centeredness*, but also the *plurality of actors* involved in the decision-making processes in politics, policy and polity. Multilevel Governance must specify what are the interrelations among the sets of changes that occur at the levels of political mobilization, policy-making and polity restructuring to go beyond the

previous theories of *neo-functionalism* and *inter-governmentalism* and to go beyond what is enshrined by the term itself.

2. *State and society*. Whenever a change occurs in the political activity, that expands from the *sub-state* to the *supra-state level*, a qualitative change affects the actors involved at these levels. In this scenario, it is common to assist to a *private-public dichotomy*, thus some “private” interests can emerge among public authorities, and some private actors can act in the public interest, mixing the traditional order among State commitment and market regulation.
3. *Domestic and international*. On the same wave of the changes that occur in the state and society analytical distinction, there can be also *sub-state/ supra-state*, and *domestic/international dichotomies* in this political mobilization of actors that gain more and more freedom for expressing themselves, strengthening their position, and undertaking political actions to pursue and legitimize their own goals.

Therefore, the concept of Multi-Level Governance “*can be defined as an arrangement for making binding decisions that engage a multiplicity of politically independent but otherwise interdependent actors- private and public- at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels*” (Schmitter 2004:49). This kind of Governance refers to any collectivity (private or public), that employs informal as well as formal steering mechanisms to make demands, frame goals, issue directives, pursue policies, and generate compliance.

At this point, a general theorization of MLG deserves to be deepened.

Type I	Type II
General-purpose jurisdictions Non-intersecting memberships Jurisdictions at a limited number of levels System-wide architecture	Task-specific jurisdictions Intersecting memberships No limit to the number of jurisdictional levels Flexible design

TABLE 1. *Types of Multilevel Governance (Bache and Flinders 2015: 17)*

“*Type I bodies are constructed, discursively in terms of their formal authority, as the government for that community of citizens. The body is embedded in a political process that makes it the focus of the expression and allocation of community values. There is an infrastructure of democratic rule, by elected representatives, that provides symbolic and substantive means for securing legitimacy, consensus and accountability*” (Skelcher 2005:96).

Type I legitimacy derives from rules, norms and roles and Type I Governance refers mostly to federal systems, according to which the power is stably shared among few levels of government with ‘general jurisdiction’ over a precise territory. This type of governance is the most diffused in the national polity, and creates a “hierarchically ordered system of multipurpose and non- intersecting sub-national governments”.

In Type II MLG, jurisdictions operate at numerous territorial levels, they are ‘*task specific*’ or ‘*single purpose*’ rather than general-purpose, and they are intended to be flexible rather than durable. They often provide goods and services in the way they best internalize benefits and costs. In this way, jurisdictions operate at different levels, responding with flexibility to citizens’ preferences, creating also public-private partnerships. “*Type II governance tends to flourish specifically when there is a need for a tailored governmental body to address an issue that is not susceptible to policy action by a Type I organization, for example, in the international arena and when there are particular functional governance problems. Type I governmental organizations are unable to respond flexibly to policy issues that intersect their jurisdictions*” (Skelcher 2005:94). Type II MLG occurs when governmental organizations are not able to respond to policy issues. *These include families and clans, neighbourhood associations, communal organizations, trade associations, buyers and producers’ cooperatives, local voluntary associations and clubs, special districts, international regimes, public-service industries, arbitration and mediation associations, and charitable organizations.*” (Ostrom and Walker 1997:36).

Type I and Type II Governance coexist striving for their institutionalization in the European Union, in a frame in which existent institutions and authorities still prevail. Finding an “*optimal scale of government*” has always been a challenge, namely finding a scale sufficiently large to take advantage of the technical support provided by the upper levels, but at the same time sufficiently small to guarantee a democratic decision-making process that can fit with real citizens’ needs. Thus, the levels in which MLG can operate can be *territorial levels* (supranational, national, sub-national), or *jurisdictional levels* (according to their functions). The main scope of Multilevel Governance (EU Commission, 2001) is to:

- *Promote citizen participation* in the policy cycle; a first attempt to open the policy-making process to involve more people and organizations in the EU growth and cohesion was formalized with the draft of a White Paper of Governance in the European Union in 2002. Fixing objectives like peace, growth, employment and social justice, the White Paper was the first step to reform governance in Europe and to move from a top-down towards a bottom-up approach. This reflects citizens’ expectations for a more powerful Union that reinforces identity and common values.

- *Cooperate* closely with other public authorities by thinking beyond traditional administrative borders, procedures and hurdles;
- *Foster a European mind-set* within our political bodies and administrations;
- *Strengthen institutional capacity building* and invest in policy learning amongst all levels of governance;
- *Create networks* between political bodies and administrations from the local to the European levels and vice-versa, whilst strengthening transnational cooperation.

(CoR, 2002)

### **1.3. OPERATIONAL PRINCIPLES OF MLG**

*‘Multilevel Governance in Europe has to be based on coordinated action by the European Union, the Member States and regional and local authorities according to the principles of **subsidiarity, proportionality and partnership**, taking the form of operational and institutional cooperation in the drawing up and implementation of the European Union’s policies.’* (White Paper on Multilevel Governance)

As mentioned before, the Reform of the Structural Funds (1988), from which the concept of MLG has emerged, introduced and developed some important principles: multiannual programming; strategic orientation of investments; and partnership. These principles are fundamental to: ensure maximum *fundamental rights protection* at all levels of governance; develop a *transparent, open and inclusive* policy-making process; foster *policy efficiency, policy coherence* and promoting *budget synergies* between all levels of governance; and respecting *subsidiarity* and *proportionality* in policy making. (Council Regulation, 1988).

Operationalization of MLG in the context of Cohesion Policy can be traced by analysing how programming and partnership have been implemented.

#### **1.3.1- Programming**

Programming has been chosen as best policy instrument for the Cohesion Policy (see Annex I) to reconcile the long-term perspective of structural issues, and the multitude of actors involved from regional, national and European levels. This principle is important because, through its application, financial resources should be more focused and directed to the achievement of concrete objectives in specific areas. In this way, the risk of funds to be

dispersed among different actors and projects is reduced. A multi-annual approach is necessary to program also the stages of the policy cycle, which can be subdivided in:

1. Identification of vulnerabilities based on inventories
2. Mapping and engagement of stakeholders
3. Formulation of goals and setting of targets
4. Setting actions
5. Monitoring and quantifying policy impact
6. Policy evaluation and review

Cohesion Policy framework covers a period of seven years, and its implementation is carried on following these stages:

1. The European Commission elaborates a budget and the rules for its use. The proposal has to be agreed by the European Council and the European Parliament. Specific rules for each Fund have to be defined besides the common ones.

2. Member States and the EU Commission come up together to define the principles and priorities of cohesion policy.

3. Each Member State has to elaborate a Partnership Agreement to present the country's strategy, and to submit a draft of operational programs (OP). Programs can involve also more than one country. Operational programs are detailed plans that need to be prepared at national and regional level and should include a detailed description of the situation in the region as regard to disparities, threats, development potential and opportunities. These programs, that can also have a thematic goal, should elaborate a proper strategy to achieve the objectives, taking into account the use and forms of the contributions from EU funds. Operational programs must be submitted by Member States to the European Commission, on the basis of their Partnerships Agreements. The Commission is in charge of evaluating them, and if they are eventually approved, managing authorities can open calls for proposals or calls for tenders to start financing concrete projects.

4. Through a negotiation process, the Commission agrees on the final content of the Partnership Agreement and Operational Programs and a list of priorities is established. This process can involve also participants from the civil society, who can take part in programming and management of the Operational Programs.

5. Once the Partnership Agreement and Operational Programs are approved, managing authorities can open calls for proposals or for tenders.

Recently it has been called for an "integrated approach" between the European Commission and the Member States, involving the administrative level and civil society to

deliver and manage the European funds in a better way through joint efforts. A multilevel approach to governance is adopted in the programming phase, involving a range of different types of actors (public, private and societal) in policy-making and implementation through formal and informal means. Despite the inclusion of this “integrated approach” in the Cohesion Policy, it has been observed that the institutional sphere in each Member State can be a predictor of the degree of MLG. In fact, it can be stated that countries with more centralized governments usually try to manage the Cohesion Policy through a centralized system. In this case, the application of MLG- involvement of actors from public, private and civil society spheres- can result more challenging and sub-national actors can present a limited capacity as a consequence of a lack of experience in decentralization. Non-public sector bodies are often not involved in the processes to draft the Operational Programs, due to a lack of resources. As regards the principle of partnership, it is from time to time difficult to be maintained, due to the member states’ perception of the EU Commission, sometimes perceived as too interfering in their operations. In fact, the role of the EU Commission has evolved from regulatory, managerial of financial inputs and controller to the one of strategic coordinator. Furthermore, the larger the partnership, the higher the amount of costs to maintain it.

From a recent assessment of MLG in Cohesion Policy (European Parliament, 2014) it has emerged that all the efforts to involve the lowest decision-maker levels have been not so efficient. In fact, it seems that the Cohesion Policy has, in some cases, adopted a more top-down approach that reduced democracy. However, Multilevel Governance implementation depends on several aspects, like the context in which it operates, and on partners’ administrative capacity, know-how and past experience. The number and types of actors involved can depend also on the content and scale of the Operational Programs.

### **1.3.2- Partnership and MLG**

“Partnership is a set of rules and procedures that prescribe that civil servants of the European Commission, national government and regional authorities, together with representatives of social actors (among them local business, labour unions and social action groups) collaborate closely and continuously together in the design, implementation and evaluation of EU-funded cohesion programs” (Molle, 2006).

Partnership is one of the fundamental principles of MLG, introduced for the first time by the 1988 Reform of Structural Funds. Accordingly, sub-national actors should have been provided with more power with the scope of coming up together to pursue common goals and

to improve the implementation of the Regional Policy. (Regulation (EEC) 2052/88)<sup>8</sup>. After the Reform of the Structural Funds (1988), the partnership principle was strengthened allowing for the inclusion of social and economic partners (from 1993), environmental agencies and other non-governmental agencies (from 1999). Furthermore, EU Commission foresaw that partnerships had to be established in each assisted region to design, implement, and monitor Structural Fund programs, surpassing the system that foresaw, until 1989, that structural policies could be implemented by central governments on the basis of their national priorities. With the innovation brought by the principle of “ownership”, policies started being prioritized on the basis of common interests. In this way, all the parties involved were made aware of their responsibilities but free to commit as much as it was in their own interest.

In 1996, Hooge tried to assess what were the political implications of establishing a partnership and analyzed whether “partnership” was promoting Multilevel Governance. The study demonstrated that partnerships had created a considerable variation in the degrees of MLG across Member States, mainly due to pre-existing territorial distribution of power. Multilevel Governance emerged with a greater consensus and power in less centralized States, while the strong national governments, that retained control over the domestic impact of structural policy, kept more power at the central level. This was confirmed also in a later research carried out by the European Commission (Kelleher et al. 1999) which showed that *“the degree of decentralization and the type of deconcentration occurring in the different member states inevitably shapes the relations between key actors within partnerships and determines the competencies and composition of partnerships itself”*.

What emerged further is that central governments generally remained key actors in shaping partnership arrangements through their roles in the process of negotiation of the content and selecting horizontal partners besides their role as managing authorities and their provision of Joint Technical Secretariats. In addition, governments controlling the input of sub-national authorities, often limited the social partnerships with Non-Governmental Organizations (NGOS). On the other hand, however, there were some governments that increasingly recognized the benefit of partnership, enlarging it voluntarily. In others, partnership has been reinvigorated “along more innovative lines” (Kelleher et al. 1999)

A number of factors have been mentioned that determine the impact of the partnership principle (Kelleher et al. 1999):

- The importance of national traditional institutions and the ways improvements have been sought within Structural Fund programs;

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<sup>8</sup> A “close consultation between the Commission, the member states concerned and the competent authorities designated by the latter at national, regional, local or other level, with each party acting as a partner in pursuit of a common goal” (Regulation (EEC) 2052/88) was contained in the Regulation itself.

- The importance of a prior partnership experience;
- Associated “learning mechanisms” to transfer the partnership experience;
- Common tendency towards regionalization/ decentralization which is reflected in partnership composition and role;
- The evolution and sometimes dilution of well-established corporatism models of governance, which can be associated with the withdrawal of existing partners.

Summarizing, evidence exists that, where the EC/EU Multilevel Partnership principle fitted well with domestic preferences and institutions, Multilevel Governance had a greater success. On the contrary, where the model did not fit with domestic institutions and preferences, the partnership principle had little impact on territorial relations unless domestic actors chose to embrace it after a process of learning. The principle of partnership allows to achieve better results in economic, social, and territorial cohesion in Europe. Therefore, EU promotes Multi-actorship with actors especially from the civil society like social partners, universities, NGOs.

### **1.3.3 Networks**

“Network building” is another important principle of MLG that, although not explicitated in EU regulation, has been matter of discussion for several scholars. Networks underline the shift from a state-centric model of governance to devolution and centerless society. They entail different kinds of institutionalized relations between state, business and civil society and can be considered a sort of intermediary tools in the discussion of interests. They “can be conceived as a particular form of governance, defined as institutionalized modes of coordination through which collectively binding decisions are adopted and implemented” (Mayntz 1993; Scharpf 1997).

Networks involve non-hierarchical modes of coordination, constituted by mutual resource dependencies and/or informal norms of equality among the actors involved. Given their non-hierarchical nature, networks can be conceived as an alternative to the traditional public-private dichotomy as regard both effectiveness and legitimacy. They take into account public and private sectors, civil society, as well as formal and informal relationships between them facilitating the problem-solving processes through the exploitation of the capacity and specialized tasks of sub-systems of actors. However, the outcomes basically depend on the amount and quality of resources mobilized, including knowledge, human and social resources. Networks have to fulfil the following criteria (Börzel and Heard- Lauréote, 2009):

1. They are formed by public and private actors who are bound together by mutual resource dependencies. They can be bound also by informal norms of equality and they can take part in the network voluntarily.

2. The voluntary agreements stipulated by the actors involved are binding and put everybody on the same level, meaning that public actors put aside their authoritative role to become partners and mediators among private actors and civil society organizations.

Multilevel governance substitute hierarchical governments and allow the negotiation and allocation of values between the state and societal actors. Networks play an important role especially in the formulation and implementation phases of the policy-making process.

However, these theoretical constructions can differ among each other according to two possible definition of governance *by* networks, and governance *in* networks that strive to explain what are the relations behind the multitude of public and private actors in the EU policy-making process (Börzel and Heard- Lauréote, 2009). While a governance *by* networks allows balanced relations among all the tiers of government, private actors and civil society, a governance *in* network sees private actors seeking to exploit network relations to influence EU Commission, Parliament and Member States, offering expertise or political support. In this last case, the relation becomes asymmetrical and does not take into account the importance of the presence of a supranational hierarchy. Nevertheless, this kind of informal politics is quite spread and used also by the supranational actors to strengthen their position in the EU policy-making.

The emergence of a network structure has been the response to a declining effectiveness in the hierarchical system of the State, both in the domestic as well as in the international politics. Thus, sub-systems started emerging to cope with urgent, or important, issues that were difficultly tackled by governments. Networks allow the mobilization of multiple resources (information, empirical knowledge, technical expertise, financial means, transfer of ideas etc.) that are normally dispersed among public and private actors at different levels of government. Representing different power relations and facing different “stakes of the game”, these agglomerations of institutions, definitely influence the policy outcomes. Moreover, the involvement of many relevant stakeholders in the policy process allows the collectivity to better assess policy effectiveness and, if it is the case, to accept it. Anyway, networks generate some decisions that usually fit their target groups since they act as “information and knowledge gathering instruments”, trying also to reconcile the diverging interests. For this reason, the policy outputs are more efficient, fostering feasible and target-oriented policy results.

Schneider (1988) defined the concept of networks as a “type of interest intermediation characterized by “structural relationships, inter-dependencies and dynamics between actors in politics and policy-making”. The governance structure of these networks determine the amount of material and non-material, tangible and intangible resources that the different actors who participate in a network can supply, determining the basis for the calculation of costs and benefits of particular strategies.

Anyway, some authors have argued that the European Union should be conceptualized as a form of governance *by* networks where values are negotiated between state and societal actors. Others prefer seeing the EU as a governance system *in* networks in which decisions are taken exclusively by governmental actors. Nevertheless, the added value of networks should be found in their capacity of improving the quality of governance, fulfilling democracy through a high degree of interaction and cohesion among actors, their reciprocal communication and trust. This is possible thanks to the intrinsic characteristics of the networks themselves that are highly flexible and can easily adapt and respond to policy problem. Furthermore, their characteristic of bringing together decision makers and policy-receivers, allow a proactive governance.

The multi-actor perspective of networks fosters the sense of joint responsibility and ownership for decisions, although the process of negotiation and the achievement of a consensus is a long procedure. Furthermore, most of the time what is achieved is just the minimum common denominator since fulfilling the needs and expectations of all the actors is really difficult. Thus actors sometimes have to forgo their self-interests to reach higher common interests. Anyway, networks are theoretically a voluntary-based cooperation, and for this reason, political decisions should at least partly correspond with the total interests of the network itself. Nevertheless, “The socialization of individuals in network-like contexts at the supranational level is an important mechanism for deepening the European integration process “(Hanny and Wessels 1998; Verdun 2000).

### **1.3.4- Operationalizing MLG: programmes of territorial cooperation (INTERREG)**

INTERREG program, has been chosen as core of this research because it is the most complete EU program for territorial cooperation and cohesion, developed in three strands of cooperation to better fit citizens’ needs at local level. Furthermore, INTERREG is a strong promoter of the concept of MLG since it adopted, and continuously spreads, the principles of programming, partnership and networking.

INTERREG was born in the frame of the EU Regional Policy as Community Initiative encouraging the engagement of different actors at different levels in the policy-making process. The need of a multilevel and multi-actor approach was expressed as a consequence of the reduced capacity of the Nation States to respond to challenges at European and national level. INTERREG stood out as key instrument for the EU to find shared solutions to common problems and to promote sustainable development. Launched for the first time in 1989, INTERREG was developed into three strands to make territorial cohesion more effective:

- Strand A: cross-border cooperation
- Strand B: transnational cooperation
- Strand C: interregional cooperation

INTERREG started first the cross-border cooperation strand that still foresees a multilateral cooperation among local, regional authorities, public/private sectors and civil society organizations, whose actions are undertaken through partnerships and networks. The peculiarity of this strand regards the involvement of neighbouring regions across EU's internal or external borders (in this case, facing non-EU states). Afterwards, INTERREG launched transnational cooperation, that consists in a multilevel and multi-actor action that involves partnerships among at least three EU Member States and/or third countries located in larger and adjacent geographical areas. Finally, Inter-regional cooperation usually consists in a bi-, tri or multilateral, multilevel and multi-actor collaboration from different countries that do not have to be necessarily contiguous.

INTERREG program aimed at over-passing the isolation that has usually characterized the borders, whose main function was to separate communities from each other from an economic, social and cultural point of view. Moreover, these border areas have often been neglected in the national policies, becoming national peripheral zones, seldom reached by national policies. A solution to this problem could be partially found in the virtual elimination of borders inside the EU. Despite the opening of the frontiers, the importance of cross-border cooperation remained high in the EU vision, that had the purpose of developing "cross-border economic and social centres through joint strategies for sustainable territorial development". These centres were supposed to function as "growth poles" that could enforce the neighbouring territorial development. The focus areas of this kind of cooperation are NUTS III whose level is immediately adjacent to borders, and characterized by a sparse population. Since the 2007-2013 programming period, INTERREG changed from a Community Initiative into a territorial cohesion objective.

As mentioned before, INTERREG promotes the Cohesion policy's principle of "programming", that reconcile the long-term perspective of structural issues, and the

multitude of actors involved from regional, national and European levels. Being a EU's portfolio of policies, INTERREG allocates a certain amount of funds every year with the scope to finance projects in the three different strands, covering several policy areas. Programming periods of usually seven years, the financial resources established at the beginning are continuously monitored and assigned to projects more attentively, respecting policy priorities. Furthermore, in this way the risk of resource dispersion among actors at different levels is reduced and financing results more efficient. INTERREG has been subdivided in programming periods since its launch in 1990:

- Interreg I: 1990-1993
- Interreg II: 1994-1999
- Interreg III: 2000-2006
- Interreg IV: 2007-2013
- Interreg V: 2014-2020

INTERREG is also a strong promoter of partnership and networking both at program and project level. "Partnership is a set of rules and procedures that prescribe that civil servants of the European Commission, national government and regional authorities, together with representatives of social actors (among them local business, labour unions and social action groups) collaborate closely and continuously together in the design, implementation and evaluation of EU-funded cohesion programs". Based on this definition, each INTERREG program can count on Joint Technical Secretariats and Monitoring Committees based on partnerships, thus a "collectivity" that decide to share knowledge, experience, good practices, technical capacities to achieve predetermined objectives. INTERREG promotes partnership also at project level where each project/associated partner has to bring added value to practical results in economic, social, technological, environmental terms. Last but not least, according to what has been explained in this chapter, "networking" means the involvement of non-hierarchical modes of coordination, constituted by mutual resource dependencies and/or informal norms of equality among the actors involved. Therefore, INTERREG encourages all the partners to agree on a common overview of the objectives and priorities with the scope to reinforce a structure of stability, efficiency and diversity, both at program and project level.

Just to conclude and to introduce the research conducted in the next chapters, it is important to provide some specific knowledge related to the 2000-2006 programming period. This timeline, in fact, saw different attempts to guarantee harmonization between INTERREG III and external Community policy instruments (like the pre-accession program PHARE) in preparation to the 2004 EU Enlargement. In fact, it became clear that territorial cooperation

was fundamental to fulfil the upcoming socio-economic differences among and between newly entered countries and the prior EU Member States. Emphasis was put particularly on the improvement of coordination and integration measures. Furthermore, at least until the 2000-2006 programming period, territorial cooperation addressed strategic policy areas like the completion of the Single Market, the creation of the Monetary Union and the application of the European Spatial Dimension perspective.

The ex-post evaluation (Final Report) of the INTERREG III 2000-2006 programming period proved the effectiveness of the Community Initiative in reinforcing cross-border cooperation between neighbouring border regions at all levels of governance. Local authorities' capacity in drafting strategies and implementing projects improved thanks to the reinforcement of pre-existing cross-border networks and with the birth of new kinds of collaboration. The factors that favoured a successful cross-border cooperation regard the existence of appropriate legal conditions, the quality of the partnership and the degree of institutionalization. The legal framework consisted in specific bilateral or multilateral inter-state agreements that created partnerships based on mutual trust and commitment, "binding" actors at different levels together. Strategic or project-based cooperation was strongly based on the principles of partnership and subsidiarity and the degree of institutionalisation was fundamental for setting long-term strategic cross-border cooperation. Anyway, it has to be underlined the fact that these structures did not create a new layer of government but exploited instead those relations that can be defined as Multilevel Governance.

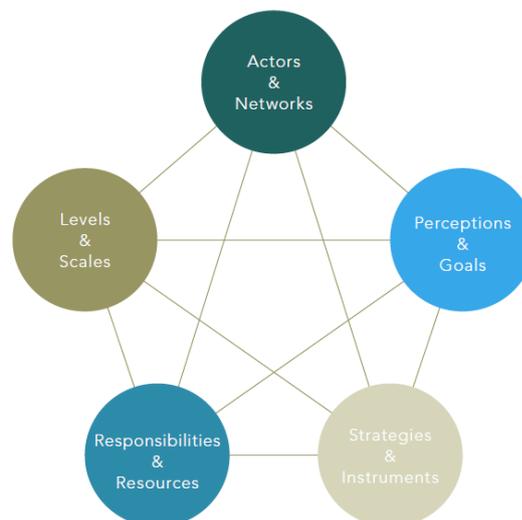
#### **1.4- RESEARCH DESIGN**

As presented in this first chapter, since the end of the 1980s territorial cooperation and cohesion have been included in the list of political priorities of European integration, opening new opportunities of cooperation not only between states, but also between regional and local authorities. This novelty can be interpreted as a progressive "empowerment" of the lower level of governance, allowed by an emerging Multilevel Governance architecture that overcame the contrasting theories of *intergovernmentalism* and *neo-functionalism* in the process of Europeanization. Affirmed by the Reform of the Structural Funds (1988), Multilevel Governance can be defined as the interaction of political actors among multiple levels of government and their overlapping competencies. Basically, these actors participate in diverse policy networks, including even the sub-national level (like interest groups and sub-national governments) dealing directly with supranational actors (Marks et al. 1996). This new approach surpassed the old system of centrism, and the classical public-private

dichotomy, to move towards a centerless governance that involves a plurality of multilevel and multi-sector actors organized in partnerships and networks. *Partnership* and *network* are two of the operational principles of MLG, together with *programming*, that emerge clearly in several EU programs. Dealing with territorial cooperation and the EU Cohesion policy, as presented in this first chapter, this research will focus in particular on INTERREG program, born in a context of increasing difficulty for the Nation State to respond efficiently to citizens' necessities in a fast developing process of Europeanization. INTERREG program, is one of the most efficient EU portfolio of policies for territorial cooperation and EU cohesion, favouring cross-border, transnational and interregional relations. Since INTERREG has been completely built on the principle of programming, and it is a great promoter of partnership and networking, this program is particularly important for the spread of the concept of MLG and its structural architecture in the European context. To demonstrate it, it has been chosen a limited geographical area in Europe in order to analyze its internal governance dynamics, and the Baltic Sea Region resulted to have the right features for this research. The Baltic Sea Region, in fact, is considered a "small Europe" inside Europe because of the rapid process of Europeanization experienced from the 1990s and its historical lively transnational cooperation dating back to the Hanseatic times. Furthermore, eight different countries, with 85 million inhabitants (17% of the EU's total population), share common resources that need to be safeguarded through common sustainable development policies. Therefore, in 2009 there was an attempt to direct all the actions of the several actors in the region in the same direction, through the institutionalization of the first EU macro-region. Despite this effort, the BSR has always encouraged an active cross-border and transnational cooperation, also through a process of regionalization and the establishment of the so-called "Euroregion Baltic". In this way, the strategic policies and priorities discussed at macro-regional level could find concretization at local level. Being just administrative-territorial structures, EU (and other) territorial cooperation programs are the only financial instruments for all the initiatives in the Euroregion. Therefore, the objective of this research is to understand whether and how the EU INTERREG program has contributed to develop a transnational multilevel governance architecture in the "Euroregion Baltic" and to what extent it has enhanced the involvement of local actors and civil society in the definition and implementation of sustainable development policies.

The theoretical concepts presented in this first chapter will help the reader to understand the second and third chapters where it will be presented the process of integration in the BSR and the functions of INTERREG. Finally, two case studies have been chosen, MOMENT and INTERCONNECT projects, implemented by Euroregion Baltic. The assessment of these two

case studies, in the attempt to answer the research question, will be conducted through the application of a Governance Assessment Tool. The latter consists in a practical model elaborated by a team of scientists for the “Benefit of Governance in Drought Adaptation” (DROP) project, funded by the INTERREG IVB North West Europe program. This tool suits this research, both for the analysis of MOMENT project (sustainable water management) and INTERCONNECT (sustainable transport). The concept of governance adopted in the GAT presents a certain level of flexibility and can be defined as follows: “*Governance* is the combination of the relevant multiplicity of responsibilities and resources, instrumental strategies, goals, actor-networks and scales that form a context that, to some degree, restricts and, to some degree, enables actions and interactions”. According to the GAT, governance consists in the following five interrelated dimensions:



1. LEVELS&SCALES: multilevel and multi-scale character
2. ACTORS&NETWORKS: multi-actor character
3. PERCEPTIONS&GOALS: multi-faceted character
4. STRATEGIES&INSTRUMENTS: multi-instrumental character
5. RESPONSIBILITIES&RESOURCES

GAT provides a structure for a descriptive and quality analysis of governance. In this research, only the descriptive approach will be adopted for a lack of data and material that could help in

a deeper analysis. Anyway, just for knowledge, the qualitative analysis would be based on four main questions that determine governance extent, coherence, flexibility, and intensity. What follows is the matrix used for the assessment of the two case-studies MOMENT and INTERCONNECT.

Governance dimension	Main descriptive questions
Levels and scales	Which administrative levels are involved and how? Which hydrological scales are considered and in what way? To what extent do they depend on each other or are able to act productively on their own? Have any of these changed over time or are likely to change in the foreseeable future?
Actors and networks	Which actors are involved in the process? To what extent do they have network relationships also outside of the case under study? What are their roles? Which actors are only involved as affected by or beneficiaries of the measures taken? What are the conflicts between these stakeholders? What forms of dialogue between them? Are there actors with a mediating role? Have any of these changed over time or are likely to change in the foreseeable future?
Problem perspectives and goal ambitions	Which various angles does the debate of public and stakeholders take towards the problem at hand? What levels of possible disturbance are current policies designed to cope with? What levels of disturbance of normal water use are deemed acceptable by different stakeholders? What goals are stipulated in the relevant policy white papers and political statements? Have any of these changed over time or are likely to change in the foreseeable future?
Strategies and instruments	Which policy instruments and measures are used to modify the problem situation? To what extent do they reflect a certain strategy of influence (regulative, incentive, communicative, technical etc.)? Have any of these changed over time or are likely to change in the foreseeable future?
Responsibilities and resources	Which organisations have responsibility for what tasks under the relevant policies and customs? What legal authorities and other resources are given to them for this purpose or do they possess inherently? What transparencies are demanded and monitored regarding their use? Is there sufficient knowledge on the water system available? Have any of these changed over time or are likely to change in the foreseeable future?

*Table II: Main descriptive questions per dimension of governance. (Drop project, 2015)*

Trying to respond to these questions, the case-studies will show what are the main features of a multilevel governance architecture, proving how the INTERREG program, being a portfolio of policies for cooperation and cohesion, has played an important role for the formulation and implementation of sustainable development policies.

## **-Chapter 2-**

# **THE PROCESSES OF COOPERATION IN THE BALTIC SEA REGION**

## **Historic evolution- an overview**

### **2.1- HISTORY OF INTERGOVERNMENTAL COOPERATION AND INTEGRATION IN THE BALTIC SEA: TOWARDS TRANSNATIONAL NETWORKS**

The Baltic Sea Region is an area covered by countries on the water catchment of the Baltic Sea, namely the eight EU Member States of Denmark, Sweden, Finland, Estonia, Latvia, Lithuania, Poland and Germany, and the three non-EU countries of Norway, Russia and Belarus. The Baltic Sea Region has been considered a EU macro-region since 2004, characterized by the dynamic programs of territorial cooperation in the area. Per definition, “a macro-region refers to an area including territory from a number of different countries or regions associated with one or more common features or challenges” (European Commission, 2009, p.1) and is usually built around a common regional sea, mountainous area or river system that astride the territorial frontiers. Despite the fact that historical and cultural commonalities are important features in a macro-region, social and functional structures are the fundamentals that push countries in the same geographical areas to achieve common goals of cohesion.

The cooperation among the BSR countries is a historic one, dating back to the Hanseatic times. Dialogue between Russia, Finland and Scandinavia (Norway, Sweden) was carried on for centuries and in 1950s, despite the rigid control of the Soviet regime, Finland and Sweden experienced a modern free movement agreement that allowed citizens to travel and work in the Nordic countries without limitations. From an economic point of view, competition was promoted in the trading block, exploiting proximity and common reform orientation. Nevertheless, the level of prosperity of a region or country depends on its capacity of mobilizing resources (especially human capital) and productivity, thus a certain disequilibrium can emerge. The Baltic Sea Region has always been considered one of the most competitive regions in the world, and it is still considered as such. However, it has always presented great imbalances in the level of prosperity, well-being, standard of living

and life expectancy of its inhabitants. Hence, after the end of the Cold War in the 1990s, the countries came up together pushed by cultural, historical and political similarities, surpassing the mere economic interests. From this moment on, the region experienced a great development of cross-border cooperation and transnational networking that allowed political dialogue, noticeably reinforced after the end of the communist regime and the re-establishment of local and regional self-governance in some countries through decentralization and devolution. In those years, also an active cooperation between Poland and Russian local, regional and national governments emerged, explaining the reason of the mutual understanding in this region nowadays. In 1990, Lithuania declared its independence and the exclave of Kaliningrad Oblast<sup>9</sup> was created, surrounded by EU countries and the Baltic Sea. In those years, two important intergovernmental co-operations were established, namely Polish-Russian Council (1992)- that supported the cooperation between Kaliningrad Oblast and the north-eastern Polish Voivodeships- and Lithuanian-Russian Council (1999) between Lithuania and Kaliningrad Oblast. From the very beginning, cross-border cooperation had turned to issues of neighbouring regions, their competitiveness and attractiveness, bringing even to the establishment of Euroregions like the Nemunas<sup>10</sup> (or Niemen or Neman) (1997)- that involves Lithuania, Russia, Poland, Belarus- and Euroregion Baltic (ERB) in 1998 that involves Klaipeda County (LT), Kaliningrad Region (RU), Warmia-Masurian Region and Pomeranian Region (PL), Bornholm (DK), Kalmar, Kronoberg and Blekinge Counties (SE).

These networks of cooperation still operate in the Baltic Sea Region, involving the Baltic Countries (Estonia, Latvia, Lithuania), the Nordic Countries (Denmark, Finland, Iceland, Norway and Sweden), northern Germany, northern Poland and Russia's North-western regions. Similarly, the regional institutions and initiatives created in the 1990s are of particular importance and are still playing a central role in promoting and coordinating regional cooperation in the Baltic Sea Region. An example that deserves to be mentioned is the BEAR- Barents Euro-Arctic Region, founded in 1993 as initiative of the Norwegian Foreign Ministry that promoted cooperation among the North-European states to enforce peace and stability in the region. Environmental, cultural, educational and cooperation issues were tackled, establishing also a bilateral cooperation with Russia. BEAR was the stimulus for the elaboration and spread of the concept of Northern Dimension into the European programs after the accession of Finland and Sweden in the EU in 1995. The strategy for the

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<sup>9</sup>An administrative division or region in Russia and the former Soviet Union, and in some of its former constituent republics.

<sup>10</sup> Region of the **Neman** (or **Nemunas**, **Nyoman**, **Niemen** or **Memel**) river, the major in the Eastern Europe, that rises in Belarus, flows through Lithuania and drains into the Baltic Sea through Klaipeda (Lithuania).

Northern Dimension, developed by the EU Commission, was based on an analysis of the risks and opportunities that (the region) offered” (Riepula, E. 2006:2) to be taken into account in the EU decision-making process. In the 1990s, the Northern Dimension program affected also non-EU countries (Estonia, Latvia, Lithuania, Russian Federation, Poland, Norway and Iceland) whose geographical area was later affected also by the Commission’s “Action Plan for the Northern Dimension in the External and Cross-Border Policies of the EU 2000-2003”.

Today there are more than 70 different regional organizations in the Baltic Sea Region, mostly founded in the 1990s and of great importance even today, for example:

- The Council of the Baltic Sea States (CBSS): intergovernmental regional cooperation among the Baltic Sea Region states, Iceland, and the EU Commission, established in 1992

- The Union of the Baltic Cities (UBC): network of 100 cities that cooperate on political, economic, social, cultural and environmental issues

- Baltic Sea States Sub-regional Cooperation (BSSSC): political network for decentralized authorities, founded in Norway in 1993.

- The Council of Ministers of the Baltic States (BCM): established in 1994, it is an intergovernmental and regional cooperation between the Baltic states (Estonia, Latvia and Lithuania).

Besides those presented above, also the Nordic Council, the Baltic Sea Trade Union Network, NB-8 (Nordic-Baltic Eight: Denmark, Iceland, Norway, Finland, Sweden, Latvia, Lithuania and Estonia), or the Baltic Assembly deserve to be mentioned. The structure of these institutions remained almost unchanged for twenty years. These networks and collaborations are mostly established among intergovernmental regional cooperation bodies, groups representing business organizations, meetings of prime ministers, foreign ministers, secretaries of state, political directors of Foreign Ministries, external experts, Councils, parliamentarians, political and economic networks, cities, metropolitan cities, trade unions, public-private organizations (like ScanBalt, a public-private organization, clear example of bottom-up network of clusters, companies, research institutions and public authorities), Chamber of Commerce and so-on and so-forth.

Besides the organizations mentioned before, it is worthy to have an overview of the governmental structure of the Baltic Sea Region countries to understand which is the range of government layers involved in the governance processes. As mentioned before, “the degree of decentralization and the type of deconcentration occurring in the different member states inevitably shapes the relations between key actors within partnerships and determines the competences and composition of partnership itself”. Starting from this assumption, the

following description of governance architecture in these countries, will help in the successive analysis and assessment of MLG in the Baltic Sea Region.

- Denmark presents a three-layer government structure: state, regional and local level. However, there is no hierarchy between regional and local level. A Growth Forum allows public and private actors to meet in order to discuss among the growth opportunities in the regions. In spite of this, Denmark is experiencing a weakening of the regional level since lot of its functions have been centralized.

- Norway has a three-layer government structure and there is no hierarchy between the regional and local level. The county councils (regional level) are responsible for regional development and international issues.

- Sweden has a three-layer government structure: state, regions and local level but there is no hierarchy between regions and local levels. At regional level, the county councils are directly elected and are in charge for health care, public transport, cultural and regional development. Sweden has an “asymmetrical” system of governmental structure at regional level.

- Finland presents a two-layer government structure: state and local level. Municipalities built cooperation networks responsible for education, health care and regional development. Nowadays, there are 15 Centres for Economic Development, Transport and Environment, and 6 Regional State Administrative Agencies.

- Estonia has 227 municipalities with a mean number of inhabitants around 6000. Municipalities are directly elected for a 4 -year period. The country presents general purpose regional offices of county governor. Latvia has 118 municipalities headed by a directly elected council. Lithuania has 60 municipalities that receive additional national funding, but their sphere of financial allocation is quite limited.

- Poland has three layers of sub-national administration, namely: *municipalities*-responsible for primary education, public local transport, local spatial planning etc- *counties*: (or *districts- Powiat*) responsible for health care, social services, county roads etc- and *regions (or Voivodeship)*. The entry in the EU brought a balance of political power between the different layers of governmental

- In Germany, only the two Länder of Schleswig-Holstein and Mecklenburg-Vorpommern are part of the Baltic Sea Region. Being a federal country, the Länder have their own legislation.

Recently, a new type of governance that integrates governments, local government organizations, NGOs and business associations in the policy-making process has emerged. Its

implementation phase is developed by sub-national and non-governmental actors who started a collaboration in the frame of sustainable development and to respond efficiently to environmental problems. CBSS, for example, involved progressively more and more stakeholders in various policy sectors, from agriculture to transport, in an integrative Agenda 21 (become Baltic 21).

Transnational networks are regulated by another type of governance that does not directly involve national governments, since it is based mainly on self-organized networks of NGOs and sub-national actors. Bench-marking diffused to compensate the absence of hierarchy in these relations. Thanks to this approach to governance, that completely changed in the region, it seems that development has become more dynamic compared to other regions in Europe. In this frame, the Union of the Baltic Cities, and the Baltic Sea Chamber of Commerce Association, among the others are part of these transnational networks.

All these kinds of cooperation have the scope to direct common efforts towards shared objectives, taking their responsibilities for results. The main concern regards the enterprise of a path of sustainable development that prioritize the safeguard of resources. As mentioned before, the Baltic Sea Region hosts the 17% of EU's total population and it is a pool of common resources. It was realized that their safeguard and the related challenges and needs could not be afforded by the single nations with their national structural reforms and policies.

## **2.2- CROSS-BORDER AND TRANSNATIONAL COOPERATION IN THE BALTIC SEA**

### **2.2.1- A historical framing- the launch of INTERREG in the Baltic Sea (2000-2006)**

The launch of the INTERREG III Community Initiative (2000-2006) represented an important step towards the enforcement of this new system of Multilevel Governance in the Baltic Sea Region, that was preparing the area for the 2004 Eastern Enlargement. In those years, countries like Sweden, Finland and Denmark had just started building a sub-national layer of territorial cooperation within their political systems and others, like Poland and the Baltic States, were exiting the communist period and preparing to access the EU. Therefore, for this programming period, emphasis was put on the improvement of coordination and integration measures to guarantee the harmonization between INTERREG III and the external Community policy instruments (pre-accession programs like PHARE). The cooperation in these areas was characterized by unevenness due to geographical assets, socio-economic factors, traditions of collaboration and pre-existent networks of cooperation. After the

enlargement in 2004, the Baltic Sea Region experienced a fast economic growth due to the great amount of foreign direct investments (FDI) and the facility in accessing EU financing. But *“the new institutional environment created by the EU enlargement in 2004 has created certain advantages, as well as challenges for regional cooperation. The main challenges identified are innovation, demographics, education, entrepreneurship, and functioning as a single market. Ensuring the competitiveness of energy markets is also a high priority challenge. Priority areas for accessibility and attractiveness are transport linkages focusing in particular on sustainable transport modes. Finally, cross-border crime, safety at the sea, communicable diseases, energy dependency, adaptation to effects of extreme weather events on trans-boundary infrastructures, and reduction of the risk of oil spills, are of particular relevance for safety and security”* (Ketels, 2009, p. 104-105) (Zeibote, Z. (2011). In the Baltic Sea Region, there are several examples of INTERREG programs, covering both cross-border (strand A) and transnational (strand B) cooperation.

### **2.2.2- INTERREG Strand A- Cross-border cooperation**

In the context of the strand A, INTERREG IIIA covered very large areas like Sweden-Norway and Northern Countries (Sweden, Finland, Norway and Russia). Furthermore, the EU Commission decided to be active in the development of cross-border cooperation through the INTERREG “Latvia-Lithuania-Belarus”/ “South” Priority within the “Baltic Sea Region” INTERREG IIIB Neighbourhood Programme, and “Estonia-Latvia-Russia”/ “North” priority INTERREG IIIB. These priorities can be found in the strand B (transnational cooperation) but actually follow the principles of the strand A (cross-border cooperation). The objective of the Priority “South” was to use cross-border cooperation to facilitate the socio-economic development through the specific actions of creating new cooperation networks, projects and strategies involving different levels of the society, surpassing the physical obstacles of cooperation across borders. With the same criterion, the EU Commission established the “Estonia-Latvia-Russia” / “North” Priority. Here, the overall objective was to “achieve harmonious and sustainable development in the cooperation area by increasing welfare and economic competitiveness”. The intention was to involve public authorities in the cooperation area with the focus on the reinforcement of cooperation across Estonian and Latvian borders, to equilibrate and homogenize the level of development in these countries, surpassing the geographical development obstacles. Another important cross-border cooperation supported by the EU Commission was the INTERREG IIIA /Neighbourhood Program for Lithuania, Poland and the Russian Federation’s Kaliningrad region. The priorities here regarded

competitiveness and productivity growth unfolding the potential of cross-border infrastructures and cooperation in the economic, scientific and technological fields on one hand, and the socio-cultural one on the other hand.

The success of the strand A of INTERREG was determined mainly by the pre-existing cooperation networks and by their political, technical and administrative capacities, that resulted in the quality of existing legal frameworks conditions and the existence of cross-border structures. Therefore, these were a strong catalyst for the implementation of the INTERREG but, as seen before, in the Baltic Sea Region these aspects have been strong since the 1990s. The high quality of the strategic partnership was one of the strengths of the overall INTERREG III Strand A program. The factors that influenced mostly the positive result of cross-border cooperation have been:

- The joint and participatory preparation/elaboration of program strategies;
- The joint and participatory decision-making processes established at the program level
- The largely joint and decentralised management of the programs which was based upon a further formalization between the strategic partners involved.

### **2.2.3- INTERREG Strand B- Transnational cooperation**

Shifting the attention to the Strand B of INTERREG, it can be stated that the transnational cooperation was largely diffused in the Baltic Sea Region. This kind of cooperation between national, regional and local authorities was expected to promote territorial integration across grouping of regions that shared a view of sustainability and harmonious and balanced development. The priorities foreseen by the strand B in 2000-2006 programming period were:

- a. Spatial development strategies including cooperation among cities and between rural and urban areas with a view to promoting poly-centric and sustainable development;
- b. Development of efficient and sustainable transport systems and improved access to information society;
- c. Promotion of the environment and good management of cultural heritage and of natural resources, in particular water resources;
- d. Specific priorities:
  - ◆ Promotion of integrated cooperation of maritime regions and of insular regions. The cooperation may include bilateral cooperation actions;
  - ◆ Promotion of integrated cooperation and ultra-peripheral regions;
  - ◆ Neighbourhood programme priority topics.

Transnational cooperation generally plays an important role in the process of socio-economic integration in a territory characterized by a great vastness. Here, common issues are tackled, especially if they are of local, regional and national relevance and arising at macro-level (e.g. climate change, Europeanization or globalization). Since transnational areas can have both terrestrial and maritime dimension, this cooperation presents higher complexity and the importance of sustainable development emerges stronger. This is mirrored in the Baltic Sea Program itself focused on sustainable forest management, multi-sectoral planning for the sustainable management of river basins and fresh water resources, management of solid and hazardous waste, energy management, regional impacts on climate change, and an integrated management of the Baltic Sea coastal zones with sustainable use of the marine resources, and sustainable transport systems.

The Baltic Sea Program had a non-physical but visible impact on the territorial integration in a transnational area thanks to soft cooperation, namely thanks to the establishment of networks that allowed the exchange of concepts, knowledge and strategies. This proves how the INTERREG program strengthened the Multilevel governance structure in the region, and how soft cooperation presents more long lasting benefits. INTERREG allowed the construction of a thematically wide-ranging transnational problem solving structure in the region, unfolded in a variety of projects whose objectives aimed at enhancing the macro-level political concepts and processes in the Baltic Sea Region. Other steps were moved towards the creation of formal and informal networks and structures in the environmental and energy fields at the regional and sub-regional level in the BSR, and transport, with the creation of links with the new EU Member States and Neighbouring regions. To take stock, the strand B in the Baltic Sea Region involved partners at various levels, namely national, regional and local authorities, sector specific and other transnational organizations, involved in all the priorities, and in particular for “Research & Innovation”. Structured and institutionalized intergovernmental and community-level cooperation were established in the region to enhance the program problem-solving capacity. A degree of (non legal) formalization was also reached through the establishment of a “Committee on spatial development of the BSR”. At project level, the enhancement of pan-Baltic networks with specific cooperation focussed efficiently on the topics mentioned before.

## 2.3- BUILDING THE BALTIC SEA MACRO-REGIONAL STRATEGY

### 2.3.1- EU- strategy for macro-regional cooperation

Although the INTERREG III 2000-2006 proved its effectiveness in reinforcing cross-border cooperation in neighbouring regions, in the Baltic Sea Region it often resulted unfocused. The reason of this inefficiency can be found in the choice of the strategy measures, conducted at national level and on a preference basis instead of on a SWOT analysis. This was reflected afterwards in the implementation of projects that did not follow the same objectives and orientations, bringing to wrong or inefficient EU budget allocations. With hindsight, the creation of a wider “policy orientation framework” could have been an opportunity to enhance territorial coherence and cohesion in all the transnational area. Therefore, this was the reason why European Union elaborated the concept of macro-region in those years. What a macro-region implied was possible to be seen just from the year 2009, when the first strategy for the Baltic Sea Region was drafted. *“The term ‘region’ is normally used to denote a sub-national authority located between the national centre and local periphery, but it is also used to denote a space of varying size with economic, social and cultural significance (...); it can indicate the creation of intermediate entities among sovereign states and sub-national governments in order to jointly carry out certain activities”* (Gänzle, S. and Kern, K. (2016). *A 'macro-regional' Europe in the making. 1st ed. Palgrave Macmillan, p.75*). The idea of defining the Baltic Sea area as a region emerged from the pre-existent plethora of multilateral cross-border cooperation platforms, or Sub-regional groupings (SRGs)<sup>11</sup>. As provided in the previous cross-border and transnational relations overview, the Baltic Sea Region undertook its process of “Europeanization” thanks to the Eastern Enlargement in 2004. The Baltic Sea Region, common pool for sustainable development, started calling for a new integrated approach of governance that brought a radical change in the approach to the nation-state sovereignty. Power, authority and legitimacy<sup>12</sup> were gradually transferred upwards to international and supranational institutions,

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<sup>11</sup>Sub-regional cooperation is defined as a process of regularized, significant political and economic interaction among group of neighboring states between national governments, local authorities, private business and civil society actors across a wide range of issues.

<sup>12</sup> Power and authority stay at the bottom in whatever relation among different actors and stakeholder in the decision-making process. Power embodies the capacity of bringing about changes in relation to the stakes of the game the various actors have to face when they enter in relation with one another. Power is not the same for all the actors, but it depends on their resource endowment, knowledge, and the context in which they operate. Actors can find a way to affirm and strengthen their position, to achieve goals that they consider important, somehow justified, and thus legitimated. The concept of authority represents a recognized right to act. Authority can be embodied by a person or an institution, and it means that the power to decisions is accepted by the actors who legitimize it, and that submit to those decisions. Power and authority can be distributed and enacted with

and downwards to sub-national actors, public-private partnerships, NGOs and to civil society actors. Accession in the EU led to a modification of the pre-existent relations through the abolition of some entities and the reconfiguration of others. However, all the SRGs contributed to the EU pre-accession process thanks to the efforts towards the achievement of baseline conditions for engagement, stabilization and security-building. Some groups -CBSS in particular- helped transferring the accession-related know-how to those countries that were approaching the entry in the EU. Thus, it is possible to state that the sub-regional cooperation has been an important tool to spread the process of Europeanization. This network of sub-regional cooperation has never been static but, despite of this, it still exists and continues to have agendas that foresee the same soft- cooperation objectives and activities entailed by EU macro-regions. The INTERREG- Community funding Initiative- started allocating grants directly to these particular cross-border network structures or “Euroregions” (like Euroregion Baltic or Euroregion Nemunas).

The European Commission stated that: “A macro-region refers to an area including territory from a number of different countries or regions associated with one or more common features or challenges” (European Commission, 2009:1). It can be asserted that this kind of region is created on a social and functional way and, although historical and cultural commonalities can be present, they are not the pillars on which the region is constructed. Furthermore, macro-regions are built around a common regional sea, mountainous area or river system that goes beyond the territorial frontiers and their main scope is to address common challenges to achieve economic, social and territorial cohesion. This concept is based on five principles which aim at:

1. Integrating existing policy frameworks, programs and financial instruments;
2. Coordinating sectoral policies, actors or different tiers of government;
3. Cooperating between and within countries and sectors;
4. Involving policy-makers at different levels of governance;
5. Creating partnerships between EU member states and non-member countries.

(European Commission, 2013a)

Macro-regionalization can be defined as a process that brings to the construction of a transnational and functional space among administrative regions, municipalities, sub-national authorities that need to face together common issues. Compared to previous attempts for territorial cohesion and European integration, it seems that the “macro-region” is the best

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different approaches. In the “old governance” approach, power and authority were distributed mainly in a hierarchical way. The new governance, or MLG, allows the creation of networks that involve a plurality of actors. In this way, power and authority are not distributed in a linear way: the interaction among different actors increase the complexity in the provision of a universally accepted definition of governance.

approach that allows to move among policy sectors and through the vertical and horizontal relations. For this reason, it is possible to state that, whatever strategy elaborated at macro-regional level is well embedded in the concept of Multilevel Governance, interpreted from a multilevel, multi-actor and multi-sector perspectives.

Macro-regions are defined by the EU Commission as “regional blocks for EU-wide policy” since they group Member States’ policy approaches into a superior EU coherent structure. Although the borders of the regions are formally defined, boundaries de facto move according to the policy-spheres tackled time per time. Hence, Macro-regions foster the transnational perspective in matter of transportation, economic development, environment, infrastructures that need a wide-view approach. They simply make large use of already existing institutional structures in a more coherent, comprehensive, coordinated and cross- sectoral way. “Rather than barriers, borders are increasingly being redefined as bridges, communication channels and areas for joint action and collaboration (OECD, 2009).

Sometimes, the EU level is not the most proper one to provide a prompt and proper response to certain issues. For this reason, macro-regions seem to be the best solution to undertake a policy rescaling in favour of new regional arrangement. Moreover, macro-regions tend to reduce transaction costs, employing resources to reach better policy-outcomes. Anyway, macro-regions are not formally instilled from the inner side but, on the contrary, they have been top- down defined by the EU, making reference to the Lisbon Treaty predicting territorial, social and economic cohesion (Art. 174: “*In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions*”). Thus, these regions started unfolding their potential to respond to an increasing European heterogeneity; this phenomenon was even more evident in the Baltic Sea, since old and new members were facing their new interdependence for the first time. Analyzing the states in the macro-region, it is possible to detect some technical features depending on endogenous factors like:

- Biophysical characteristics that constitute common pool resources in need of a common frame of governance;
- Previous macro-regional interrelations, based on historical and cultural paths. It has to be remembered that the Baltic Sea Region, for example, has been counting on cross-border and transnational interrelations since the Hanseatic times;
- Bottom-up initiatives of sub-national authorities, municipalities and civil society organizations encompassing the entire area with their actions. Sometimes, institutionalized

regions within the Member States can exploit the potentialities of macro-regions to foster their para-diplomatic activities.

Macro- regionalization can be justified as an EU strategy whose aim is to reach territorial, economic and social cohesion and that inevitably raises the debate on the role of the nation state, whose sovereignty seems to be somehow compromised. Thus, it is possible to employ some theories that try to clarify the European integration process that “is creating new territorial boundaries for some purposes but not for others so that, while states may be losing their old monopolies on power, this does not necessarily herald the emergence of an integrated space to replace them. Europe is not so much suppressing state borders as changing their meaning and impact, so that we are seeing a partial territorial unbundling that affects various social, economic and political systems differentially (Keating 2009, p.38).

The EUSBSR is supposed to implement policies in different areas that seem to be strictly interconnected to one another with the scope to achieve the Lisbon Treaty’s territorial cohesion objectives. Starting from this assumption, different conceptions can be mobilized in an attempt to provide the best theoretical basis for the definition of functions and relations in a macro-region. Firstly, considering a neo- functionalist perspective, the functional cooperation towards specific policy arenas can be justified by the idea of “functional spillover” according to which the process of integration engages in a self-perpetuating cycle. Macro-regions are able to better face negative externalities to exploit the positive ones that spill naturally from one policy sector to another. This approach makes sense if the EU Commission is seen as acting among actors who put their efforts together to seize opportunities and get common benefits. But from an intergovernmental point of view, it could be stated that instead of acting for common benefits, nation states are more inclined to build up a region to seize national opportunities and interests. Thus, negotiation finds a compromise in the cooperation under one institutionalized umbrella, only if the benefits surpass the costs. In this case, only an additional institutional layer should guarantee states’ sovereignty, calling for the neo-institutionalism theory. Institutions emerge and grow so fast, creating new layers of governance that can be just temporary solutions, although they embed command and control functions. Institutions encompass not only formal structures but also informal costumes, relations based on trust and different ways of doing things. Thus, in the light of neo-institutionalism, it can be said that the process of macro-regionalization is based on the accumulation of knowledge among national and sub-national authorities in a defined geographical region, underlying the social impact of repeated patterns of interaction. Lastly, since macro-regions are not naturally defined, constructivism helps explaining the cultural

and historical aspects that shape a common identity related to geographically defined area. In this perspective, macro-regions would become only social constructions.

### **2.3.2- EUSBSR- European Union Strategy for the Baltic Sea Region**

The Baltic Sea was the first region in Europe to experience the launch of a macro-regional strategy in 2009. The EUSBSR tackles 8 EU member states- Denmark, Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany (Hamburg, Schleswig- Holstein, and Mecklenburg Vorpommern) and two extra-European partner countries, namely Norway and the Russian Federation (Kaliningrad region). According to its structure, it can be conceived as an internal strategy of the EU, launched in the European Parliament by a Euro-Baltic Intergroup composed by BSR member states in 2005. The primary scope of this intervention was to enhance the potential of the Baltic States as European pillars in the “Northern Dimension”. On this line, the European Commission was able, afterwards, to draft an Action Plan that reflected the opinion and expectations of the public in the region. This core aspect of the EUSBSR is perpetuated each year thanks to the Annual Forum for the EUSBSR<sup>13</sup> that functions as a platform for policymakers and stakeholders that have a chance for networking, exchanging knowledge and discussing.

The main characteristic of the Strategy is its “three NOs rule”, that consists in:

1. *Not creating new institutions.* As it is known, before the establishment of the EUSBSR a plethora of institutions, defined as sub-regional groupings (SRGs) already existed in the region. For this reason, it was thought that the creation of a new administrative layer would have not been effective in aligning and coordinating strong consolidated entities. Therefore, the Strategy was expected to be supported by a multilevel, multi-actor and multi-sector governance approach. Furthermore, the EU Commission stated clearly its impossibility of managing directly the Strategy, due to a lack of resources;
2. *Not generating new legislation.* This means that the strategy has to be implemented only through regularly updated action plans that act as guiding principles for the Member States’ own legislation.
3. *Not leading to new plans of funding,* although the 2005 EU Commission President José Manuel Barroso had suggested to allocate part of the Cohesion Policy grants to the Strategy itself, creating its own mechanism of financing. The emphasis was put instead on the need of

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<sup>13</sup> The EUSBSR Annual Forum was held in Tallinn (2010), Gdańsk (2011), Copenhagen (2012), Vilnius (2013), Turku (2014), Juuřmela (2015), Stockholm 2016 and Berlin 2017.

better coordinating the existing resources available in the Baltic Sea region, coming from EU programs (like INTERREG), National and sub-national resources. This approach led to “focused agreements” for coherence and coordination among the actors, empowering the local level.

The EUSBSR Action Plan is the core of the strategy itself and was built as a “rolling plan”, whose content could be continuously updated on the base of lessons learned. As an example, the four pillars that had been established at the beginning (to improve the environmental state of the Baltic Sea, to promote more balanced economic development in the region, to make the region more accessible and attractive, and to make it a safer and more secure place) have been now condensed into three objectives:

1. Save the sea
2. Connect the region
3. Increase the prosperity.

The joint efforts enacted to reach these objectives resulted in a range of bilateral and multilateral strategic alliances, networks and partnerships, often overlapping in nature and scale (Scott, 2002). These have contributed to the process of Europeanization, spreading various policy concepts and norms both within and beyond the EU boundaries. The objective stated before can be reached only through territorial cooperation programs. To take stock, the process of macro-regionalization was initiated because of a lack of effectiveness and focus of the INTERREG III, but this Community Initiative was de facto the only practical tool to reach the EUSBSR objectives for sustainable development.

### **2.3.3- Building MLG in the EUSBSR**

The most important thing now is to detect what is the real impact of the macro-region on the entities involved, in terms of multiannual programming, building partnerships and networks. Approaching the Multilevel Governance Theory should help analyzing these principles and those processes of political mobilization (politics dimension), policy-making (policy dimension) and change of polity (polity dimension) affecting the EUSBSR, that result in the “permeability and fluidity between institutions, internal and external policymakers and policy-takers” (Piattoni, 2009-2010). This analysis can be conducted in a three- axes space of mobilization, namely international cooperation, sub-national articulation and transnational mobilization.

1. Starting from the process of *political mobilization*, it is important to analyze who are the first “movers”, that in the EU are usually nation states willing to intervene in specific

policy areas. What emerges in the Baltic Sea macro-region is that, being found on a consolidated network of cross-border and transnational cooperation, the political mobilization can be initiated by both governmental and non-governmental actors at different jurisdictional levels. Thanks to this latter aspect, MLG bypasses the limits dictated by the theories of neo-functionalism and inter-governmentalism and the related role of the nation state. The mobilization from different jurisdictional levels instils a perpetuating cycle of actions and reactions that give rise to always new governance patterns. This is supported also by the first rule of the EUSBSR of “NO new institutions”. In this way, those institutions that encompass formal structures on one hand, but also informal costumes and relations based on trust on the other, can be reinforced.

2. As regards to *policy-making*, the variety of actors at sub-national, national and supranational levels, governmental and non-governmental in the BSR give rise to always new governance patterns, intended as processes of consultation and decision-making procedures. These underline the multilevel nature of the EUSBSR. The main scope of a macro-region is to coordinate and implement a number of interconnected policies, previously pursued separately according to the societal needs to reach a more coherent sustainable development. Anyway, evidence shows that the EUSBSR is more law-shaping than law-making (Schymik, 2011,17).

3. Taking into account *polity level or institutional set-up* of the BSR Member States, it is necessary to make reference to the MLG Type I and Type II theorization<sup>14</sup>. After an attentive analysis of the main features of the strategy, what emerges is that the BSR presents the characteristics of both these types of governance. The motivation resides in the fact that a macro-region is multilevel in nature. In the Baltic Sea Region, this multilevel and multi-actor approach emerges particularly as heritage of a consolidated network of cooperation (SRGs-sub-regional grouping organizations) that found an opportunity to embed their functions and activities in a wider strategic and institutional framework in the EUSBSR. The BSR still counts on the presence of important organizations operating trans-nationally; several organizations like the Council of the Baltic Sea States (CBSS), HELCOM (Baltic Marine Environment Protection-Helsinki Commission), and VASAB (Vision and Strategies around the Baltic Sea) participate actively in the EUSBSR as Policy Area Coordinators or Horizontal Area Leaders. Since each Policy Area is coordinated by administrative managers from different member states and organizations, the outcome of the strategy delivery is completely based on the willingness and capacity of these actors to allocate resources and to perform their

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<sup>14</sup>Type I MLG: hierarchically nested general-purpose political institutions. Type II MLG: overlapping single purpose functional jurisdictions.

functions. Moreover, each undertaken action is also coordinated and monitored by a network of National Contact Points (NCPs).

*Thus, is this Multilevel Governance approach a key success achieved in the EUSBSR, that was able to formalize the integrated and coordinated governance between regional and local authorities, sectors of society, civil society organizations, and private business?*

### **2.3.4- INTERREG programs and the development of a MLG architecture: Remarks**

In an increasingly interconnected Europe, in which borders progressively lose their importance bringing people together, cross-border cooperation is the natural response to the challenges arisen by Europeanization. As mentioned before, border regions have always been considered as marginalized and peripheral in their own nation states, suffering even a lack of legislation. Besides numerous challenges, Europeanization brought also new opportunities for states and regions that recognized the strengths of cooperation to get results that nation states could not reach alone. Therefore, the right path seems to be the progressive elimination of national frontiers, favouring a high interconnection that bypasses political and cultural barriers. Furthermore, the closeness of actors located in geographically neighbouring regions, along a common border, facilitates first of all the economic interrelations reducing transaction costs, stimulating interpersonal and inter-organizational contacts, and helping the emergence of trust between actors. Along many borders, cooperation could build on the existence of common historical and cultural ties and/or on shared interests related to territorial development. Therefore, these regions became progressively “new centres” in the periphery, denoting even sub-national authorities, located between the national centre and the local borders. In this context, the concept of regions emerges denoting a process that gives them more prominence. Actually, the emergence of regional bottom-up initiatives, regional responsibility, accountability and sense of ownership emerged with the Reform of Structural Funds (1988), spreading the concept of Multilevel Governance.

This premise is fundamental for this research, whose desire is to detect if and how the INTERREG program has contributed to the construction and reinforcement of a multilevel governance architecture in the Baltic Sea Region. INTERREG has developed in three strands, but here only the ones of cross-border cooperation and transnational cooperation will be taken into account. Cross-border cooperation operates at regional level and is a theme that has always been fundamental for the EU since 1957, when the Treaty of Rome introduced the importance of territorial cohesion for the development of the Union. But cross-border and

transnational cooperation have always been precious also for the Baltic Sea Region, whose development burst after the fall of the communist regime in 1990s. As already presented in this chapter, the EU started supporting cross-border cooperation concretely in 1989 with the first INTERREG Community Initiative. In the Baltic Sea Region, cross-border cooperation evolved from different NGOs and networks of civil society organizations, and different levels of public authorities, that built their relations on a multi-level approach to governance. Just later on, INTERREG reached the region (2000-2006 programming period).

To provide an answer to the research question, first of all it has to be stated that the INTERREG program needs a multilevel, multi-sector and multi-actor approach to exist, thus a Multilevel Governance architecture is intrinsic in the tools adopted, in general, by the EU Cohesion Policy. Considering the specific case of the Baltic Sea Region, this question is quite tricky if it is considered the fact that the emergence of a multilevel approach to governance (1990s) came before the formal launch of the INTERREG program in the area (2000-2006). But, tacking the stock from the evolution of paths of cross-border and transnational cooperation overview, it is evident how the INTERREG programs contributed to both horizontal and vertical forms of mutual learning, reinforcing also the EU horizontal and vertical levels of policy making. This means that actors, at national and sub-national levels, try to influence the upper EU levels through new ideas of policy making, importing and applying, at the same time, EU practices to the local level. This is an archetypal of Multilevel Governance, involving the EU Commission, nation states, local and regional authorities, and a variety of NGOs.

The first INTERREG programming period 2000-2006 resulted to be unfocused and dispersive. For this reason, in those years it emerged the concept of macro-regionalization. Specifically, the Baltic Sea Region experienced an increasing presence of “Europe” in the area, becoming itself a “little Europe”, complete of all the interrelations, formal and informal governance path that were present at supranational level. Therefore, it can be stated that the Multilevel Governance archetypal was somehow formalized through the process of macro-regionalization and the launch of a European Union Strategy for the Baltic Sea Region in 2009.

INTERREG, installed on a pre-existent framework of cooperation, reinforced the MLG architecture in the BSR mobilizing actors. However, it seems that the EUSBSR provided a sort of guideline that directed the actions foreseen by the INTERREG programs towards the achievement of common objectives. In fact, the main role of the EUSBSR is to coordinate the funding initiatives (like INTERREG) in order to better address the challenges in the region. This has also been a good response to the first INTERREG period in the Baltic Sea (2000-

2006) that resulted too dispersive and in need of a better integration. *“This means that for the implementation of the EUSBSR to be successful, the key-actors need not only to be able to identify and address gaps within their thematic area of the strategy and address those by means of projects but also, be able to navigate in the multilevel governance system of the region, as well as to have a good overview on the 2014-2020 programming period in order to attract the funding required. This call for capacity building for actors involved in the implementation of the Strategy” (EUSBSR p. 157).* This is the reason why the strategy foresees the horizontal action “Capacity” to make stakeholder reinforce their competences, network leadership and use MLG as a guiding principle to meet the objectives at macro-regional, national, regional and local levels.

To summarize, the EUSBSR is an initiative that formalizes and reinforces the Multilevel Governance architecture in the Baltic Sea Region. It is possible to state that analyzing the structure of the EUSBSR, and its 3 “NOs” principles: the strategy does not present itself as a new legislative structure nor as a new institution. Its main purpose is to create a frame that can be intended as guide line for the territorial cooperation programs, INTERREG in this case, and that the member states can adjust to their own national priorities. In this structure, INTERREG impacted greatly on the Baltic Sea Region, providing resources and creating always new local, regional, national and European transnational networks. It contributed to both horizontal and vertical forms of mutual learning, reinforcing also the EU horizontal and vertical levels of EU policy-making. Furthermore, INTERREG is able to translate the EUSBSR principles into concrete actions thanks to its project-based approach. Important, in this sense, are also the EUSBSR flagships.<sup>15</sup>

Reinforcing the MLG architecture, the Strategy and the INTERREG programs are able to strengthen openness and participation. The Council of the EU calls *“the Commission and the Member States to actively support the multilevel governance approach recognizing the potential substantial contribution from all levels of society in implementing the macro-regional strategies” (EUSBSR, p. 156).* This makes it possible to exploit the full potential of

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<sup>15</sup> Flagships demonstrate the process and progress of the EUSBSR and may serve as pilot examples for desired change. A flagship is frequently the result of a policy discussion within a policy area or horizontal action. It fleshes out the ambition of a policy area or horizontal action in a specified field. It may, for example, develop key solutions, new methodologies, practices or a network looking for new forms of cooperation. Flagships may also concern key investments of regional importance.

A flagship is either: a single project; a set of projects (a group) contributing to the same action; a process (e.g. network, new cooperation platform, etc.). The label of a flagship can be given to a project/process that fulfils the following criteria:

1. it has a high macro-regional impact;
2. it contributes to meeting the objectives, indicators and targets of the EUSBSR;
3. it is related to the implementation of one or more actions of the policy area/horizontal action concerned.

(Annex to the Action Plan for the EU Strategy for the Baltic Sea Region- Ongoing and completed flagships of the EUSBSR- April 2017)

the region and to make the strategy to be fully in line also with the EU2020 long-term growth strategy. In this perspective, EU operates a rescaling of spaces, identities, rights, and powers to promote an effective EU integration, since EU itself, as supranational institution operates at a level that is not always suitable to meet satisfactory solutions to common local challenges.

This last assumption prepares the ground for the next chapters that will show how the Multilevel Governance approach is applied in practice. The focus will be shifted then to “Euroregion Baltic”, a Non-governmental organization founded in 1998, institutionalized as Euroregion. The final scope of this research, in fact, is to detect whether and how the INTERREG program has contributed to the development of a multilevel governance architecture in the Euroregion Baltic, and it aims at tracing how the participation in the INTERREG program has enhanced the involvement of local and non-state actors and civil society in developing sustainable development policies at local level.

## **-Chapter 3-**

# **EUROREGION BALTIC: OVERLAPPING GOVERNANCE ARCHITECTURES**

### **3.1- INSTITUTIONAL AND GOVERNANCE SETTINGS**

This chapter focuses on the Euroregion Baltic (ERB) to analyze if its participation in the territorial cooperation programs, in this case INTERREG, has helped strengthening a Multilevel Governance architecture in its frame against the aforementioned criteria (programming, partnership and networks). There has been an attempt to answer this question in more general terms in the previous chapter when, analyzing the Baltic Sea Region, it emerged that after the Eastern Enlargement and with the possibility to receive EU grants, the already existent multilevel approach to governance got reinforced. As shown before, the EU support comes from the Community Initiatives and programs for territorial cooperation/cohesion and in particular from the structural funds (ERDF, SF, Cohesion Fund). Euroregion Baltic has been chosen as core of this research because it is a well-anchored cooperation in the Baltic Sea, acting as political and lobbyist organization. The fact that it is a political organization and that can thus play an important role delivering sustainable development policies at local level, can help in this study. ERB will be then analyzed from a historical and structural point of view, being a project-based territorial cooperation network, and being one of the initiators of the INTERREG South Baltic Program.

The previous chapter tried to delineate the evolution of territorial cooperation in the Baltic Sea Region, par excellence example of entity that tried to homogenize its territory to deliver better sustainable development policies. Despite its effectiveness in “formalizing” a MLG architecture, it has been said that macro-regions do not have self-financing means, they cannot create new institutions as well as new policy layers. Furthermore, it is immediately clear that the formulation and implementation of vast scale policy measures is a huge challenge. However, before the process of macro-regionalization, the BSR somehow formalized cross-border cooperation, thus a more concrete and low-layer kind of territorial cooperation.

But coming back to governance, it is possible to state that the EU Strategy for the Baltic Sea Region -that followed the institutionalization of the first European Macro-region- in a certain sense has formalized Multilevel governance also in ERB, especially thanks to the advantages brought by INTERREG program. It has to be remembered that ERB was established in the 1990s when territorial cooperation evolved from a system mainly based on bilateral relations to the institution of Euroregions. So, on 22<sup>nd</sup> February 1998 in Malbork, representatives of regional and local authorities of border areas of 6 Countries (Poland, Denmark, Sweden, Latvia, Lithuania, and Russia) signed the agreement for the establishment of Euroregion Baltic. This was the first Euroregion to formally include a Russian partner (Kaliningrad Region) and to give value to pre-existent networks of cooperation.

Euroregions are administrative-territorial structures whose scope is to promote cross-border cooperation among local or regional authorities across common shared borders. Their main characteristic is to have availability of financial resources and an integrated structure that tackle different issues, improving citizens' living conditions. But, a premise is needed: territory is a crucial element in the modern state since the function of the latter is reflected in the functions assigned to its borders (Knippenberg 1999). Borders can unite or separate. Furthermore, in the last decades, European nation-states assumed greater responsibilities, and their boundaries functions evolved in such a way that they started requiring some formal definitions, especially in the cross-border interrelations. The latter, often defined as "transfrontier cooperation" within the Council of Europe, was defined in the Practical Guide to Transfrontier Cooperation as "a form of cooperation within cross-border service and employment areas traversed by all kind of flows". Common identity, proximity and mutual interests became the pillars of this kind of collaboration. Transfrontier cooperation finds a definition also in the so-called Madrid Convention<sup>16</sup> as "any concerted action designed to reinforce and foster neighbourly relations between territorial communities or authorities within the jurisdiction of two or more Contracting Parties".

The name "Euroregion" was born with the first (and still existing) cross-border regional cooperation "Euregio", founded in 1958 between Germany (Gronau) and the Netherlands (Enschede). The term "region" comes from the Latin *rege* which has the meaning of "marking a territory". Marking, however, does not mean governing. This is evident in the

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<sup>16</sup> The European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (ETS No.106) was opened for signature by the member States of the Council of Europe, held in Madrid, on 21 May 1980. It became effective on 22 December 1981. Thirty-three states ratified it and another three signed it. The so-called Madrid Convention was the first step towards cross-border cooperation structures based on public law. "The Outline Convention includes twelve articles. To allow for variations in the legal and constitutional systems in the Council of Europe's member States, the Convention sets out a range of model agreements to enable both local and regional authorities as well as states to place transfrontier cooperation in the context best suited to their needs" (CoE 2006). (Lepik, K. 2009: 269).

characteristics of these euroregions that have no political powers and whose work does not entail any legislative or governmental assumptions. On the contrary, competences in euroregions derive from their constituting local and regional authorities (CoE, 2005). The development of this kind of cooperation is based on a general legal framework for cooperation stated in documents adopted by the Council of Europe. As mentioned before, the Madrid Convention of 1980 plays an important role in the definition of euroregions, providing a legal framework for bi- and multinational cross-border cooperation agreements. An additional protocol to the European Outline Convention on Transfrontier Cooperation between Territorial Communities of Authorities (ETS No.159) was opened for signature by states which signed the Outline Convention in Strasbourg on 9<sup>th</sup> November 1995. It finally entered into force on 1<sup>st</sup> December 1998 and allowed territorial units to form cross-border cooperation organizations. A Second Protocol was then opened to signature in 1998, according to which the territorial communities or authorities have the right to engage in inter-territorial activities and agreements, namely to undertake international commitments, according to their statutes, and in line with national laws. An important role in the establishment of Euroregions has been played by AEBR- Association of European Border Regions.

Euroregion Baltic was the result of a Polish initiative that brought the Polish Government and the local authorities in Elbląg<sup>17</sup> to meet together in a conference held in the Malbork Castle on 28<sup>th</sup>-1<sup>st</sup> March. Representatives of four Polish regions (Elbląg, Gdańsk, Olsztyn and Słupsk) and of Kaliningrad Oblast (RU), Sweden (Blekinge region) and Latvia (city and district of Liepāja) took part in the event establishing a new Euroregion, the first that formally includes a Russian partner. The initiative was the result of a set of actions undertaken by the Polish government between 1991 and 2003 that supported the institution of sixteen euroregions with the scope of reinforcing neighbourly relations. As introduced before, Euroregions are only “marked territories” without any legal or governmental basis. Thus ERB, among the others, has not had a legal status and has not been able to apply for EU grants until the year 2007 when EU gave the possibility to euroregions to get a legal status in line with the 1082/2006 regulation on “European Groupings of Territorial Cooperation, EGTC”. Euroregion Baltic is one of the largest euroregions with eight member regions from five countries, and it includes:

Poland- Warmian-Masurian Region, Pomeranian Region

Denmark- County of Bornholm

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<sup>17</sup> Stowarzyszenie Gmin RP Euroregion Bałtyk- Association of Polish Communes Euroregion Baltic

Sweden- Kalmar, Kronoberg and Blekinge regions

Lithuania- Klaipeda region

Russia- Kaliningrad Oblast

In the beginning, also Latvia took part in the Euroregion, enlarging its partnership in 2002 but deciding to withdraw completely in 2006 after a long period of inactiveness.

Euroregion Baltic is a project-based cross-border cooperation formed by :

- ERB Council (formed by 8 members from each of the 8 counties/regions, plus a Youth Board.

- YOUTH BOARD (8 members)

- ERB BOARD/ President- the board is also presided by eight regional representatives and by the Youth Board. The presidency rotates each year among the countries that take part in the Euroregion. Furthermore, the board comprehends different Working groups tackling various topics.

- WORKING GROUPS:

- Innovation/ SME
- Rural Development
- Tourism Development
- Transport Infrastructure
- Social Dimension
- Water Forum
- Energy Forum
- Kaliningrad environment
- People-to-people Cooperation

- INTERNATIONAL PERMANENT SECRETARIAT: it was established in 2004 since the cooperation within Euroregion Baltic was rapidly developing, involving more and more partners and undertaking numerous initiatives. Thus, the debate on the possibility of establishing a joint secretariat brought the Association of Polish Communes, sited in Elbląg, to apply and to get the opportunity to host the Euroregion Baltic International Permanent Secretariat (IPS). This step introduced also a system of membership fees, with the possibility for the IPS to become semi-independent inside the Association of Polish Communes. The need of establishing an International Permanent Secretariat was the output of the Danish presidency's strong commitment in 2003, whose goal was to have a stronger external profile and lobbying function. The Annual Board meetings in Brussels, the adoption of position papers and improved visibility towards the EU and national institutions have been important achievements after these efforts.

The most important pillar of ERB is its *Joint Development Program*, result of a programming process initiated by the Swedish presidency in 2001 and concluded in November 2005, with the contribution of important projects like ERB 2002+, Seagull DevERB and Seagull II. The approval and implementation of ERB 2002+ project helped revise the ERB Statutes and opened a discussion on a common vision for the future. Later, in 2002, the three-year project Seagull DevERB was submitted and approved, receiving 1.2 MEUR from the Baltic Sea Region INTERREG IIIB Program. The overall objective of Seagull project was to draft a Joint Development Program for social, environmental and cultural sustainability in the region, territorial cohesion, economic growth and competitiveness. The project foresaw a partnership of 34 organizations led by Kalmar Region (Sweden). Seagull was the first project submitted under INTERREG program and gave a great contribution in preparing the path to strengthen partnership within ERB, opening the dialogue between representatives of national and regional administrations in ERB member countries, representatives of EU institutions, politicians from ERB member regions, business and science representatives and other Baltic organizations. Therefore, ERB developed as a sort of consortium organization attended by local authorities, research institutions and non-governmental organizations. Partnership in the Joint Development Program was composed as follows:

- Regional Council in Kalmar County (Sweden)
- County of Bornholm (Denmark)
- Agricultural Development and Innovation Centre, Bornholm (Denmark)
- Centre for Regional and Tourism Research (Denmark)
- Trade and Industry Development Council of Bornholm (Denmark)
- Kronoberg County Council (Sweden)
- Association of Local Authorities in Kronoberg County (Sweden)
- Region Blekinge (Sweden)
- County Administrative (Sweden)
- Board of Blekinge (Sweden)
- Lyckeby Small River Water Association (Sweden)
- County Forestry Board Blekinge East (Sweden)
- Municipality of Karlskrona (Sweden)
- Emmaboda Municipality (Sweden)
- Lessebo Municipality (Sweden)
- Technical department of Nybro Municipality (Sweden)
- Municipality of Växjö (Sweden)

- City of Kalmar (Sweden)
- Baltic Business School (University of Kalmar- Sweden)
- Blekinge Institute of Technology, External Relation Office (Sweden)
- Baltic Sea Coastal Planning Region (Latvia)
- Klaipeda County Governor's Administration (Lithuania)
- Association of Communes of Republic of Poland of Euroregion Baltic (Poland)
- Office of the Pomeranian Region President (Poland)
- The President's Office of the Warmia-Masurian Region (Poland)
- Association of Municipalities of Kaliningrad Region (Russia)
- Soft Center International AB (Sweden)
- Municipality of Oskarshamn (Sweden)
- Municipality of Västervik (Sweden)
- Municipality of Alvesta (Sweden)
- Municipality of Ljungby (Sweden)
- The Municipality of Uppvidinge (Sweden)
- The Municipality of Älmhult (Sweden)
- E-bygd i Gränsland (Local Action Group) (Sweden)
- The Municipality of Torsås (Sweden)

Afterwards, the meetings foreseen in the project were articulated into five working groups, or "clusters", dealing with rural development, water management, transport, labour market cooperation, and communication and information strategies, that can be found in the 2005-2015 Action Plan.

As shown by the partnership, Seagull-DevERB project was launched in the member regions of Euroregion Baltic (ERB) -Kronoberg, Kalmar and Blekinge Counties in Sweden, Regional Municipality of Bornholm in Denmark, Kurzeme Planning Region in Latvia, Klaipeda County in Lithuania, Kaliningrad Region of the Russian Federation, and Pomeranian and Warmian-Masurian Regions in Poland- with the scope of fulfilling the structural gaps and imbalances among them. Thus, the foundation of ERB in 1998 was a first step towards the creation of a long-term cooperation across borders in this northern region, based on network building and knowledge exchange for sustainable development.

The Joint Development Program was mainly focused on water management, a field that clearly needs cross-border cooperation to ensure water quality, supply and protection for the final Baltic Sea safeguard. The vision of Seagull DevERB project was: "In 2015 the ERB will be a region characterised by growing prosperity and good living conditions for the

citizens. The region is internationally recognised as a front runner in sustainable growth and the integration of old and new market economies, characterized by real social and regional cohesion”. The strategy figured out with the Seagull Project, as said before, framed four working areas for competitive business environment, transport infrastructure, social dimension, and environment and energy policies. Among these priorities, decrease of unemployment rates, reduction of sub-regional labour market imbalances, sustainable environmental and energy policies are just some of the objectives that ERB aimed to achieve with its action, using the JDP Action Plan as reference framework for projects development. Anyway, the main thought of Euroregion Baltic was to become a political lobbyist organization in the national and European scenario. Consequently, a long-term development Strategy and an Action Program were finally produced as important outputs in the Joint Development Program. These accomplishments were carried on by the International Permanent Secretariat in 2004 through the presentation of a new application under the *Baltic Sea Region INTERREG IIIB Seed Money project*. This Seed Money project was implemented from November 2004 to February 2005 with the subsequently aim to submit the new Seagull II project in March 2005. The latter, led by the Association of Polish Communes in Elbląg, had the scope to strengthen the institutional capacity of Euroregion Baltic, focusing on the establishment of reference networks based on the eight ERB Joint Action Program’s main. Moreover, a series of training seminars for the reference networks, trainings on the main EU policies and programs, as well as on project implementation and management accompanied the development of human resources and the establishment of a new bench-marking system. (ERB manual 2005:24)

From this section, it has clearly emerged that Euroregion Baltic counts on a well-structured Multilevel Governance architecture, visible in the principles of programming, partnership and networks. As mentioned before, ERB developed a medium-long term Joint Development Program, based on a strong partnership built through several “structural projects” with the scope of generating thematic reference networks. But this MLG is not univocal since in the same geographical and administrative area there are different but somehow similar structures competing, overlapping, completing and reinforcing each other. This will be clarify in the rest of the chapter.

## 3.2- PROGRAMMING: JOINT DEVELOPMENT COOPERATION STRATEGY

### 3.2.1- ERB programming

As mentioned before, in 2005 Euroregion Baltic adopted the so-called Joint Development Program with a medium-long perspective, focusing on the four main areas of competitive business environment, transport infrastructure, social dimension, and environment and energy policies. The following session describes them more in depth.

1. *Competitive business environment*: the strategic focus in this frame is on sustainable economic growth addressed particularly to business sector, rural economy, and tourism. First of all, ERB undertook an ERB-wide Triple Helix network,<sup>18</sup> a cooperation between universities, politicians/public administrations and private sectors/companies in order to strengthen innovative processes. Contrary to what is usually thought, the public sphere plays a central role even in the business frame of development issues, since it should guarantee good governance.

The Seagull project delivered the message “Think globally-act locally”, underlying the importance of the local sphere, implying a multilevel and multi-actor approach, and including a sustainability perspective. This is evident especially in the rural regions, reflected in the ERB commitment, in line with the EU Common Agricultural Policy. The latter defines the four basic principles of rural development, namely “multi-functionality of agriculture; multi-sectoral and integrated approach, flexible support founded on subsidiarity, decentralization, and consultation at regional, local and partnership level, and transparency in constructing and managing programs, based on simplified and more accessible legislation”. The Action Plan 2005-2015 foresaw the creation of a Rural Development arena, a shared space for discussion among relevant stakeholders on agriculture, forestry, diversification within and beyond the agricultural sector, bottom-up partnerships, rural partnership dialogue and EU rural development policies in practice. This arena functioned also as support center for networking, and taking advantage of all the member regions’ strengths, seizing all the possible opportunities and highlighting the uniqueness of Euroregion Baltic. But the most important

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<sup>18</sup>By implementing “triple helix” projects and fostering networks, wider audiences can be addressed. If euroregions could secure greater involvement from the university and business sectors, the public would acquire a better understating of the meaning and activities of cross-border organizations. Bu the business sector in particular will not be motivated to involvement in the practical work of euroregions unless it first believes that euroregions can serve their interests. Euroregions need to make a conscious effort to develop programs that promote business success, making their added-value evident. Then the needed support of the business community can be expected to follow. Euroregions can serve as platforms for strategic cooperation regarding issues of spatial planning. As part of the “triple helix”, universities should investigate joint development strategies for bordering territories and regions within the framework of legislation that guarantees complementarity among participating nations and regions (Lepik, K. 2009: 278)

aspect of the arena could be found in community-based solutions, participation, empowerment, bottom-up initiatives facilitated through the principle of subsidiarity, gender equality, and youth participation. The rural development arena served to strengthen the internal ERB cooperation, and its external image acting as reference point for Local Action Groups (LAGs), and for other euroregions. Therefore, the Seagull project proved the efficacy of cross-border cooperation in reaching national, regional and local objectives. Within the business sector, ERB addressed also tourism and acted as a well-settled political platform to manage stakeholders' dialogue.

Through the establishment of a Tourism Development Working Group (TDWG), it was thought to interconnect the five sectors of tourism governance, namely government administration, self-government administration, and the education, business, and non-profit sectors. Moreover, the TDWG aimed at creating a network of all the multilevel and multi-sector governance at transnational and cross-border level. Thus, ERB supported socioeconomic, political, and environmental sustainability also in the tourism sector in order to guarantee a long-term development.

2. Transport infrastructure: it is a precondition for sustainable economic growth in ERB, thus a priority area for the network. For this reason, one of the main goals of ERB in this field was to act as political force at national and EU level to support and accelerate the improvement of infrastructural links to the main European transport system. (ERB Action Program 2005-2015: 48) This was prioritized in the Seagull II INTERREG III B project.

3. Social dimension: this aspect has always been central in ERB and expressed through numerous bilateral projects between regions and municipalities (twinning projects). This field cover priorities like child care, elderly care, education, health, culture, democracy and participation etc.

4. Environment and energy policies: the ERB Council initiated an ERB Water Forum in order to develop a pilot area for modern water management in order to protect the environment and guarantee a sustainable development in the region. One of the focuses has been the creation of a Water User Partnership with the participation of private, public and academic actors. The fields tackled by the Water Group concerned agriculture, domestic use of water, industry, tourism, and climate change. ERB has chosen water as prioritized field of action in its development program. This is because an ERB Water Forum contributes to the achievement of all the other priorities, namely:

- a. Decreased pollution of surface water, ground water and the Baltic Sea Water. It lowers costs for the society and decreases damage to people and environment,
- b. Increased opportunities to use gained experiences as a basis for business development. Long-term work and consequent quality control create useful knowledge that can be exported outside the ERB,
- c. Status of ERB as a front-runner in modern water management issues and in implementation of the EU WFD (Water Framework Directive<sup>19</sup>)
- d. Increased possibilities to attract capital and enterprises. Implementation of modern European methods for sustainable water management is in line with national and international strategies. (ERB Action Program 2005-2015: 66) To undertake a sustainability path, it is required a greater involvement of municipalities, citizens, farmers, companies, NGOs who deal with the topic of water management and information and consultation stay at the core of this issue.

Another ERB initiative is the establishment of an Energy Forum consisting in municipalities, local authorities, universities, energy offices and companies. Another important point for ERB was to start a dialogue with the EU Commission regarding EU Directives and policies that addressed the region. This Action Plan was in line with the ERB long-term strategy 2005-2015, drafted in the framework of INTERREG IIIB co-financed Seagull (DevERB and II) project and adopted by ERB and its Executive Board and Council in autumn 2005.

Euroregion Baltic is a region where territorial cooperation and cohesion are particularly needed because of the large social differences regarding living standards, economic development and social integration. This is due also to the differences between the Scandinavian countries, and the Baltic ones and Poland that experienced the Communist regime, exiting from it only in the 1990s. Regions and cities play an important role in this area, and a sustainable path is one of the most important objectives for the development of the Euroregion. The strategy of Euroregion Baltic is in line with the Lisbon strategy, drafted in

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<sup>19</sup>The Water Framework Directive establishes a legal framework to protect and restore clean water across Europe and ensure its long-term, sustainable use. (Its official title is Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.) The directive establishes an innovative approach for water management based on river basins, the natural geographical and hydrological units and sets specific deadlines for Member States to protect aquatic ecosystems. The directive addresses inland surface waters, transitional waters, coastal waters and groundwater. It establishes several innovative principles for water management, including public participation in planning and the integration of economic approaches, including the recovery of the cost of water services. In its Article 3, the directive calls for the creation of international districts for river basins that cover the territory of more than one Member State and for coordination of work in these districts.  
([http://ec.europa.eu/environment/water/participation/pdf/waternotes/water\\_note1\\_joining\\_forces.pdf](http://ec.europa.eu/environment/water/participation/pdf/waternotes/water_note1_joining_forces.pdf))

March 2000, that set the goal of sustainable economic growth, knowledge-based economy and greater social cohesion. In 2001, in Gothenburg the European Council added an environmental dimension to the Lisbon strategy<sup>20</sup>. After the enlargement of 2004 and the entry of Poland and the Baltic States in the EU, ERB receiving grants for the Seagull project, committed in order to have project contents and implementation in line with EU priorities for regional development and cohesion, especially those concerning the Baltic Sea Region. These priorities concerned first of all the enhancement of social, economic and ecological cohesion. These objectives are the same that can be found in the Baltic Sea INTERREG IIIB Program like “Strengthening economic, social and spatial cohesion by promoting trans-national economic relationships in order to reach increased level of BSR integration and to form a region with sustainable growth prospects”. The strategy of ERB, in line with the priorities of the EU, cover both land and maritime areas.

### **3.2.2-EU programming: INTERREG South Baltic Program and its specific profile**

In the Spring 2006, national governments of Denmark, Sweden and Poland in the Euroregion Baltic agreed on the necessity of creating a new cross-border cooperation, focusing on the South Baltic seashores. This was the first hint for the promotion of a new INTERREG, the South Baltic Program, approved in 2007 and entered into force in 2008. 63 MEUR were allocated to the program, co-financed by the European Regional Development Fund, quite small compared to an average of 100 MEUR for the Strand A -cross-border cooperation programs. The Polish Ministry for Regional Development was chosen as Program Management Authority and a Joint Program Secretariat was established in Gdańsk (Poland). ERB, as initiator of this program, is the manifestation of a MLG in the Monitoring Committee as well as other members representing regional, local and member states level (see Annex II). Thanks to this INTERREG it was possible, for the first time, to exploit the full potential of the South Baltic regions, connecting Euroregion Baltic, Euroregion Pomerania, and the South Baltic Four Corners Cooperation<sup>21</sup>. At the beginning, it was envisaged to include only three

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<sup>20</sup>“By 2010 EU should be the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion (Lisbon 2000). A leading principle for sustainable growth should be decoupling environmental degradation and resource consumption from economic and social development (Gothenburg 2001).

<sup>21</sup> The Baltic Sea- Four Corners is a cooperation between four regions- Bornholm, Rügen, Swinoujscie and Southeast Skåne. As a result of the democratic developments in Eastern and Central Europe, and because the regions are so close, it is quite natural that they work together for common goals. In fact, since the 1980s, Bornholm and Southeast Skåne have worked together and exchanged views on many occasions. This collaboration was extended to include Rügen and Swinoujscie in 1995 and the Four Corners was thereby established. Since then the regions have worked together on a number of projects and in many areas.

countries in the program, namely Denmark, Sweden, and Poland, but later on also Germany and Lithuania decided to enrol in the process in the mid-2006.

INTERREG South Baltic presents the same overall characteristics foreseen by the Cohesion Policy (starting from the 2007-2013 programming period). In 2007-2013, in fact, a series of important changes were introduced in the Cohesion Policy in order to find a general regulation that could somehow align the ERDF (European Regional Development Fund), ESF (European Social Fund), and Cohesion Fund. New priority objectives were defined, namely convergence, regional competitiveness and employment, and European territorial cooperation. Furthermore, it was underlined the importance of having not only Community strategic guidelines but also a National strategic reference framework. Moreover, the importance of cooperation at national and regional level helped spreading the concept of solidarity that aimed to guarantee a dynamic, productive, competitive and innovative scenario in line with the Lisbon Strategy<sup>22</sup>.

To support this idea, the Cohesion Policy allocated a budget of 347 billion Euros, that amounted to 1/3 of the whole European budget; but the most important novelty of this period was that INTERREG III was modified from Community Initiative into the Cohesion Policy objective of European Territorial Cooperation, financed by the ERDF. Territorial Cooperation aims at strengthening cross-border, transnational and inter-regional interrelations, being complementary to the other convergence and regional competitiveness and employment objectives.

Furthermore, starting from the 2007-2013 programming period, a strategic approach was required with a subsequent reduction in the number of key priorities, namely

- The development of economic and social cross-border activities (cross-border cooperation);
- The establishment and development of transnational co-operation, including bilateral co-operation between maritime regions;
- An increased efficiency of regional policy through interregional promotion and cooperation, networking and exchange of experiences between regional and local authorities (inter-regional co-operation).

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The collaboration between Southeast Skåne and Bornholm, which is partly financed by the Nordic Council of Ministers, has been the hub of the Four Corners cooperation. Joint projects, financed by the EU, include culture, tourism, business development, communications and the infrastructure.

Although many historical events have linked the Four Corners there are also clear cultural and business practice differences. <http://www.fcrace.four-corners.org/> )

<sup>22</sup>Priorities of the Lisbon Treaty: - research and technological development; - innovation and the spirit of enterprise; - knowledge-based society; - transport; - energy; - protection of the environment; - investment in human capital; -employment market policy; - improving worker and business adaptability.

On the line of the strategic approach to priorities, the INTERREG South Baltic defined only three main priority axis for the 2007-2013 period:

- Economic competitiveness;
- Attractiveness and common identity;
- Technical Assistance.

An important novelty regards the inclusion of maritime borders (generally separate by no more than 150 km) in the concept of cross-border cooperation that changed completely the approach to territorial cooperation, considered as land-based until that moment. Therefore, being a “multilateral cross-border co-operation program”, INTERREG South Baltic differs significantly from other cross-border programs for its thematic contents. In fact, addressing more sea-related issues, it implies the omission of some structural issues like planning and construction of roads, land infrastructures etc. This means that they are not completely excluded by the program, but they play a minor role in the long-term programming.

As said many times, the Baltic Sea Region has always been a lively context for cooperation, thus the South Baltic shores see inevitable overlaps between different programs. Nevertheless, the South Baltic program tries to cover those areas that are normally cut off in the bilateral relations, favouring multilateral cooperation. In this concern, cooperation tackles topics like youth issues, cultural exchanges, people-to-people contacts, education, lifelong learning, support to SMEs and to the tourism sector, relevance of the local level, normally left out by the major programs.

The South Baltic Program was launched by already existent networks of cooperation with the aim at cultivating the bilateral and multilateral “cross-border co-operation heritage” in the South Baltic area. Contrasting transnational cooperation, the South Baltic Program focuses on neighbouring regions and to the issues raised by their proximity, that is the reason why only some particular regions participate in this initiative, tackling territorially specific issues that often cannot be found at national scale. Thus, the focus is really on the ground and emerges from concrete needs, involving, for this reason, local, regional authorities and NGOs considered central program- and project- partners. The South Baltic Program was a bottom-up approach started by regions and Euroregions based on previous partnerships, therefore it broadly supports bottom-up initiatives because of their vicinity to the final beneficiaries. Moreover, it foresees a network of regional Contact Points in the countries involved in the cooperation, in charge of providing information about the program, and on the project application processes to potential applicants “on the spot”, in national languages. The added value of this program can be found in its approach to the beneficiaries, undertaking a fruitful dialogue with them, and in its support to small, simpler in partnership but well developed

projects. These projects are the result of a consultation by MC delegations that organize also subcommittees and reference groups in their region, e.g. in Poland, there is a multilevel reference group represented by stakeholders from associations of NGOs as well as governmental from State, regional and local levels. In these sub-committees, different types of partnerships present their views on project issues. In this process, their outcomes are mainly soft and pointing to exchange and networking, aspects that become values themselves. People's needs become the core of every action, and thus intercultural dialogue, knowledge exchange and transfer, share of best practices become the means to reach positive effects and new synergies. The program adopted also the "Seed Money" tool to start investing in durable cooperation networks and in the preparation of high quality projects.

The South Baltic Program, in the programming period 2007-2013, contributed to the establishment of more than 100 completely new long-term cooperation networks, covering various fields and harmonizing the integration of the area. As regard to the social dimension, the Program gathered over 12 000 participants directly involved in the cross-border activities and almost 145 000 citizens affected by the Program itself, constituting more or less the 1,5% of the total Program population (approximately 8,9 million inhabitants).

Among the other positive aspects of the Program, the transferability of projects results plays an important role in serving as "blueprint" for institutions and regions, also outside the eligibility area. As regard to the 2007-2013 economic priority, the South Baltic Program supported the development of more than 600 new innovative projects that led to the intensification of interrelations among higher education and labour market, SMEs in particular way. This brought improvements also in the management of natural and renewable resources, safeguard of cultural and natural heritage, as well as an improvement in transport connection and services. Projects results reached more than 1400 companies. The program overachieved the goal of establishing a cross-border network, reaching the 200 % in its efficiency in the partnership and networking priority.

Since its launch in the Cohesion Policy programming period 2007-2013 and despite its pilot character, the South Baltic Program has been acquiring more and more success thanks for the interest demonstrated by beneficiaries and to its proved necessity. Its efficiency was improved thanks to a well-anchored cooperation and to other complementary financial instruments present in the Baltic Sea Region. The program area, in fact, overlaps with the Baltic Sea Program eligibility area, arising a challenge in the choice of the most proper program, the one that best fits project aims. In this frame, the Baltic Sea Region can provide inputs to the South Baltic Program, testing solutions elaborated in response to transnational issues on the local sphere. On the reverse, the Baltic Sea Program can gain in terms of

experience as regard to people-to-people contacts or other solutions tested on the ground that can be adapted on a greater scale. Anyway, the programs follow different lines, thus the transnational Baltic Sea Program should not intervene if whatever project is submitted in the frame of cross-border cooperation. In this way, both the programs should theoretically exclude one another.

The South Baltic Program partially overlaps also with cooperation areas of other three cross-border programs (Öresund – Kattegat – Skagerrak; Mecklenburg-Vorpommern- Brandenburg-Zachodniopomorskie; and Lithuania – Poland). The multilateral cross-border Öresund-Kattegat- Skagerrak programme has a similar content of the South Baltic Program but it is mainly based on bilateral agreements, unlike the multilevel character of the South Baltic INTERREG program. The South Baltic Programme partly overlaps also with the cross-border co-operation programme between Poland, Lithuania and Kaliningrad Oblast (RU), implemented within the framework of ENPI- European Neighbourhood and Partnership Instrument. The South Baltic Program fruitfully implemented its support to the cooperation with the Kaliningrad Oblast in order to favour the European regions. Organizations in the Kaliningrad Oblast cannot receive direct funding from the ERDF, but partnerships are encouraged. Other possible synergies can be created with the Central Baltic INTERREG IV A (2007-2013), based on maritime cross-border cooperation as well.

Cooperation is not a simple task, if it is considered the fact that the South Baltic area presents many differences in the socioeconomic level of development, especially if the north-western part is compared with the south-eastern one. Nevertheless, issues that can be noticed at “small” level can be, most of the times, transposed to a pan-Baltic level. Therefore, the South Baltic Program can easily be framed in the EU Strategy for the Baltic Sea Region, contributing to the fulfilment of its objectives and priorities in the fields of environmental sustainability, prosperity, accessibility and attractiveness, as well as safety and security. The South Baltic Programme seeks to contribute actively to the EUSBSR and its Action Plan through the implementation of projects that have the possibility to become EUSBSR Flagships. From the opposite point of view, the EUSBSR, with its strategic potential, gives more opportunities to the South Baltic Program that acts as a sort of bridge for local and regional needs on a case-by-case selected projects.

The following table presents a summary of the South Baltic program's achievements for the 2007-2013 period.

Indicator		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
NUMBER OF PROJECTS WITH POLITICALLY WELCOMED AND PROMOTED RESULTS	Achievement	0	0	0	0	1	5	6	9	11 (9+2)	11
	Target	n/a	At least 15								
	Baseline	n/a	0								
NUMBER OF PROJECTS CREATING CROSS-BORDER NETWORKS BASED ON FORMAL AGREEMENTS	Achievement	0	0	0	0	1	5	9	16	20 (16+4)	20
	Target	n/a	At least 7								
	Baseline	n/a	0								
NUMBER OF PROJECTS UNLOCKING PUBLIC AND PRIVATE INVESTMENTS	Achievement	0	0	0	0	0	2	2	3	5 (3+2)	5
	Target	n/a	At least 7								
	Baseline	n/a	0								
NUMBER OF PROJECTS CONTRIBUTING TO INTENSIFIED CROSS-BORDER RELATIONS BETWEEN SMALL AND MEDIUM SIZE ENTERPRISES IN THE SOUTH BALTIC AREA	Achievement	0	0	0	0	0	3	6	7	8 (7+1)	8
	Target	n/a	At least 7								
	Baseline	n/a	0								
NUMBER OF PROJECTS STRENGTHENING LIAISONS BETWEEN HIGHER EDUCATION AND LABOUR MARKET INSTITUTIONS OF THE SOUTH BALTIC REGIONS	Achievement	0	0	0	0	0	0	1	5	7 (5+2)	7
	Target	n/a	At least 10								
	Baseline	n/a	0								
NUMBER OF PROJECTS CONTRIBUTING TO IMPROVED QUALITY AND INTEROPERABILITY OF TRANSPORT CONNECTIONS AND	Achievement	0	0	0	0	1	2	2	4	6 (4+2)	6
	Target	n/a	At least 5								
SERVICES IN THE SOUTH BALTIC AREA	Baseline	n/a	0								

Priority axis 2	Indicator		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total	
	NUMBER OF PROJECTS WITH POLITICALLY WELCOMED AND PROMOTED RESULTS	Achievement		0	0	0	1	5	7	12	22	24 (22+2)	24
		Target		n/a	n/a	At least 30							
		Baseline		n/a	n/a	0							
	NUMBER OF PROJECTS CREATING CROSS-BORDER NETWORKS BASED ON FORMAL AGREEMENTS	Achievement		0	0	0	1	7	12	23	40	45 (40+5)	45
		Target		n/a	n/a	At least 15							
		Baseline		n/a	n/a	0							
	NUMBER OF PROJECTS UNLOCKING PUBLIC AND PRIVATE INVESTMENTS	Achievement		0	0	0	0	0	1	5	6	10 (6+4)	10
		Target		n/a	n/a	At least 7							
		Baseline		n/a	n/a	0							
	NUMBER OF PROJECTS IMPROVING INSTITUTIONAL CAPACITY IN THE MANAGEMENT OF THE BALTIC SEA ENVIRONMENT	Achievement		0	0	0	0	0	1	5	9	10 (9+1)	10
		Target		n/a	n/a	At least 10							
		Baseline		n/a	n/a	0							
NUMBER OF PROJECTS INCREASING COMMITMENT TO RENEWABLE ENERGY SOURCES AND ENERGY SAVING PATTERNS	Achievement		0	0	0	0	0	1	3	5	6 (5+1)	6	
	Target		n/a	At least 4									
	Baseline		n/a	0									
NUMBER OF PROJECTS DEMONSTRATING MORE EFFICIENT USE OF NATURAL AND CULTURAL HERITAGE OF THE SOUTH BALTIC AREA FOR REGIONAL DEVELOPMENT	Achievement		0	0	0	1	3	4	4	8	10 (8+1)	10	
	Target		n/a	At least 10									
	Baseline		n/a	0									
NUMBER OF PROJECTS INTENSIFYING INTERCULTURAL DIALOGUE AND BETTER INVOLVING BROADER PUBLIC IN CROSS-BORDER ACTIVITIES	Achievement		0	0	0	0	4	6	11	18	39 (18+21)	39	
	Target		n/a	At least 20									
	Baseline		n/a	0									

Table III: Progress of the programme indicators (Final implementation report of the South Baltic Programme 2007-2013, 2016:6,7)

Based on the success of the previous round, a second programming period was launched for the period 2014-2020 in the frame of the INTERREG South Baltic program. The new programming period does not present any changes in its formula because it was checked

in the battlefield during the previous programming period. As mentioned before, the 2007-2013 period had mainly a pilot nature, but since it reached, and in certain cases over-passed, the foreseen results, it was defined as a well-recognized financial instrument in the Baltic Sea Region. However, the second, and current, generation of INTERREG has been adjusted according to the Europe 2020 strategy for a smart, sustainable and inclusive growth, while promoting the harmonious development of the EU and reducing regional disparities. Therefore, the Interreg was narrowed in its scope, the objectives became more focused and turned to support the overall objective of unfolding “blue and green growth potential of the South Baltic area through cross-border cooperation”. In this direction, the addressed areas are the SMEs sector, innovation capacity, green technologies, labour market, mobility, migration, and demographic trends. The objectives of the new programming period are:

-Priority Axis 1 Strengthening international activeness and innovation capacity of the South Baltic blue & green economy

-Specific objective 1.1. increase the presence of blue and green sector SMEs from the South Baltic area in international markets through joint cross-border actions

-Specific objective 1.2 improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions

-Priority Axis 2 Exploiting the environmental and cultural potential of the South Baltic area for blue and green growth

-Specific objective 2.1- increased development of the south Baltic area’s natural and cultural heritage assets into sustainable tourist destinations

-Specific objective 2.2. increased use of green technologies in order to decrease the pollution discharges in the South Baltic area

-Priority Axis 3 Improving cross-border connectivity for a functional blue and green transport area

-Specific objective 3.1 improve the quality and environmental sustainability of transport services in the South Baltic area

-Priority Axis 4 Boosting human resource capacities for the area’s blue and green economy

-Specific objective 4.1 increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions

-Priority Axis 5 Increasing cooperation capacity of local actors in the South Baltic area for blue and green growth in cross-border networks

The South Baltic 2014-2020 program is part of the Cohesion policy, the EU’s main investment policy that targets cities and regions supporting job creation, business competitiveness, economic growth, sustainable development, and improve citizens’ quality of

life.. (EU Commission 2014:2). It is possible to observe how the priority axis of the South Baltic Program are in line with the priorities set by the EU Cohesion policy for this programming period, namely:

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of, information and communication technologies
3. Enhancing the competitiveness of SMEs
4. Supporting the shift towards a low-carbon economy
5. Promoting climate change adaptation, risk prevention and management
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and improving network infrastructures
8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Investing in education, training and lifelong learning
11. Improving the efficiency of public administration

The funds that concur in the provision of grants in these objectives are the ERDF, the Social Fund and the Cohesion Fund. The ERDF covers the first 4 points as main priorities for funding. Thus, since the ERDF is the fund for co-financing in the South Baltic Programs, it can be possible to observe how the priorities of the South Baltic INTERREG are well embedded in those foreseen by the Cohesion policy. European Territorial Cooperation, and INTERREG program, encourages the collaboration among cities and regions in their joint development of programs and projects, and in the construction of networks and it is focused on capitalization of effects and results.

The main changes occurred in the South Baltic Program 2014-2020 programming period regard the eligible area of the program and partnership. The first programming period covered the coastal territory of five EU Member States, in particular NUTS III areas.

<i>Member State</i>	<i>Core area (NUTS III)</i>	<i>Adjacent area (according to the “20% eligibility rule” – NUTS III)</i>	<i>Description of the whole eligible area (with reference to NUTS II)</i>
<b>Denmark</b>	Bornholm	Østsjælland, Vest-og Sydsjælland	<i>Region Zealand and the island of Bornholm in the Capital Region</i>
<b>Lithuania</b>	Klaipėdos apskritis	Tauragės apskritis, Telsių apskritis	<i>Southwestern counties of Lithuania</i>
<b>Germany</b>	Bad Doberan, Greifswald, Kreisfreie Stadt, Nordvorpommern, Nordwestmecklenburg, Ostvorpommern, Rostock, Kreisfreie Stadt, Rügen, Stralsund, Kreisfreie Stadt, Uecker-Randow, Wismar, Kreisfreie Stadt,		<i>Coastal counties and cities of Land Mecklenburg-Vorpommern</i>
<b>Poland</b>	Gdański, Koszaliński, Miasto Szczecin, Ślupski, Stargardzki, Starogardzki, Szczeciński, Trójmiejski	Elbląski	<i>Zachodniopomorskie Voivodeship, Pomorskie Voivodeship, western part of Warmińsko - Mazurskie Voivodeship</i>
<b>Sweden</b>	Kalmar län, Skåne län, Blekinge län	Kronobergs län	<i>South Sweden, Southeastern part of Småland and the islands</i>

*Table IV: Progress of the programme indicators (Final implementation report of the South Baltic Programme 2007-2013, 2016:8)*

The third column of the table shows the areas comprehended in the so-called 20% Eligibility Rule. This means that these areas, considered as adjacent, could get only the 20% of ERDF financing. Organisations located outside the EU could not receive support directly from the South Baltic Program, but partners in the eligible areas could involve them and cover their expenses in the project participation (for a maximum of 10% of the ERDF budget of the South Baltic Program). In this perspective, the involvement of partners from Kaliningrad region could be considered an added value to the projects themselves, and valuable to the Program. The 2014-2020 programming period now covers the Baltic Sea Southern coasts of five EU Member States: Denmark, Sweden, Germany, Poland, and Lithuania. One of the big differences is that there is no division between core and adjacent eligible territories, bringing to a simplification and homogenization of the program rules. Moreover, after an administrative reorganisation of districts and district free cities, that affected Mecklenburg-

Vorpommern (DE), the program areas was enlarged to include the former district (Landkreis) Güstrow now being a part of the district (Landkreis) Rostock.

Eligible area 2014-2020:

- Denmark: Bornholm, Østsjælland, Vest-og Sydsjælland
- Sweden: Skåne län, Blekinge län; Kalmar län, Kronobergs län
- Germany: districts (Landkreise) Nordwestmecklenburg, Rostock, Vorpommern-Rügen, Vorpommern-Greifswald and district-free city (kreisfreie Stadt) of Rostock;
- Poland: Miasto Szczecin, Szczeciński, Stargardzki, Koszaliński, Słupski, Starogardzki, Gdański, Trójmiejski and Elbląski
- Lithuania: Klaipėdos apskritis, Tauragės apskritis, Telšių apskritis

Organisations outside the eligible area, or outside EU, can take part in co-financed projects, thus the program encourages the cooperation with the Kaliningrad region in particular, since most of the issues that tackle this exclave of the Russian Federation have a high impact in the Baltic Sea Region.

### **3.3- PARTNERSHIPS AND NETWORKS IN ERB AND IN THE INTERREG SOUTH BALTIC PROGRAM**

#### **3.3.1- ERB and the cooperation with the Russian partner- Kaliningrad region**

The Kaliningrad Oblast (Russian Federation) has a central territorial position within ERB, although it is not part of the EU. ERB tried to include the Kaliningrad region in its cooperation network since the beginning, since the Oblast functions as a bridge between the Russian market and its neighbouring regions. Kaliningrad region acts as a free economic and free trade zone, stimulating the Russian export and import substitution thanks to the employment of international capital. The task of Seagull II project (2002-2005) was particularly directed in the support of competence building, and participation of political and economic actors of the Kaliningrad Oblast in the EU scenario. This is possible also through the engagement of private industry, NGOs, and R&D institutions in ERB. The European Union and the Russian Federation signed a cooperation agreement in this direction in May 2005, whose objective was “to create an open and integrated market between the EU and Russia. Work on this space will bring down barriers to trade and investment and promote

reforms and competitiveness, based on the principles of non-discrimination, transparency and good governance. Among the wide range of actions foreseen in the road map, an EU/Russia regulatory dialogue on industrial products is to be launched, as well as greater cooperation on investment issues, competition and financial services. It is also foreseen to enhance cooperation in the telecommunications, transport and energy fields, on issues such as regulatory standard-setting and infrastructure development. Moreover, it has been agreed to strengthen cooperation in the area of environment, notably on climate change and the implementation of the Kyoto Protocol...”(ERB Strategy pag 42). The Kaliningrad Region was seen as an important actor in the Northern Dimension, somehow already foreseen for cross-border cooperation priority topics like economic and social development, transport, telecommunication, environment, culture etc. The EU made an effort in including the Russian Federation in cross-border and trans-national cooperation, and it strengthened its commitment especially through the INTERREG program. Examples of pre-existent bi-and three-lateral cooperation with the Russian Federation are not difficult to be found out; in fact, as shown in the previous chapter, the Baltic Sea Region has always been really active in cooperation across borders.

### **3.3.2- Partnership in INTERREG South Baltic (2007-2013/ 2014-2020)**

The programming period 2007-2013 foresaw the involvement of at least two partners from two different Member States participating in the Program, but the special character of the program accepts bilateral as well as multilateral partnerships. The most important aspect is that the program requires partnerships based on the involvement of different sectors and levels to better tackle the problems identified in the area of interest. A multi-level and multi-sector approach should aim at increasing the quality of the project results and to improve and support innovation. Within the partnership, partners and associated organizations should cooperate equally as it can be clearly displayed by the “Triple Helix” model that foresees a close collaboration between business sector, educational institutions and public administration. The 2007-2013 South Baltic Program stimulates and support the establishment of solid and efficient partnerships to better face common problems and challenges, and to seize opportunities. Partnerships are encouraged to share motivations, interests, best-practices, knowledge in order to build a strong relationship based on mutual trust (see Annex III). The programming period 2014-2020 explicitly excludes the European Grouping of Territorial Cooperation although they are placed in the eligible area of the program. Anyway, they can participate as Associated Partners (without financing) if they have valuable experiences and

knowledge to share, providing added value to the project in which they participate. On this base the so-called high model value projects are built, projects that can prove the high added value they bring to the program area in relation to a specific challenge. The most important aspect of a high model value project is that it can be defined either as a project that seizes particular opportunities or provide a solution to specific challenges whose most important aspect is its transferability and dissemination in the program area, or a project that can be an example of the construction of strong synergies with other actions going on in the South Baltic area and contributing to its harmonious development. As for the former programming period, in 2014-2020 it is strongly recommended to build multilateral cooperation through multi-sector and multi-actor partnerships. Thus, partnerships are composed by organizations from public administrations, private sector/ market, and civil society. An important aspect underlined in the new programming period is that the partnership is not too complex, with a maximum of 10 partners. Experience in 2007-2013 period showed projects consisting in 7-8 partners.

In the 2014-2020 period, the partnership can be built involving the following categories:

- National, regional and local authorities
- Bodies governed by public law
- Associations of one or several regional or local authorities
- Associations of one or several bodies governed by public law
- European Grouping of Territorial Cooperation (EGTC)
- SME associations and clusters
- Chambers of commerce, trade unions and NGOs
- Other entities established under public or private law operating for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character

(program manual pp 44-45)

### **3.4- MLG ASSESSMENT IN THE SOUTH BALTIC CROSS-BORDER COOPERATION NETWORK**

To summarize, the previous chapters played an important role to set the stage for this final part, whose scope is to provide evidence of the fact that INTERREG program has contributed to the strengthening of a multilevel governance architecture in the Euroregion Baltic. Therefore, if we come back to the MLG building principles, it is possible to conduct a brief but in depth analysis of governance in this Euroregion. As mentioned in the second chapter, when approaching Multilevel Governance Theory, the attention deserves to be directed towards processes of political mobilization, policy-making and change of polity.

Proceeding with order, approaching those aspects related to political mobilization, it is possible to assert that, being a project-based association, Euroregion Baltic was the initiator of the INTERREG South Baltic Program, a window of opportunities for the southern shores of the Baltic Sea Region. For this reason, INTERREG South Baltic can be considered a bottom-up initiative whose first “movers” have been the already existent cross-border and transnational networks of cooperation. Political mobilization has been indeed initiated by both governmental and non-governmental actors at different jurisdictional levels, who instilled a perpetuating cycle of actions and reactions raising always new governance patterns. Moreover, it has to be underlined that ERB has been founded both on formal structures and informal costumes as well as relations based on trust.

Moving to the aspect of policy-making, Euroregion Baltic is responsible for the draft of the Joint Development Strategy as self-initiative, coordinating different interconnected policies. On the same line, INTERREG South Baltic Program has drafted its own priorities that have been anyway coordinated with those emerged in Euroregion Baltic thanks to a continuous discussion, knowledge exchange, policy ideas and formulation and carried on by a multi-actor, multi-sector and multilevel policy process.

Last but not least, considering the institutional set-up (or polity) in Euroregion Baltic it is possible to observe the presence of Type II multilevel governance, being ERB based on thematic reference networks. INTERREG South Baltic has somehow reinforced this network structure thanks to programming periods that establish each time different priority axis tackling variegated topics.

To conclude, this research aimed at tracing how the participation in INTERREG program has enhanced the involvement of local and non-state actors and civil society in developing sustainable development policies at local level. Taken stock of this last chapter, it has been observed that the South Baltic CBC Program enhanced the involvement of these actors in developing sustainable development policies at local level. In the next chapter, two

case-studies will be presented to prove INTERREG effectiveness. However, the topic of sustainability deserves a brief introduction to better understand the imminent cases.

Sustainability is very important in the Baltic Sea Region, that strives to safeguard its unique area, ecosystem, historical background, traditions, languages and heritage. The South Baltic Program 2007-2013 foreseen among its overall objectives the “strengthening of sustainable development through joint activities improving competitiveness and enhancing integration of people and institutions in the program area”. On this line, it is worth to remember that “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Report). The priority measure 2.1 in the programming period 2007-2013 regarded the “Management of the Baltic Sea environment, and it is in this frame that the case study has been chosen. The first case-study will present MOMENT project, Modern Water Management in the South Baltic Sea Area, a good example in which cross-border cooperation has contributed to the adoption of sustainable development policies at local level. Years of discussion and preparation have finally led to real action for sustainability and the possibility to apply for grants in the frame of INTERREG South Baltic has allowed to reach concrete results. The second case study, instead, has been chosen in the frame of 2014-2020 INTERREG South Baltic programming period and deals with sustainable transport. Its title, INTERCONNECT, calls for cross-border cooperation, interconnection, networking and its ambitious size made this project a valid EUSBSR Flagship candidate.

## **-Chapter 4-**

### **CASE STUDIES: PROJECTS AND EMPOWERMENT**

#### **4.1- INTRODUCTION AND FRAMEWORK OF ANALYSIS**

The Baltic Sea is a common pool of resources that need to be safeguarded, and the best way to do it is through partnerships among those countries in the Baltic Sea Region that want to give a common direction to their efforts. This is possible only through collaboration, networking, exchange of knowledge and good practices. In order to prove the efficacy of a multilevel approach to governance in the policy-making process, it has been opted for the use of the Governance Assessment Tool (GAT) that will be applied for both the case-studies. This model, introduced in the first chapter, results to be appropriated for an in-depth analysis of governance. Just to remember, the concept of governance adopted in the GAT presents a certain level of flexibility and can be defined as follows: “*Governance* is the combination of the relevant multiplicity of responsibilities and resources, instrumental strategies, goals, actor-networks and scales that forms a context that, to some degree, restricts and, to some degree, enables actions and interactions.” Thus, GAT is based on the following governance dimensions that will be used as frame for a descriptive analysis of the case-studies:

- 1.LEVELS&SCALES
- 2.ACTORS&NETWORKS
- 3.PERCEPTIONS&GOALS
- 4.STRATEGIES&INSTRUMENTS
- 5.RESPONSIBILITIES&RESOURCES

#### **4.2- CASE STUDY 1: MOMENT & MOMENT UP PROJECT**

The choice of MOMENT project as case study is a good example in which cross-border cooperation has contributed to the adoption of sustainable development policies at local level. Years of discussion and preparation have finally led to real action, also thanks to the possibility to apply for grants in the frame of INTERREG South Baltic Program which led to concrete results. MOMENT project is a case of “good practice” for Euroregion Baltic in the programming period 2007-2013 and it has been chosen for its water-related topics. For its nature, in fact, water needs to be managed through an integrated approach soliciting different

organizations and actors across sectors and levels. Water affects different fields like fisheries, farming, land use, forestry, wetland use etc. just to mention some of them, involving concurrently numerous policy fields. Furthermore, the actors involved are influenced by political, economic, social, cultural, and environmental circumstances.

“Water is a shared resource that does not stop at the property boundary. What happens upstream in the basin eventually affects the water in the sea.” The Baltic sea is a common pool of resources that need to be safeguarded. Cleaner water is a fundamental prerequisite for economic, social and ecological development of a region, being important for health, environment, business and tourism. Thus, for its nature, water is indispensable in all the sectors and its safeguard is essential. As mentioned before, in 2009 the EUSBSR was drafted and among its priorities “Save the sea” plays a central role. But the EUSBSR is not the only policy document that addresses water. In fact, also HELCOM Baltic Action Plan (BSAP) includes issues like eutrophication and hazardous substances, as well as the EU Water Framework Directive that preaches pollution reduction. The involvement of groups of citizens is central to reach these objectives, and especially to tackle the small and diffuse sources of pollution. MOMENT foresaw 11 pilot measures to be undertaken in different areas like farming and forestry, waste water treatment from households, stormwater treatment, communication and knowledge.

The project’s intention has been to work in two areas whose challenges are common in the whole Baltic Sea Region: methods for modern and river basin-based water management; and pollution of groundwater, surface and coastal water in the South Baltic Sea area. Both the areas required an integrated approach that involved actors at all the levels and with a special engagement and commitment from local public authorities. Being an arena for long term political considerations, decisions and actions, Euroregion Baltic’s network was the prerequisite for the success of this project.

#### **4.2.1- Background**

The Baltic Sea has been presenting serious threats due to eutrophication, traces of hazardous substances, algae blooms and polluted water since the 1990s as results of unsustainable management of the sea. These issues have a negative impact not only on the environment but also on local businesses and tourism, affecting the development in the Baltic sea region, known as one of the most dynamic, innovative and flourishing regions in the world.

As mentioned before, the South Baltic Program’s peculiarity can be found in the different focus of cross-border cooperation that, from land-based approach, shifts its attention to

marine borders. Thus, marine and water related issues are the core of the program and MOMENT project undertook actions and looked for concrete solutions in order to manage water in the best and most modern way, starting from the establishment of a strong network of Water Users Partnerships. Euroregion Baltic (ERB) has been the initiator of the MOMENT cooperation, involving regions on the South Baltic shores. In the MOMENT project, implemented from 31<sup>st</sup> August 2009 till 29<sup>th</sup> June 2013, seven pilot areas have been chosen for the establishment of Water Users Partnerships to reduce nutrients and hazardous substances discharges in the sea. Different water forums saw the participation of local actors, especially farmers, who shared their concerns about rivers and sea. In this way, a bottom-up approach guaranteed that local stakeholders took their responsibility to act for the common wellbeing.

The cooperation involved Lithuania, Poland, Sweden and Russian (Kaliningrad Oblast). Here, the establishment of Water Users Partnerships (WUPs) tested pilot measures aiming at the reduction of nutrients and hazardous substances outflows, to contrast negative human activity impacts. The WUPs still exist, after the conclusion of MOMENT, and involve local and regional stakeholders who influence or are influenced by water, who share the same interests and face the same issues in a common area.

The goal of establishing Water Users Partnerships has been to gain expertise knowledge. After the adoption of the EUSBSR in 2009, its Action Plan mentioned the WUPs as means for local cooperation, and their deserved possibility to be considered as future EUSBSR flagships. WUPs, or the so-called MOMENT approach, provide support also to municipal/regional and/or national/international authorities in the safeguard of water, as source for local development. In this sense, it is important to remember that “one fits all” solutions cannot solve the peculiar issues that regard the local level, thus a local approach is definitely preferred. Eventually, it results to be positive especially in terms of cost-effectiveness, since the involvement of local actors helps identifying issues in a better way and to find optimal solutions. Representatives of the WUPs meet to exchange their experiences and to uphold cross-border cooperation.

The main results of MOMENT can be found in the establishment of 7 Water Users Partnerships (WUPs), 350 active WUP members, 7 local program measures developed and 17 concrete actions undertaken. Ramböll Management Consulting conducted an extensive independent evaluation of MOMENT in order to analyse the effectiveness of WUP as method for modern water management. What follows are two members of the Management Consulting’s witnesses:

“As an overall conclusion it can be established that the MOMENT project has contributed to strengthening the institutional capacity and has a positive effect on the transnational development in creating cross border networks through working with WUPs in the pilot areas. It can further be established that the MOMENT project indicates that by working collaboratively across sectors and societal levels and by sharing experience over national borders environmental improvements can be reached faster.” (Martin Fröberg Ramböll Management Consulting).

“In a wider context, the evaluator also believes that WUP is an interesting and a fruitful concept for working with water management as it involves not only the decision makers but, maybe most importantly, the end users of the water, i.e. people who directly affect the water quality in rivers and lakes.” (Anna Zingmark Ramböll Management Consulting). Among the results, it seems that in Poland and Lithuania the MOMENT approach notably strengthened the institutional capacity, while in Russia it seems that the bottom-up approach in the pilot area has empowered the general public. ERB granted the support during all the implementation of the project, spreading its concepts all around the Baltic Sea.

#### **4.2.2-Objectives and outputs of MOMENT and MOMENT UP**

Overall objectives of MOMENT were to increase political awareness concerning the importance of water management for the development of the situation in the Baltic Sea, to develop and test methods for sustainable water management, with special focus on decreased outlets of nutrients and hazardous substances from small and diffuse sources, within pilot areas in the shape of river basins, and to spread the information of achieved results and experiences (Project MOMENT, 2011). More in deep:

Direct objectives:

- Strengthening the institutional capacity, cooperation and competence among officials and politicians within ERB concerning the role of water management in regional and transnational development, in correlation with the EU WFD. Creating of cross border networks.
- Within selected pilot areas develop, test, demonstrate and evaluate new methods for local and regional effective river basin based water management and sustainable development, with special focus on decreased outlets of nutrients and hazardous substances from small and diffuse sources. Management through Water Users Partnerships (WUP) and concrete pilot measures.

- Estimate the potential for the pilot methods, in a transnational context. Present conclusions, experiences and recommendations of interest for further joint actions aiming at decrease the outflow of nutrients and hazardous substances.
- Spread the experiences to relevant actors in the SBA

MOMENT UP, that upgraded MOMENT project, foresaw a stronger involvement of Russia (Kaliningrad Region), for the benefit of the South Baltic Sea Area.

MOMENT project had 5 components (what will be called work package starting from the 2014-2020 programming period). The core component was the number 3, and as consequence, also component 4. In component 3 it was set forth that each pilot area had to establish a Water Users Partnership (WUP). As mentioned before, a WUP is a particular water management approach that sees the inclusion of various stakeholders whose collaboration is directed towards the achievement of common goals in terms of water quality around a common water body. In order for this approach to have a sustainable, enduring and positive impact on the water quality, a democratic bottom-up decision-making process approach is central for cohesion and inclusion. In this way, the agenda can be set collaboratively, overtaking the traditional top-down decision making approach, that normally excludes the majority of stakeholders.

OUTPUTS:

1. improved water management
2. stronger networks
3. higher political appreciation of the cross-border cooperation

MOMENT was co-funded by the ERDF in the South Baltic Program, covering the 75% of the eligible expenditures for the Swedish partners, and the 85% in Poland, Lithuania and Russia. The remaining costs were covered by national contributions (as foreseen in the SB program guidelines), while the remaining costs in the Russian Kaliningrad region were covered by the Swedish International Development Cooperation Agency (SIDA).

#### **4.2.3-Governance Assessment**

##### **♦ LEVELS AND SCALE**

1. WHICH ADMINISTRATIVE LEVELS ARE INVOLVED AND HOW?

The partners involved in the MOMENT project can be divided into three administrative levels, or categories, namely:

- Local and regional authorities on a transnational level and Water Framework Directive official water authorities;
- Universities and research institutes, and regional NGOs;
- Local stakeholders from public, private, academic, voluntary sectors forming the local WUPs- Water Users Partnerships

## 2. WHICH HYDROLOGICAL SCALES ARE CONSIDERED AND IN WHAT WAY?

The hydrological scales considered in MOMENT project are related to groundwater, surface water and coastal water in 7 pilot areas (MOMENT and MOMENT Up). More in general, an ample portion of the Baltic Sea hydrological basis has been taken into account, following the principle that states that what happens upstream eventually has repercussions downstream and finally in the sea. For all the following pilot areas different aspects related to water resources have been taken into account. Analysis has been conducted at the very local level to find sustainable solutions for the final scale of the hydro-graphic basin, thus coastal water and the Baltic Sea.

Pilot area 1: Akmena- Dane River (Lithuania)

Pilot area 2: Minija River (Lithuania)

Pilot area 3: Bauda River (Poland)

Pilot area 4: Bräkne River (Sweden)

Pilot area 5: Bruatorp River (Sweden)

Pilot area 6: Snärje stream (Sweden)

Pilot area 7: Primorskaya River (Russia)

Different problems connected to storm-water treatment, wetlands, fishery, forestry, farming, breeding, urbanization, uptake of nutrients, small scale sewage plants and bio-gas production have been analyzed.

## 3. TO WHAT EXTENT DO THEY DEPEND ON EACH OTHER OR ARE ABLE TO ACT PRODUCTIVELY ON THEIR OWN?

There is a strict interrelation among river basins (considering also small scales) and the sea in which evident signs of pollution have been detected and appointed by HELCOM Baltic Sea Action Plan (BSAP) and by the EUSBSR. Clean water is fundamental for health, environment, tourism and business sector being the basis for economic, social and ecological development.

Tackling the small and diffuse inland sources of pollution, preserving the health of water from local sources, is a good strategy to have a positive impact on the Baltic Sea.

Therefore, pilot areas have been chosen with the scope of improving the environmental state of the Baltic Sea and its surrounding region, although the portion impacted is only a small one considering that the Baltic Sea has a hydrographical basin<sup>23</sup> of 1.650.000 km<sup>2</sup>.

As stated among the overall objectives, the attempt made by MOMENT project consisted in the prevention of nutrients and hazardous substances discharge from small and diffuse sources, as well as the recovery from environmental pollution and anthropogenic damages, having as final overall target the safeguard of the Baltic Sea.

## ♦ ACTORS AND NETWORKS

### 1. WHICH ACTORS ARE INVOLVED IN THE PROCESS?

The partners in the MOMENT and MOMENT Up project were divided into financial partners (wording in the 2007-2013 programming period), who perceived the EU grants and contributed financially to the implementation of the project, and associated partners. The latter supported the project implementation but they did not have the status of project partners, thus they did not perceive any grants.

LEAD PARTNER: Regional Council in Kalmar County, Sweden

FINANCIAL PARTNERS:

Region Blekinge, Sweden

Region South Smaland, Sweden

Kalmar Municipality, Sweden

Torsås Municipality, Sweden

Monsteraås Municipality, Sweden

Nybro Municipality, Sweden

Ronneby Municipality, Sweden

Swedish Forest Agency, Region East, Sweden

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<sup>23</sup> “A drainage basin or catchment area is any area of land where precipitation collects and drains off into a common outlet, such as into a river, bay, or other body of water. The drainage basin includes all the surface water from rain runoff, snowmelt, and nearby streams that run down slope towards the shared outlet, as well as the groundwater underneath the earth's surface. Drainage basins connect into other drainage basins at lower elevations in a hierarchical pattern, with smaller sub-drainage basins, which in turn drain into another common outlet. In geomorphology, drainage systems, also known as river systems, are the patterns formed by the streams, rivers, and lakes in a particular drainage basin. They are governed by the topography of the land, whether a particular region is dominated by hard or soft rocks, and the gradient of the land. Geo-morphologists and hydrologists often view streams as being part of drainage basins. A drainage basin is the topographic region from which a stream receives runoff, through flow, and groundwater flow. The number, size, and shape of the drainage basins found in an area vary and the larger the topographic map, the more information on the drainage basin is available.) (from Wikipedia, the free Encyclopedia)

Blekinge County Administration Board, Sweden  
Kalmar Water, Sweden  
Office of the Marshal of the Warminsko-Mazurskie Voivodeship, Poland  
Regional Water Management Board in Gdansk, Poland  
Institute of Meteorology and Water Management, Poland  
Coastal Research and Planning Institute of the Klaipeda University (CORPI),  
Lithuania  
Klaipeda District Municipality, Lithuania

+ Klaipeda University, Coastal Research and Planning Institute (CORPI) for  
MOMENT Up

#### ASSOCIATED PARTNERS

Pomeranian Region

Swedish Farmers Association

+ Kaliningrad regional Duma for MOMENT Up

+ Administration of Baltisjk Municipal District for MOMENT Up

+ Divnoe Rural Municipality for MOMENT UP

+ Administration of Primorsk Town Municipality for MOMENT Up

+ Atlantic Branch of P.P. Shirshov Institute of Oceanology of Russian Academy of Sciences  
for MOMENT Up

## 2. TO WHAT EXTENT DO THEY HAVE NETWORK RELATIONSHIPS ALSO OUTSIDE THE CASE UNDER STUDY?

These actors already had relations outside the case under study, being part of the Euroregion Baltic cooperation network that involves 8 regions in 5 countries on the Baltic Sea. In fact, ERB is considered an arena for well-anchored long-term political cooperation.

Apart from the ERB network, in Sweden some of the actors involved had already established partnerships long before the launch of MOMENT project. These had the scope to work in a collaborative and cross-sectoral way in the field of water management, through the institution of Water Councils<sup>24</sup>, that basically functioned as forum for knowledge exchange and discussion. They helped national and regional water policies to be applied at local level.

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<sup>24</sup> The first ones were established in 2005, as a result of the amendment of the EU Water Directive into Swedish legislation one year earlier. The purpose of a Water Council is to organise different stakeholders around a specific water body, beyond administrative borders, and to create a forum where all stakeholders concerned can meet, discuss and share ideas on how to manage waters. Water councils are expected to assist and contribute to the work of water authorities with knowledge on local waters and carry out regional and national policies on

### 3. WHAT ARE THEIR ROLES?

- a) **The Regional Council of Kalmar County** was the lead partner of the project, responsible for the management of the project through its project secretariat consisting in a project manager, a financial controller and an information manager. The main tasks of the secretariat consisted in the performance of the day to day work, report and administration, information, coordination of joint activities, and budget management. The lead partner was assisted by local actors in the pilot areas selection process, in particular by the Klaipeda County Administration in Lithuania, by the Regional Water Administration Board in Gdańsk (Poland), by the Shirshov Institute of Oceanology in Russia (MOMENT Up).
- b) In the field of project management, an important role was played by the Steering Committee that consisted in a project manager (lead beneficiary) and the main partners, namely from Kalmar and Torsas Regions, Regional Water Management Board in Gdańsk, Coastal research and Planning Institute of the Klaipeda University, Klaipeda District Municipality and Ronneby Municipality. The steering committee was responsible for taking strategic decisions and monitoring the project implementation.
- c) **Local actors** assisted the Lead Beneficiary in the selection process of pilot areas. In Lithuania, the Klaipeda County Administration helped to identify potential pilot areas based on expressed interest from different actors. In Poland, the contact was established with the Regional Water Administration Board in Gdansk, which suggested the pilot area. In Russia, the pilot area was selected by the Shirshov Institute of Oceanology and its branch in Kaliningrad – an institute with which the Lead Beneficiary already had an established contact prior to the MOMENT project.
- d) **Regional experts** (partners, associated partners or external experts) form the ERB Working Group had the task of delivering project conclusions and recommendations, and of acting as reference group once the political cooperation in the pilot areas was anchored.

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local levels. Although numerous water councils have been established across Sweden, the Water Councils have experienced difficulties in identifying their roles and consequently their objectives and work differ.

- e) **WUP**- local coordinator/leader played an important role in establishing and coordinating each WUP in its corresponding pilot areas, managing the implementation of pilot measures. Water Users Partnerships were formed by different stakeholders whose collaboration aimed at reaching the objective of sustainable water management and higher water quality in each pilot area. In Sweden, WUP were anticipated by the formation of Water Councils, established in 2005 with the scope of organizing different stakeholders around a water body, no matter the borders and the administration responsible for it. The primary scope of these water councils was to set the stage for discussion through the organization of regular forums, providing support to the work of water authorities in order to concretely implement regional and national policies in the frame of water management at the very local level. WUPs were responsible for the draft of a program of measures in each pilot area.
- f) The Southern Baltic Sea district of Vattenmyndigheten drafted an inventory of the individual sewage water treatment in the area with the scope to prioritise actions and to actively monitor applications for new individual wastewater treatment facilities, especially in the most sensitive areas (considering the proximity of water bodies, the number and type/age of the sewage system etc.). Furthermore, the renovation of older systems was speeded up, accompanied by an information campaign about the wastewater impact on the environment. Finally, financial support to individual landowners who wanted to set a new sewage system was arranged.
- g) The **Swedish Forest Agency**'s role in the project was to act in order to increase knowledge among actors in the forestry sector in order to improve the water quality in the Baltic Sea. Through dissemination and communication, the Swedish Forest Agency strove for the reduction of nutrients, humic substances and sludge release from the forest into the water basin as part of the pilot project. Thus, the main role of the agency consisted in tackling the topic of water management from the side of forestry activities like forest harvesting, use of harvesting machines near water courses in the respect of certifications, forestry act and other environmental laws. The close collaboration between consultants and land owners provided the basic knowledge that helped in the adoption of proper measures. Social learning and capacity-building are the core activities of the agency that acted in different ways and in different pilot areas in the name of a common interest in water management, in collaboration with individuals or groups. The Agency conducted a classification of watercourses to assess risks and ecological values, water properties, and protection zones. An inventory was

created in order to understand the property of water and to choose the solutions that best fit the different contexts, providing guidelines for the future management of each section. Along Snärjebäcken a number of demonstration objects were defined in order to inform and provide appropriate advice and activities. The agency was, then, in charge of creating Water Councils within the drainage basin. Being involved as advisor, the agency provided landowners also with individual consultation in relation to buffer zones, wood ash recycling, landscaping, quality of water, reduction of humic substances (iron, manganese) and nitrogen. Furthermore, the agency provided advice and information to public sector, politicians, association, landowners, in collaboration with officials from municipalities and the farming unit from the County Administrative Board. (Snärje stream). A number of River Inspection Tours in the pilot area of the Snärje stream and its surroundings were organized, inviting agencies, organizations, public, politicians and foresters. Furthermore, the Swedish Forest Agency provided some grant funds in order to dam ditches and create new wetlands, to restore the existing ones, to rebuild spawning areas for some species, to execute actions inside and around waterways. Its support was financed by the EU in the frame of LBP Rural Development Program. The agency provided also consultants and specialists during field trips/excursions. The agency played an important role in the Water councils, providing advice on forest management operations, and mobilizing governmental fund grants and grants from the rural development program.

#### 4. WHICH ACTORS ARE ONLY INVOLVED AS AFFECTED BY OR BENEFICIARIES OF THE MEASURES TAKEN?

The actors only affected by the measures taken, thus the final beneficiaries of MOMENT, have been all those categories represented in the Water Users Partnerships', namely public, private, academic, voluntary and "other", e.g. local industries, private enterprises, local water treatment companies, farmers, landowners, NGOs, universities, water authorities, municipalities etc. In the Bräkne River (Sweden) pilot area, for example, final beneficiaries are enterprises and activities dependent on the availability of water, such as tourism, leisure activities, sport fishing, fish farming, agriculture and existing hydro power installations. Not only water itself is important, but also the accessibility and quality of the environment surrounding river basins or water sources.

Final beneficiaries are also, for sure, the final consumers of water supplied as drinking water or for production. Water as raw material is easily subject to brownification due to high level

of humic substances and/or iron and manganese compounds. Brownification impacts ecosystems as a whole with negative consequences on the life of many organisms.

#### 4. WHAT ARE THE CONFLICTS BETWEEN THESE STAKEHOLDERS?

As it is known, during the phases of formulation and implementation of a project there is the possibility to bump into some conflicts due to the fact that different actors play in a sort of power game. Actors have to face the stakes of this game and each of them respond in a different way according to the resources they possess, in terms of language skills, financial and material resources, knowledge, accessibility, proximity and so on and so forth. In this frame, expectations also play a central role in the sense that they are not always met, or actors have to find a sort of compromise, accepting a situation that maybe does not fit at 100% to what they wanted to achieve at the beginning of the project. Thus, negotiation and conflict resolution are normal in the project cycle. In the case of MOMENT, some actors stated that they found the objectives to be not so concrete when they joined the project, thus initial expectations were not met.

As regard the matter of resources in terms of knowledge and information, it can be mentioned the fact that in Lithuania, for example, public authorities are not used to inform the public about the water quality. A practical approach to this situation could be to undertake a bottom-up approach that would allow the ownership of results, making people aware of the benefits and the importance of this public good. The same is for Russia, where unfortunately the bottom-up approach is not traditionally used.

Another challenge can be represented by language barriers with a consequent communication difficulty that could lead some partners from the different countries to limit somehow cross-border cooperation. These actors, in fact, could prefer to have relations among partners in the same country, avoiding the attempt to fill the cultural gap among them.

Conflicts can be external but also internal, namely they can result in the difficulty in keeping the time plan, in the communication with the project management, in the cooperation within the WUPs where different interests are represented by their members, and in receiving political backup. The latter means receiving political recognition, a challenge especially in the Russian pilot area.

Conflicts can generate in relation to different interests that, in this case, could be conducted to ecological interest, water quality, culture and tourism, obstacles to fish migration, farming areas, forestry, wetlands, final users, and the necessity to cope with the international and European conventions in matter of environment etc.

A good example of conflict can be found in the pilot area of Bruatorp river in Sweden, where finding a win-win for good water quality and optimal conditions for agriculture was hard. Landowners and farmers try always to preserve their interests that usually deal with production purposes. In the past, wetlands in this pilot area were drained and the water level in lakes and rivers was reduced in order to get new arable and cultivable lands. This provoked a reduction in the water storage capacity that needed a restoration after several years. Furthermore, the agricultural sector makes large use of fertilizers that usually provoke the release of nutrients in the water sources. In the case of Bruatorp river, prevention could have replaced the large investments to get nutrients out of the water again. But this needed greater education, and campaigns to make farmers aware of their actions. Farmers' commitment for a sustainable agriculture cannot be always taken for granted. Therefore, here a conflict is generated since water is a public good and its pollution affects all the sectors of the society.

Conflicts cannot be indispensably found only among actors for their different interests. Sometimes, legislation and complex bureaucracy complicate operations as in the case of the Snärje stream. The planning of the site was done after having reached an agreement with the landowners at Stävlö and consulting the wetland administrator at the County Administrative Board. A planning notification was submitted to the County Administrative Board's water administrators but the wetland plant resulted to be too large for their competences. Thus, it was necessary to get a permission from the Environmental Court that would have required too much time, going beyond the time-frame for the project. In this case, project managers had to find a compromise to their initial plan, deciding to implement only part of the construction foreseen by MOMENT also due to the incurrence in higher costs compared to what had been planned.

As regard to the resources available to the actors involved in the power game, it has been observed that landowners would have needed more general information to increase their basic understanding about measures' effect. In general, landowners do not execute more sustainable measures if they do not get a direct invitation or direct help with the planning, design and implementation of actions. In the Snärje stream, for example, landowners expressed their interest in the wetlands only after having taken part in River Inspection Tours under the direction of WUP. "The interest increases when one gets to see implemented measures by others in real life. In combination with concrete help this is the key towards implementing activities". In this pilot area, MOMENT project managers were convinced that combining a wetland for fish reproduction and nutrient reduction would have increased the interest among landowners to construct wetlands, especially to rescue the populations of perch and pike from decline along the coast of Kalmarsund.

## 5. WHAT FORMS OF DIALOGUE BETWEEN THEM?

Dialogue among actors has not always been simple, also because of a lack of general public awareness and understanding about water management and environmental issues. Inhabitants, entrepreneurs and politicians often did not understand the importance of these issues and their impact on daily lives. Difficulties could be found also in the common mutual understanding. Dialogue has been carried on through WUP, Water Councils, forums, and platforms -like the internet-based information exchange system based on GIS created by the Regional Water Management Board in Gdańsk- where information could be shared, processed and spread among target groups and final beneficiaries. Other dialogue tools could be found in meetings, excursions, seminars, workshops etc. It is possible to provide several cases in the frame of MOMENT project. For example, in the Bräkne river pilot area, in September 2011, a WUP arranged four "Dialogue Meetings" in different parts of the catchment. The first of these meetings was dedicated to the board members while the others were open to all the WUP member and other interested people who could discuss about "their" part of the river catchment, sharing information, ideas, values, needs, problems related to it.

Collaboration, discussion and participation are the keystones behind the partnerships established in the MOMENT project, guaranteeing a bottom up approach. Another example can be provided by Dalia Zukiene, representing the already established WUP in the Akmena-Dane river basin (Lithuania), who emphasized "the need to point out all water users within the catchment area and stress the need for them to participate in the WUP. The need to address problems, discuss solutions and to raise public awareness is essential for the status of the river in order to remain one of Lithuania's most popular water sites. This river basin wide collaboration is a unique way of giving a voice to the small and large actors, private or official water users and even non professional stakeholders. It is a forum of all different kind of people with one thing in common: overall improvement of the quality of the river. The WUP will therefore play a key role if these challenges are to be tackled in the nearest future."

In MOMENT project, dialogue was carried on through:

- Dialogue with Water Councils on the lowest level possible in order to tackle issues in a concrete way, engaging people in a continuous dialogue also through the start up of local groups with well-defined objectives. A bottom up approach ensured that local needs were priorities, and conflicts managed through the display of possibilities and the construction of legitimacy
- Implementation of local knowledge in higher level management strategies

- Effective collaboration among Water Councils and WUPs, discussing about the possibilities of financing at the administration and authority level
- Engagement and time investment
- Information and education campaigns for specific target groups of stakeholders
- Personalized approach to communication with different stakeholders
- Arranging meeting between local participants in WUPs and experts in specific sectors and issues
- Improvement of the local understanding

Dialogue has been carried on not only in formal and “traditional” way but also through the organization of the so-called *River Inspection Walks* organized by the Swedish Forest Agency around the Snärje River. Participants were municipal officials, people from various organizations, the general public, contractors and landowners. During these walks, the local knowledge existing in the group gave life to lively discussions, raising participants’ interest in water management, thanks to the exchange of different angles, deepened knowledge, provision of a bigger picture in terms of water protection and “electro fishing” (based on the fact that some fish species reflect a good water status).

In the Bruatorp River pilot area, dialogue was conducted through small groups discussions, involving 2-3 experts in the field of forest and water management whose goal was to identify availability of skills and to conduct a SWOT analysis in order to organize trainings and workshops to fill the knowledge gaps among landowners. Immersion discussions and river side walks with WUPs helped carrying on a continuous dialogue. Moreover, information material, and motivational guides were spread among different target groups.

“The Water Framework Directive demands active involvement of all kinds of stakeholders in river basin management and a lot of effort is put in order to enhance public participation in the decision making process. Very often effective engagement and communication between decision makers and different kinds of water users is considered one of the main challenges.”

MOMENT created a water information exchange system based on GIS in order to improve the information spread among water users and to improve the communication between partners and authorities. GIS was used mainly for public participation in water management and to provide a structured knowledge around the pilot area, simplifying the access to data and information, necessary for the WUP members. The Geographic information system is a fundamental way of communication and to engage people in water issues because of its simple visual approach that allows to combine water framework with other territorial

objectives. Moreover, GIS can facilitate public participation in water management. The Bauda river pilot area was chosen to test this new dialogue and communication tool.<sup>25</sup>

In the Akmena-Danė River Basin a trip was organized to spread information about water management, projects and issues related to the release of phosphates and nitrates into water courses and into the sea. Participants were teachers of biology, gymnasium pupils, students, the head of the Europe Information Centre (EIC), and ecologists. An open discussion “Everyone can fight pollution” was held on 11 June 2011 as well as an open discussion organized by the WUP of the Akmena-Danė River, that saw the participation of about 300-350 inhabitants, including schoolchildren. Simple questions like “Do you know the name of the river you live at?”, “Do you know where it comes from?”, “Is it allowed to bathe in the Danė?”, “What birds live at the Danė?”, “Why do we have to know the composition of household detergents and other cleaning products?” were discussed actively among the participants. Other study visits, conferences and meetings were held and representatives from Ministry of Environment, EPA, Klaipėda Regional Environmental Protection Department, Kretinga town Water Company, Geological Survey, Akmena-Danė WUP were engaged to present a program of measures to reduce pollution in the Akmena-Danė River Basin to the local communities and to make them participate actively in the MOMENT project.

## 6. ARE THERE ACTORS WITH A MEDIATING ROLE?

In the frame of MOMENT project, the Water Users Partnerships functioned as mediators between local representatives from different sectors and the regional/national level in the frame of water management. They had a mediating role also in the local organization of activities related to MOMENT, e.g. WUPs asked all the relevant organizations to share their activity plans and annual reports. The Bräkne River pilot area can be taken into account since, through the organization of an annual “Bräkne River Day” involving different parts of the catchment, this WUP acted as mediator for other organizations to meet, exchange knowledge

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<sup>25</sup> The main objective was to create the Internet system based on GIS that will be used for public participation in water management and to provide clear and understandable information on the pilot area. The aim was to facilitate the access to the data necessary for water management and make it popular within WUP members. Water management requires a good knowledge of the geographical location and related spatial information such as: rivers, water intakes, wastewater treatment plants, land cover or land use. Geographic information system is the best way for everyone to use to manage the information connected with water management because in an easy way it can link the water related issues to all other territorial objects. Geographic information systems are nowadays increasingly used as means of communicating and engaging people into water issues. Moreover there is an increasing demand for GIS in water management process as it facilitates availability, dissemination and visualisation of water related information. That is why water information exchange system based on GIS was chosen as a way to facilitate public participation in water management by giving WUP members an easy access to water related data. The Bauda pilot area was selected to test work with the Internet information exchange system. At first the efforts were put to create the system and then it was made available to WUP members.

and good practices, increase participation. The WUP, in this way, had a mediating role between project and associated partners, authorities, institution and those actors who conducted more concrete actions like operators, landowners, stakeholder associations, municipalities, County Administrative Boards.

7. HAVE ANY OF THESE CHANGED OVER TIME OR ARE LIKELY TO CHANGE IN THE FORESEEABLE FUTURE?

No the actors involved were the same for all the duration of the project. Just some project and associated partners were included in a second moment with the launch of MOMENT Up

◆ **PROBLEM PERSPECTIVES AND GOAL AMBITIONS**

1. WHICH VARIOUS ANGLES DOES THE DEBATE OF PUBLIC AND STAKEHOLDERS TAKE TOWARDS THE PROBLEM AT HAND?

It is possible to state that the debate of public and stakeholders let various angles emerge, considering the involvement of three different administrative levels (NGOs, public administration and academic world) discussing different topics related to water management, namely soil erosion, forestry, fisheries, safeguard of species of fish like trout, pike, salmon, reduction of phosphorus and nitrogen, buffer zones and wetlands, sewage treatment, and governance related to these sectors. Therefore, the debate was bright, interesting, engaging, showing how many areas could be involved in “water management” and how many interests are covered from an environmental, economic, social, political, and cultural point of view.

2. WHAT LEVELS OF POSSIBLE DISTURBANCE ARE CURRENT POLICIES DESIGNED TO COPE WITH? WHAT LEVELS OF DISTURBANCE OF NORMAL WATER USE ARE DEEMED ACCEPTABLE BY DIFFERENT STAKEHOLDERS?

To answer this question, it worth to provide some example of policies designed to cope with:

- SEWAGE SYSTEM: For example, in the Blekinge region (Sweden), several studies detected the quantities of produced sewage and its nutrient content like in the residential area Gebers, in Stockholm (Almquist et al., 2007, Jönsson et al., 2005; SEPA, 1995). Standard values are established by the Swedish Environmental Protection Agency. Nutritional values may vary between regions and countries, as the nutrient content of urine and feces mainly depend on the diet, the same applies of course also to the composition of the organic household waste (SEPA, 1995). 1<sup>st</sup> March 2008, the Swedish Ministry of Environment introduced a regulation on phosphates in laundry detergent in order to reduce the amount of phosphorus in grey-water,

and on 1<sup>st</sup> July the same regulation was applied for dishwashing detergents (Ministry of the Environment, 2010)

- **MANAGEMENT OF MANURE AND PRODUCTION ON BIOGAS:** The EU Regulation (EC) No 1774/2002 standardizes the procedure for the handling of animal by-products not intended for human production, in this case animals' digestion residue, for biogas production
- **SEWAGE SLUDGE FROM WASTEWATER TREATMENT PLANTS AS FERTILIZER:** in Sweden "If sewage sludge from wastewater treatment plants should be used as fertilizer, the material shall be subjected to sanitation to kill pathogenic micro organisms. These can be for example bacteria, viruses or fungi (Schnürer & Jarvis, 2009)." The Swedish Environmental Protection Agency (2002 & 2009a) foresees the recycling of nutrients from sewage fractions since nutrients should return to the soil without risks for human health and the environment. The recycling of phosphorus, in particular, is important since it is a limited resource in the form of exploitable phosphate minerals, as well as sulphur, nitrogen and potassium, and humic substances.
- The Farmers Federation, LRF (2010) restricts the use of sludge that has to come only from REVAQ-certified plants.
- **ORGANIC FERTILIZERS:** in Sweden, digestate is included in the term "organic fertilizers" and its use is governed by SJVFS 2004:62, regulations and guidelines on environmental concerns in agriculture with regard to plant nutrition. When the digestate originates from sewage fractions SNFS 1994:2, public notice of the regulations on the protection of the environment, especially the soil, when sewage sludge is used in agriculture, also applies. Digestate from waste fractions is not allowed to be spread: on pasture; on agricultural land where grazing or forage crops is to be harvested within 10 months; to cultivation of potatoes, root crops, vegetables or berries and not on arable land where such a crop is to be harvested within 10 months.
- Other regulations in Sweden limit the amount of phosphorus and ammonium nitrogen that can be spread per hectare on arable land (SNFS 1994:2). The regulation SFS 1998:915 deals with environmental concerns in agriculture, while the SJVFS 2004:62 dictates what are the situations in which the spread of fertilizers is not allowed (like on water-saturated, flooded, snow covered or frozen ground).
- **STORMWATER MANAGEMENT:** In Lithuania, according to the Municipal Law, municipalities are responsible for water supply and wastewater management. The Order No. D1-193 of the Minister of Environment (2007.04.01) on Regulation for Stormwater Management, defines the limits for concentrations of pollutants (ex. Agricultural, organic waste management etc.) discharged with stormwater into the environment. Another regulation

or legislation of the Republic of Lithuania is the Order on Impact Assessment of Planning Solutions of Territorial Planning Documents, approved by Resolution No. 920 of the Government of the Republic of Lithuania (2004.07.16, Žin., 2004, Nr. 113-4228), that foresees measures for mitigation of negative impacts in territorial planning. Impacts can be defined in terms of sustainable development, specific economic fields, economic environment, social environment and social groups, quality of natural environment and landscape, structure of landscape, ecological equilibrium, protection of cultural and natural heritage.

### 3. WHAT GOALS ARE STIPULATED IN THE RELEVANT POLICY WHITE PAPERS AND POLITICAL STATEMENTS?

*“The Baltic Sea Action Plan, the EU Water Framework Directive and the new EU Strategy for the Baltic Sea Region are examples of legacies that point out the need for actions to deal with negative impacts caused by anthropogenic activities.”*

-EUSBSR- “the European Union Strategy for the Baltic Sea Region deals with the topic of water in one of its three main objectives, “Save the Sea”, with a sub-objective dedicated to “Clear water in the Sea”. “The Baltic Sea and its transition area to the North Sea are still one of the most polluted in the world. Its poor state threatens the quality of life for the 80 million inhabitants living around it. The problems facing the sea, including algae blooms, dead zones on the bottom, air pollution, marine litter and noise and the negative environmental consequences of overfishing and heavy ship traffic, involve all coastal countries, calling for more coordinated action. The overall aim of the EUSBSR ‘Save the Sea’ objective is to achieve good environmental status by 2020, as required under the Marine Strategy Framework Directive (MSFD)<sup>24</sup>, and favorable conservation status under the Habitats Directive<sup>25</sup> in accordance with the EU Biodiversity Strategy, and taking into account the related targets by 2021, as required by the HELCOM (Baltic Marine Environment Protection Commission) Baltic Sea Action Plan (BSAP). Achieving the ‘Save the Sea’ objective is also essential to success in the other two objectives to ‘Connect the Region’ and ‘Increase Prosperity. [...] Cooperation to improve the water quality of rivers, lakes and coastal areas and successful river basin management according to the Water Framework Directive (WFD) is needed to save the sea.” (EUSBSR p. 37)

HELCOM ACTION PLAN- vision: “A healthy Baltic Sea environment, with diverse biological components functioning in balance, resulting in good environmental/ecological

status and supporting a wide range of sustainable human economies and social activities.”

Helcom Action Plan formulated 4 main objectives, namely:

- A Baltic Sea unaffected by eutrophication
- A favorable status of Baltic Sea biodiversity
- A Baltic Sea undisturbed by hazardous substances
- Environmentally friendly maritime activities

-INTERREG SOUTH BALTIC: “The Interreg South Baltic Programme aims at unlocking South Baltic’s potential for blue and green growth through cross-border cooperation between local and regional actors from Denmark, Germany, Lithuania, Poland and Sweden. Building on the maritime character of the Programme, “blue growth” addresses the economic potential of the Baltic Sea for growth and jobs across the shores of the South Baltic. At the same time, “green growth” underlines the need to pursue the path of economic growth in balance with the environment, in particular by utilising South Baltic’s rich natural and cultural heritage in a sustainable and preserving manner.” The INTERREG South Baltic program supports sustainable development and water quality in all its 5 priorities axis:

Priority Axis 1: Strengthening international activeness and innovation capacity of the South Baltic blue & green economy

- Specific Objective 1.1: Increase the presence of blue and green sector SMEs from the South Baltic area on international markets through joint cross-border actions
- Specific Objective 1.2: Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions

Priority Axis 2: Exploiting the environmental and cultural potential of the South Baltic area for blue and green growth

- Specific Objective 2.1: Increased development of the South Baltic area’s natural and cultural heritage assets into sustainable tourist destinations
- Specific Objective 2.2: Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area

Priority Axis 3: Improving cross-border connectivity for a functional blue and green transport area

- Specific Objective 3: Improve the quality and environmental sustainability of transport services in the South Baltic area

Priority Axis 4: Boosting human resource capacities for the area’s blue and green economy

- Specific Objective 4: Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions

Priority Axis 5: Increasing cooperation capacity of local actors

- Specific Objective 5: Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks

-AAHRUS CONVENTION- “The United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters was adopted on 25 June 1998 in the Danish city of Aarhus (Århus) at the Fourth Ministerial Conference as part of the "Environment for Europe" process. It entered into force on 30 October 2001. The Aarhus Convention establishes a number of rights of the public (individuals and their associations) with regard to the environment. The Parties to the Convention are required to make the necessary provisions so that public authorities (at national, regional or local level) will contribute to these rights to become effective. The Convention provides for:

- the right of everyone to receive environmental information that is held by public authorities ("access to environmental information"). This can include information on the state of the environment, but also on policies or measures taken, or on the state of human health and safety where this can be affected by the state of the environment. [...] In addition, public authorities are obliged, under the Convention, to actively disseminate environmental information in their possession;
- the right to participate in environmental decision-making. Arrangements are to be made by public authorities to enable the public affected and environmental non-governmental organizations to comment on, for example, proposals for projects affecting the environment, or plans and programs relating to the environment, these comments to be taken into due account in decision-making, and information to be provided on the final decisions and the reasons for it ("public participation in environmental decision-making");
- the right to review procedures to challenge public decisions that have been made without respecting the two aforementioned rights or environmental law in general ("access to justice").”

-RAMSAR CONVENTION- The Ramsar Convention on Wetlands was developed to call the international attention on wetlands habitat, their degrade and the disappearance of values, good and services related to them, especially across boundaries, since wetland are often part of river basins shared by two or more states. The convention aims at bringing actors together to find common solution for the safeguard of wetlands since human impacts on water sources, such as agricultural, industrial or domestic pollution, may occur upstream considerable

distances from wetland areas, often beyond the borders of the States affected. Wetlands constitute a great resource that affect economic, cultural, and recreational sectors. The Ramsar Convention on Wetlands calls for intergovernmental action and provides the framework for such international, as well as for national and local, action.

“Wetlands are areas where water is the primary factor controlling the environment and the associated plant and animal life. Under the text of the Convention (Article 1.1), wetlands are defined as: “areas of marsh, fen, peat land or water, whether natural or artificial, permanent or temporary, with water that is static or flowing, fresh, brackish or salt, including areas of marine water the depth of which at low tide does not exceed six meters”. In addition, there are human-made wetlands such as fish and shrimp ponds, farm ponds, irrigated agricultural land, salt pans, reservoirs, gravel pits, sewage farms and canals.

-EU WATER FRAMEWORK DIRECTIVE - integrated river basin management for Europe is the Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy. “The Water Framework Directive establishes a legal framework to protect and restore clean water across Europe and ensure its long-term, sustainable use. The directive establishes an innovative approach for water management based on river basins, the natural geographical and hydrological units and sets specific deadlines for Member States to protect aquatic ecosystems. The directive addresses inland surface waters, transitional waters, coastal waters and groundwater. It establishes several innovative principles for water management, including public participation in planning and the integration of economic approaches, including the recovery of the cost of water services. In its Article 3, the directive calls for the creation of international districts for river basins that cover the territory of more than one Member State and for coordination of work in these districts.” Other specific legislation in the frame are the Groundwater Directive 2006/118/EC and the Strategy against chemical pollution of surface waters.

-SWEDISH FOREST AGENCY’S WATER POLICY- This policy underlines (a) the importance of functional protected zones and (b) the assessment of forest operations on a river basin perspective. Overall, about 60 km of the Snärje stream was inventoried and classified in this way.

#### ◆ STRATEGIES AND INSTRUMENTS

1. WHICH POLICY INSTRUMENTS AND MEASURES ARE USED TO MODIFY THE PROBLEM SITUATION?

It is possible to state that the current policies and regulation require sticks as policy instruments, meaning sanctions if for example the limits of pollutants discharge into water are not respected (?).

“To ensure clear water, every effort must be made to achieve the targets and indicators set under the MSFD, the WFD, the Nitrates Directive<sup>28</sup>, the Urban Waste Water Treatment Directive<sup>29</sup> and in the updated HELCOM Baltic Sea Action Plan in 2013. The main areas for cooperation include cutting nutrient inputs from urban waste water treatment plants, rural settlements, shipping, and the application of sustainable agricultural practices in the whole catchment area, with particular focus on reduction of fertilizer inputs. Full implementation of all relevant EU legislation is needed, alongside cross-sectoral policy-oriented dialogue –for instance to promote the alignment of policies that have an impact on the Baltic Sea (including the Common Agricultural Policy). Moreover, technical solutions going beyond EU requirements are in place for enhanced phosphorous removal in the waste-water treatment process, in line with HELCOM Recommendations 28E/5 and 28E/6, and these should be promoted and applied. Apart from full implementation of the NiD and the adoption of reinforced measures according to its art. 5(5), additional rural development measures could be used to go beyond this baseline and to reduce nutrient run-off and leaching, better utilization of nutrients and increase the retention capacity in the landscape, and HELCOM recommendations for manure management in agriculture (28E/4) should be followed. Incentives for agri-environmental measures should be allocated effectively to the most polluting areas, only measures going well beyond the baseline should be financed, and more attention should be paid to nutrient recycling. The European Commission’s work on the sustainable use of phosphorus is closely related to this. The integrated research and innovation framework established through the BONUS program to provide the knowledge necessary for a clean, sustainable prosperous Baltic Sea would be an appropriate mechanism that could support these efforts.” (EUSBSR p.39)

Many sites taken into account by MOMENT project are also Natura 2000 sites and areas of national interest for nature conservation in its entire length. Thus, the policy instruments adopted in this case are for sure sticks, command and control based on the Aarhus Convention.

On the contrary, in the frame of MOMENT project the policy instruments adopted can be mainly found in sermons. Sermons consist in information, communication, dissemination, advices, guidelines that can be spread among the Water Users Partnerships with the scope of

show the way to results. Furthermore, different measures to modify the problem situation have been adopted. Among the four countries that took part in MOMENT, only Sweden established and institutionalized frameworks for collaborative water management approaches, Water Councils. The latter assist and contribute to the work of water authorities and carry out regional and national policies on local level. In Sweden the attendance to respective Water Councils has been generally high due to the comparatively high level of general awareness in relation to the human impact on environment. Participation spread also thanks to the stakeholders' readiness to get involved in environmental issues, thus undertaking a collaborative water management approach.

What follows is an overview of the measure adopted in the four countries that take part in the project.

In Lithuania, discussions on the quality of water had been in place prior to the MOMENT project among environmental NGOs but no concrete actions to address this issue had been taken, either by NGOs or by any municipalities.

In Poland there was no organized cooperation between authorities responsible for water management and end users.

In Kaliningrad there was no communication among stakeholders, no data, national and regional policies on water management. Water management in Russia is drafted in top-down decision making processes.

Most of the time, end users of water are excluded from decision making processes and have limited or no possibilities to influence the decision makers. General lack of knowledge and awareness among the public on what impact poor water quality can have on surrounding environments, can explain the low level of proactive and preventive actions towards water management. MOMENT tried to contrast the negative situations through the establishment of WUPs.

WUPs have been established under the administration of a Municipality (in four cases), under a University (in two cases) and, in one case, under the Regional Water Authority. The kind of administration has a direct impact on the type of partnership that can be built inside each WUP apart from the possibility or not to cover all the most important representative sectors related to water management and use.

WUP	Number of members	Administrative organisation	Sector				
			Public	Private	Academic	Voluntary	Other
Akmena-Dane	64	University	V	V	V	V	V
Bauda	24	Water Authority	V	-	V	-	-
Bräkne	44	Municipality	V	V	V	V	V
Bruatorp	57	Municipality	V	V	-	V	V
Minija	38	Municipality	V	V	-	V	V
Primorskaya	12	University	V	-	V	V	V
Snärje	30	Municipality	V	V	V	V	V

Table v: composition of the WUPs (Ramböll, 2013:21)

## MEASURES

When measures for the management of a river system are planned, priority should be given to protection and preservation of what is in a good status, trying then to reverse negative situations and to restore original conditions, keeping the creation of new elements as last step. In MOMENT project, these priorities are discussed among the members of the WUPs with the scope of developing a common vision for the future taking into account everybody's points of view, opinions, objectives, analyzing strengths, weaknesses, opportunities and threats. WUPs are usually responsible for "soft" measures related to operators', stakeholders', municipalities', landowners', and authorities' responsibility. The challenge for each WUP consists in maintaining interest and involvement among its members, and to make them share their local knowledge.

## EXAMPLE: BRÄKNE RIVER

In the northern part of this pilot area, measures to reduce nutrients and acidification were prioritized, while in the southern part, especially in the area of Tiken, the priority was given to the improvement of fish habitats and the removal of obstacles to fish migration. Different actions were coordinated to improve water quality. Associations like LRF (Farmers Association) or Södra (Forest Owners Association) conducted actions to reduce leakage of nutrients with the support of WUPs and the organization of "water walks", meetings and discussions. WUPs participated in projects like the construction of wetlands (e.g in Tingsmåla, north of Tingsryd), and coordinated the discussion and negotiations with municipalities or the County Administrative Board, planning and financing. The WUP was partner in the projects, contributing with financing and volunteers, preparing an inventory of cultural heritage sites in Kronoberg County, along the Bräkne River, coordinated the discussion between the Tingsryd municipality, the County Administrative Board of Kronoberg and concerned landowners about the possibility to construct a wetland in the Fiskestadsjön inlet. It conducted a sampling

to detect which area suffered because of nutrients and acidification, followed up the processes of contaminated areas recovery (around wastewater treatment plant, old land-fill, stormwater management). The WUP found sustainable solutions for the whole Tingsryd water system, and acted for the protection and preservation of Natura 2000 sites in Bräkne River and its surroundings, apart from organizing an annual "Bräkne River Day" in cooperation with other organizations, with various activities in different parts of the catchment. This was an occasion for the organization to promote its activities, spread knowledge, engage new participants and create commitment in the field of water management, sustainable development, and safeguard of the environment.

#### EXAMPLE: BRUATORP RIVER

This pilot area took into account the aspects related to climate change, thinking about concrete actions for mitigation and adaptation. It is necessary to take measures, especially related to water storage and retention, as an alternative for cleaning and accelerated run-off, in order to collect water during the winter and avoiding water scarcity during the summer. This is important especially for the agricultural sector and its use of drainage, recirculation and irrigation system. In the last years precipitation patterns changed causing an emergency in the preservation of biological diversity, compromised by water shortages or bad water quality. Thus, the consultancy firm Naturvårdsingenjörerna ab envisaged a range of measures for ecological, chemical and hydro morphological water quality. The firm produced also maintenance manuals for land owners. In the Bruatorp river pilot area, MOMENT project opted also for a sort of capitalization and cooperation with the municipality of Torsås and LOVA, a Swedish funding for Local Water Management. Through a dual project management, benefits in terms of costs, management, work, dissemination and consultancy were achieved.

#### EXAMPLE: CITY OF KALMAR

Kalmar Water tried to look for water quality measures that could go beyond the traditional techniques for stormwater runoff management and flood prevention in urban areas. Innovation was found in urban wetlands and stormwater ponds constructed as end-of-pipe treatment measures. Nevertheless, this system is generally not easy to be implemented in urban areas, especially if they are densely populated. So, city of Kalmar found a valid alternative in the "green roofs".

#### EXAMPLE: GRIS STREAM CATCHMENTAREA (Sweden)

Among 10 concrete measures planned and implemented, in Torestorp the focus was on sediment trap and phosphorous filter, restoration of meander in river and flooding area. The idea was to clear the water of a side branch before it went into the main stream.

## 2. TO WHAT EXTENT DO THEY REFLECT A CERTAIN STRATEGY OF INFLUENCE (REGULATIVE, INCENTIVE, COMMUNICATIVE, TECHNICAL ETC...)?

A WUP is built on the representation of stakeholders and its structure guarantees all members equal rights of expression and possibility to influence the agenda and work of the organization. The strategy of influence adopted is definitely communicative, and in some cases technical, since local landowners and other stakeholders who deal mainly with farming and forestry have been provided with technical support (tools and knowledge).

The strategy of influence and its efficacy vary from one WUP to another, due to their composition and administration. No incentives are provided to stakeholders to take part in MOMENT project, and this is reflected especially in the difficulty of recruiting politicians. In Lithuania, for example, the recruitment of politicians was successful only with one out of 31 politicians approached. The involvement in WUPs is totally free and voluntary, normally without the requirement of a membership fee (with the exception of Bräkne river, Sweden). In the Minija River's WUP, the communicative influence resulted to be less convincing since only 10 members took part actively in discussion and execution of measures, a problem from a democratic point of view.

The influence exerted on the Polish Bauda river pilot area, favored the recruitment only of public and academic sectors, lacking the private and voluntary ones (NGOs). This WUP was represented only by officials and scientists, having an impact on the outcomes of meetings and discussions, objectives and activities. This voluntary participation, and thus communication and technical incentives, needed local self-awareness and the engagement in bottom-up initiatives, aspects that needed great effort and stakeholders' commitment. Persuasion, communication campaign, research dissemination, exchange of knowledge have been the only means to raise public awareness and to involve local stakeholders in the WUPs.

It is possible to identify 5 categories of measures in MOMENT, namely:

- informative measures (to educate the general public, politicians, farmers and other stakeholders);
- enquiring measures to analyze local waters and their quality;
- technical measures to build water cleaning systems;
- policy measures to draft policies in the frame of water management;
- lobbying measures to influence local decision makers.

Therefore, those WUPs institutionalized under a municipality as administrative authority (like Bruatorp, Brakne, Snarje and Minija rivers) focused on informative, enquiring and lobbying measures. Akmena- Dane and Primorskaya River, under the administration of Universities,

turned to informative and lobbying measures. Among all the WUPs, only the Bauda River WUP, institutionalized under the Regional Water Authority, undertook policy measures for the conservation and protection of nature, the institutionalization of protected zones around lakes and rivers, diversification of ecological niches. Being administered by a Regional water authority, the Bauda River WUP had the possibility to influence not only policy makers but also the policy agenda itself.

#### ♦ **RESPONSIBILITIES AND RESOURCES**

1. WHICH ORGANIZATIONS HAVE RESPONSIBILITY FOR WHAT TASKS UNDER THE RELEVANT POLICIES AND CUSTOMS? See precedent sections levels, scales, actors and networks

2. WHAT LEGAL AUTHORITIES AND OTHER RESOURCES ARE GIVEN TO THEM FOR THIS PURPOSE OR DO THEY POSSESS INHERENTLY?

As mentioned before, there have been cases in which the MOMENT management had to get legal authorities to conduct the actions foreseen. For example, in the Snäje River pilot area the measures undertaken consisted in planning and design of the lands to be destined to wetlands, conduction of surveys and negotiations between landowners and the County Administrative Board, in the respect of environmental laws. The wetland was divided in two parts for phosphorus reduction, nutrient recycling, and fish reproduction stimulation. Since the wetland part exceeded the maximum hectares extension allowed (5 hectares) it was necessary to get a special permission from the Environmental Court.

3. WHAT TRANSPARENCIES ARE DEMANDED AND MONITORED REGARDING THEIR USE?

MOMENT monitoring has been conducted by the Linnaeus University and by the company Rent Dagvatten Ltd. Furthermore, each WUP asked all relevant local organizations to make available their annual reports and activity plans, so that everybody could have an overview on the progress and achievements in each pilot area.

4. IS THERE SUFFICIENT KNOWLEDGE ON THE WATER SYSTEM AVAILABLE?

Yes, there was sufficient knowledge on the water system before, during, and after the implementation of MOMENT.

An example can be provided in the case of the Bräkne river catchment. Its local program of measures was based on the following material:

- Åtgärdsförslag för Bräkneåns avrinningsområde (Suggested measures for the Bräkne River catchment), produced by the Water Authority in 2009 as part of the consultation material when establishing the Programme of Measures for the water district;
- Annual reports from the coordinated recipient monitoring of Bräkne River;
- The Water Authority's status assessment of water bodies within the catchment of Bräkne River, as reported in VISS (Water Information System Sweden, [www.viss.lst.se](http://www.viss.lst.se));
- The Water Authority's Åtgärdsprogram för Södra Östersjöns Vattendistrikt 2009-2015 (Programme of Measures for the South Baltic Water District 2009-2015);
- Information gathered at four Dialogue Meetings held by the WUP;
- Information from other partners in the Moment Project about work and activities performed in their respective Pilot Areas and experience of ongoing or completed Pilot Measures.

Furthermore, for each programme of measures it has been found convenient to divide the catchment into subareas of differing character, where problems and suitable measures could be expected to be of similar nature within the respective areas. Moreover, for each pilot area a deep analysis of all the possible sources of pollution has been conducted, for example along the Bräkne river research has been conducted on: disused military airfield at Uråsa, source of large amount of stormwater, increased levels of substances with negative influence on the recipient, or old refuse dumps, fish breeding establishments that contributed to the supply of nutrients to the river, ground pollution by saw mills with wood impregnation, repair shops that handled oil products and chemicals, three roads—accidents involving tank lorries, petrol stations (fuel leakage). For each area a report has been drafted and initial and final rankings have been conducted to state the ecological and chemical status.

This descriptive governance assessment shows how all the actors from different levels and sectors interacted and contributed for the success of MOMENT project.

#### **4.3- CASE STUDY 2: INTERCONNECT**

Interconnect project has been chosen as second case study in the frame of 2014-2020 INTERREG South Baltic programming period. It presents several peculiarities that make it optimal for this research.

First, it is an EUSBSR flagship candidate. Just to remember, an EUSBSR flagship can be a single project, a set of projects with the same action, or a process, result of a policy discussion carried out in the frame of a EUSBSR's policy area or horizontal action. Flagship has an

added value that can be found in their scope of developing key solutions, innovation/ new practices and networks that contribute to the achievement of the overall objective of the Baltic Strategy.

According to the Strategy, a project can receive the flagship label if it complies with some specific criteria, namely having a macro-regional dimension (involving) or impact on at least three states in the Baltic Region; contributing to the objectives and targets of the EUSBSR; strong and reliable partnership. INTERCONNECT presents direct spendable links with the EUSBSR, and indirect connections with PA Tourism, HA Capacity (involving civil society in transport service planning) and HA Climate (through the reduction of car emission and pollution impact on the environment). Second, even though INTERCONNECT project was officially launched in Karlskrona on 4th-5th September (2017) and it is currently just in its initial phase, it is the product of one year implementation of the seed money project BSR Interconnect- Interconnecting regional public transport systems in the Baltic Sea Region. The latter was run from January 2016 till January 2017 and funded by the Swedish Institute. Therefore, it presents an already well structured partnership and it is a good example of multilevel governance approach.

Third, being under the INTERREG South Baltic's specific objective 3- Improve the quality and environmental sustainability of transport services in the South Baltic area, it is a good example of project that can have a positive impact on local sustainable development policy.

As for the precedent case study, an effort will be made to assess the governance of INTERCONNECT. For this purpose, the template that will be used, will be the GAT (governance assessment tool) but it will be modified to fit the different typology of project. In fact, being the GAT especially elaborated for water management projects, some questions will be deleted in this case. However, it has been thought that the structure could fit the analysis of INTERCONNECT, especially as regard to the description of levels/ scales, actors/ networks, problem perspectives and goal ambitions.

#### **4.3.1- Background**

The aim of INTERCONNECT is to change the trend of car-mobility in the South Baltic area through the implementation of a more efficient and sustainable public transport service for regional and cross-border travellers. Currently, the public transport system does not fit customers' needs and expectation. There is no cohesion in the system around the region, shown by the lack of integrated ticket options for multi-modal rides, lack of one-spot passenger information, even lack of infrastructures. The under-performance of the public transport network is especially evident in the ferry-boat links that have more attractive offers for passengers who travel by car in cross-border travels while the foot passengers' market

segment is still marginal. Thus, the necessity is to reduce car-dependency mobility, making the transport system more sustainable and customers' friendly, tackling the issues from three different perspectives, namely from the point of view of demand, supply and governance. The project started in June 2017 and it will last 36 months. In the region there are examples of public transport services/products in the region, they have been developed locally, the experience is scattered, there is no exchange of good practices among regions. There is a great untapped socio-economic potential in the region, especially related to labour market and tourism.

#### **4.3.2- Objectives of INTERCONNECT**

1. To build a modern regional public transport offer in Pomorskie region (Poland)
2. To design and test one-spot travel information
3. To provide single-ticket solutions for riders on all public transport modes along two long-range lines in the Baltic Sea region
4. To deliver know-how and new planning tools for sustainable mobility to the public transport management bodies in the partner areas
5. To build a new cross-border travel information system for public transport passengers in Blekinge area (Sweden) to encourage them to visit attractive destinations in the neighbouring regions and countries without a car

The overall objective of the project is to harmonize the public transport services in Pomorskie and Blekinge, through a direct connection between Poland and Sweden and the provision of joint products, namely single ticket solutions for multimodal journey. In this way, a better service will be performed both for commuters, common citizens and tourists. Furthermore, through a better coordination of public transport and a reduction of car-dependency, the environmental footprint will be reduced with a consequent better quality of life in the South Baltic Sea area.

Influence the travel decision choice on the Rostock-Gedser ferry line to see more foot passengers on-board and a flourishing institutional cooperation across the German-Danish border for regional integration and economic growth

### 4.3.3- Governance Assessment

#### ♦ LEVELS AND SCALES

##### 1. WHICH ADMINISTRATIVE LEVELS and SECTORS ARE INVOLVED AND HOW?

The administrative levels involved in INTERCONNECT are:

- the municipal level, responsible for local public infrastructures and public transport planning
- the regional level that involves different sectoral departments for urban development, urban planning, and economic promotion)
- the academic level with the involvement, for example, of the Hanseatic Institute for Entrepreneurship and Regional Development at the University of Rostock (HIE-RO) in Germany. It belongs to the KryoInnoNetz, a network of companies and scientific institutions that work on technology-based solutions in the field of transport, analyzing their socio-economic impact on the regional development.
- private sector

#### ♦ ACTORS AND NETWORKS

##### 1. WHICH ACTORS ARE INVOLVED?

INTERCONNECT involves 19 organizations from 6 countries:

###### Project partners:

Region Blekinge (SE): public cooperation established between the 5 municipalities of Karlskrona, Karlshamn, Olofström, Ronneby and Sölvesborg) and a regional health care authority. Its main aim is to promote sustainable development through the safeguard of the environment, climate change adaptation and mitigation measures, the support to business life, culture and tourism also through a special attention and commitment in the provision of high quality infrastructures and public transport networks.

###### Pomorskie Voivodeship (PL)

Hanseatic City of Rostock (DE): municipal administration operating across different sectoral department with the scope of managing economic growth and sustainable development. It coordinates the offices for urban development, urban planning and economic promotion for the wellbeing of around 206 000 local citizens.

Hanseatic Institute for Entrepreneurship and Regional Development at the University of Rostock (DE): academic institution cooperating with decision-makers, business sector and other academic institutions,

supports applied research in different fields like resources development and innovation, learning regions, entrepreneurship and human resources development, and regional development policy goals.

Municipality of Guldborgsund (DK): rural municipality in Region Sjælland, in Denmark. Its aim is to ensure its approximately 61 000 inhabitants wellbeing, cross-border mobility, and business support. Its position at the crossroads of two important transport corridors makes the municipality competent in dealing with local public transport planning, local roads and infrastructure provision and maintenance, international cooperation projects, and joint development especially with the twin city of Rostock (DE)

Klaipeda Public Transport (LT): public transport authority responsible for inner public transport and regional public transport, counting on the cooperation of 4 municipalities. It has competence and financial capacity for international cooperation in sustainable mobility and transport planning.

Blekinge Institute of Technology (SE) -Blekinge Tekniska Högskola BTH: public university focused on education and research at high international level. It integrates engineering and IT with urban planning, industrial economics, design and health sciences. It positively affects innovation and sustainability sectors creating a stable cooperation and exchange with business, society and industry sectors.

Euroregion Baltic International Secretariat (PL)

Viimsi Municipality (Estonia)

Associated partners:

Rostocker Straßenbahn AG, RSAG (DE)

Municipality of Karlskrona (SE)

Stena Line Scandinavia AB (SE)

Planning Association Region Rostock (DE)

Port of Trelleborg (SE)

Warminsko-Mazurskie Voivodeship (PL)

Scandlines Deutschland GmbH (DE)

Region Zealand (DK)

City of Gdynia (PL)

Association “Klaipeda region” (LT)

## 2. TO WHAT EXTENT DO THEY HAVE NETWORK RELATIONSHIPS ALSO OUTSIDE OF THE CASE UNDER STUDY?

These actors already had relations outside the case under study, being part of the Euroregion Baltic cooperation network that involves 8 regions in 5 countries on the Baltic Sea. In fact,

ERB is considered an arena for well-anchored long-term political cooperation. Furthermore, some of these partners had already established a collaboration in past INTERREG transport projects like Interface and Interface plus, and BSR Interconnect.

### 3. WHAT ARE THEIR ROLES?

- Region Blekinge is the Lead Partner of the project, responsible for management and coordination of all the activities foreseen in INTERCONNECT project, namely management of information flow for both project and associated partners, partnership building, and financial resources. Region Blekinge's main scope is to share experience on regional mobility with other partners in order to improve public transport services in the South Baltic region with a consequent connectivity, knowledge exchange, high-skilled labour force mobility, and internationalization of economy.
- City of Rostock is responsible for the Work package 5 "Future governance and institutionalization" that will be co-led by Guldborgsund Municipality. Their aim is to connect in a more systematic way all those stakeholders that represent important sectors in the field of public transport, working on cross-sectoral and cross-border dialogue, knowledge exchange and cooperation. Rostock will cooperate directly with Guldborgsund Municipality (DK) to make the public transport supply more competent and efficient between Germany and Denmark, improving cross-border mobility also ensuring a multilevel governance approach.
- HIE-RO, as academic sector, will analyze the demand side, needing better public transport system to be convinced to change the current path of high car-mobility. The institute will be responsible in making research and delivering the results in relation to impacts of mobility on regional growth, accessibility, cross-border travels and dialogue, governance schemes. HIE-RO will be finally responsible for the implementation of a multi-stakeholder planning model for a sustainable public transport system, also through pilot cases.
- Klaipeda public transport authority's role will be to attract more users in the northern part of the city, enhancing the connections for local commuters and integrating the public transport between the whole region and the city.
- Blekinge Institute of Technology will test sustainable development planning models and new tools for decision-makers.
- Viimsi Municipality will play an important role in INTERCONNECT. It is outside the South Baltic Program eligible area but it has been included in the project because of its well-developed experience in sustainable public transport planning and management, gained through the establishment of Tallinn- Helsinki connection and joint ticketing service.

- Rostocker Straßenbahn AG, as associated partner, will adjust its service to customer expectations, creating a cohesive system for cross-border travels. Its main role in the project will be found in knowledge and experience exchange, and in the dissemination of information on cross-border multimodal rides.
- Municipality of Karlskrona will work on its Vision 2030, whose aim is to develop five new areas, namely: attractive living environment, fast communication, education and knowledge, Karlskrona of the experiences and the Karlskrona business community. Its main role in the project will be to transfer public transport and port management knowledge-related.
- Stena Line Scandinavia AB is a private transport company, providing the ferry service between Karlskrona (SE) and Gdynia (PL), but operating also in other 8 geographical business regions, namely Denmark, Norway, Germany, Baltic Sea North, Baltic Sea South, North Sea, Irish Sea North och Irish Sea South. It will strive to harmonize ticketing service and information through knowledge and experience exchange. On the same line, Scandlines Deutschland GmbH will have an important role in the project counting a solid cooperation among Denmark, Germany and Sweden since 1872.
- Planning Association Region Rostock (DE) is a body of public law constituted by Hanseatic City of Rostock, the administrative district as well as the intermediate settlement centres of Bad Doberan, Güstrow and Teterow. It was established as first federal states planning act of Mecklenburg- Western Pomerania. Its work is divided among committees that commit for the harmonization of public transport for regional economic development through cross-sectoral dialogue.
- Port of Trelleborg will support INTERCONNECT with its knowledge related to Malmö-Trelleborg and Rostock routes, covered by Scandlines ferries. This port is the Scandinavia's leading intermodal hub for international traffic, serving more than four transport corridors. It plays an important role thanks to its links to and from the European market, and for the sustainable path undertaken.
- Warmińsko -Mazurskie Voivodeship (PL) counts on several Polish-Russian border crossings for road traffic (Bezledy, Grzechotki, Gronowo and Goldap), railway traffic (Braniewo, Bartoszyce and Skandawa), and sea traffic (Elbląg and Frombork). This Voivodeship will have a receiver position, aiming at learning as much as possible from Pomorskie Region for its self-development.
- Region Zealand (DK) will share and open the discussion on the Traffic Charter of Greater Copenhagen and Cross-border Transport in Region Zealand as well as the Mobility as a Service (MaaS).

- City of Gdynia (PL), the “city built on sea and dreams”, will be responsible for the communication and cooperation related to the planned pilot activities, especially as concern the Słupsk / Starogard Gdanski –Karlskrona line, and the connection between the centre of Gdynia to the passenger terminal for Stena Line ferries.
- Association “Klaipeda Region” (LT), as member of Euroregion Baltic, prepared a feasibility study with an action plan for optimisation of the regional transport system, apart from an accessibility program for the promotion of Palanga Airport. The role of the association will be to spread INTERCONNECT outputs and results.

4. WHICH ACTORS ARE ONLY INVOLVED AS AFFECTED BY OR BENEFICIARIES OF THE MEASURES TAKEN?

The beneficiaries of INTERCONNECT will be final costumers, meaning 9 million residents of the coastal regions communities, commuters, and potential tourists.

5. WHAT ARE THE CONFLICTS BETWEEN THESE STAKEHOLDERS?

In this section, conflicts are not considered as different actors’ contrasting interests but, on the contrary, they can be found mainly in a lack of coordination. This is also due to public transport authorities’ lack of knowledge and expertise in customers’ needs and sustainable solutions. Furthermore, the “traditional” planning and management in the field of transport are obsolete and they do not fit the current path of internationalization and need of cross-border connections and cooperation. There are good sustainable examples at local level but they are scattered, lacking cohesion and dialogue in relation to good practices. Furthermore, some regions lack even infrastructures and public transport systems. Poor transport system in the region affects all the economic sectors, impeding the development of the untapped potential related to socio-economic growth, competitiveness in the labour market, and tourism. Conflicts can be expressed also through obstacles due to competence barriers, like lack of knowledge and experience, poor dialogue, lack of cooperation structure, lack of dialogue or different communication solutions, lack of motivation among stakeholders, and lack of initiatives.

6. WHAT FORMS OF DIALOGUE BETWEEN THEM?

INTERCONNECT aims at bringing stakeholders together organizing a cross-border and cross-sectoral dialogue based on good practice. This will be performed especially thanks to the work package 5 “future governance and institutionalization” in order to develop a multilevel governance framework for cooperation in the field of public transport and for a

sustainable and inclusive growth path. Furthermore, the work package 3 “Evidence, knowledge, and experience” will foresee a constant dialogue between local and regional stakeholders (supply, demand and governance sides) in order to engage them in a continuous test of innovative and sustainable public transport solutions. This will be carried on through a regular information exchange gained thanks to different pilot cases.

#### ♦ **PROBLEM PERSPECTIVES AND GOAL AMBITIONS**

##### 1. WHICH VARIOUS ANGLES DOES THE DEBATE OF PUBLIC AND STAKEHOLDERS TAKE TOWARDS THE PROBLEM AT HAND?

INTERCONNECT aims at building joint capacity building taking into account the three dimensions of demand, supply and governance in the frame of public transport. The Demand side consists in public transport users namely normal citizens, daily long-range commuters, tourists both motorized passengers and foot passengers. The Supply side regards public transport authorities responsible for the mobility at local and regional level, operators, service and commercial products providers. The Governance side is composed by decision-makers in the South Baltic Sea region whose tasks consist in increasing transport-related knowledge, managing interest groups and euro-regional and macro-regional network, and dealing with sectoral agencies in the fields of labour market, tourism, education, energy, environment, culture and so on and so forth.

##### 2. WHAT LEVELS OF POSSIBLE DISTURBANCE ARE CURRENT POLICIES DESIGNED TO COPE WITH?

Partner countries have adopted national documents to tackle connectivity and smart/sustainable transport solutions. It is possible to mention some documents like the Estonian National Transport Development Plan 2014-2020 that rule the railway traffic, or regional plans like Blekinge Strategy 2014-2020, Pomorskie Regional Development Strategy 2020, Regional Strategic Programme on Mobility in Pomorskie, Programme for Public Transport in Blekinge 2016-2019, Harju county’s public transportation action plan 2025. Other plans can be found at municipal level like Rostock, Guldborgsund, Klaipeda plan for local mobility and local life’s high quality standards. Public transport is not perceived as something “per se”, but it is experienced as the fundamental tool for sustainable development, local or regional attractiveness, competitiveness, convergence, well-being, intraregional mobility and connectivity. However, what is missed in these documents is a cross-border dimension of public transport.

### 3. WHAT GOALS ARE STIPULATED IN THE RELEVANT POLICY WHITE PAPERS AND POLITICAL STATEMENTS?

The main European policy White Papers and political statements in matter of transport are the EU White Paper on Transport 2011 and the TEN-T Regulation that refer to international passenger public transport and urban mobility.

WHITE PAPER- Roadmap to a Single European Transport Area–Towards a competitive and resource efficient transport system. The premise of the White Paper is “Transport is fundamental to our economy and society. Mobility is vital for the internal market and for the quality of life of citizens as they enjoy their freedom to travel. Transport enables economic growth and job creation: it must be sustainable in the light of the new challenges we face. Transport is global, so effective action requires strong international cooperation.” Connectivity is fundamental for the European regions to cope with international competitiveness, integration and world economy. The path of de-carbonization must be undertaken to reach the targets of greenhouse gas emissions reduction, thus new green technologies must be experimented accompanied by new and smart infrastructure networks. In this way, the EU can face not only the problems related to sustainability but also increase prosperity in the regions reducing congestion, enhancing people mobility and geographical accessibility over passing the issue of marginalization, especially for cross-border regions. For these reasons, the White Paper predicts “an efficient core network for multimodal intercity travel and transport in Europe, a global level-playing field for long-distance travel and intercontinental freight, cleaner urban transport and commuting, modern infrastructure, smart pricing and funding.

TEN T-Trans-European Networks in Transport, Energy and Telecommunications- Title XVI, Articles 170-172, of the Treaty on the Functioning of the European Union. TEN T aims at regulating the EU internal market, creating an connection among regions in Europe, and between Europe and the rest of the world. One of the objectives is to create a cohesive network of infrastructures, smoothing technical barriers. TEN T has been existing since 1993, but the first guideline was adopted by the European Parliament and Council in 1996, reviewed after the EU enlargement in 2004 and 2007. Thus, the new “Union guidelines for the development of the Trans-European Transport Network” was adopted in 2013 with the definition of 9 corridors. The main instruments adopted by TEN-T policy regard guidelines for objectives, priorities and practical measures, and the establishment of the EU funding instrument CEF (Connecting Europe Facility).

#### **♦ RESPONSIBILITIES AND RESOURCES**

1. WHICH ORGANIZATIONS HAVE RESPONSIBILITY FOR WHAT TASKS UNDER THE RELEVANT POLICIES AND CUSTOMS? See the precedent sections.

## 2. IS THERE SUFFICIENT KNOWLEDGE ON THE SYSTEM AVAILABLE?

It is possible to state that INTERCONNECT can count on a vast knowledge on the system available thanks to past similar projects (Interface and Interface plus) and the seed-money project BSR Interconnect. The work package 4 foresees the analysis of strengths and weaknesses of the current public transport in the South Baltic area, and the use of three pilot cases in Blekinge-Pomorskie, Klaipeda, and Rostock-Guldborgsund in order to develop new strategies for sustainable mobility and the reduction of car-dependency.

## CONCLUSIONS

To summarize, this research aimed at tracing whether and how the participation in the EU INTERREG program has enhanced the involvement of local and non-state actors and civil society in developing sustainable development policies at local level in the Euroregion Baltic. It has been decided to conduct this type of research moving from a more general overview of EU's territorial cohesion programs to an assessment of concrete outputs and outcomes of implemented projects in a multi-level governance perspective. As it explained, since the mid-1990s, the European Union has encouraged cross-border, transnational and interregional cooperation to fill in gaps in centralised development policies, compensating the lacks of measures in peripheral areas of EU member states. This research has analysed the evolution of territorial cooperation in the Baltic Sea Region, which has been selected as a very interesting case "being a little Europe inside Europe", providing the helpful elements for evaluating the extraordinary and lively network of cooperation that brought to the establishment of multiple overlapping governance architectures in the region. It has been illustrated how European Union's initiatives coexisted with and reinforce pre-existent networks of cooperation especially in the field of sustainable development. The INTERREG programmes have been fundamental for strengthening the cooperation networks contributing to the development of a MLG architecture in the Euroregion Baltic.

Nevertheless, two case studies of projects (MOMENT and INTERCONNECT) have shown how the various components of MLG have been strengthened.

MOMENT project's overall objectives were to increase political awareness concerning the importance of water management for the development of the situation in the Baltic Sea, to develop and test methods for sustainable water management, with special focus on decreased outlets of nutrients and hazardous substances from small and diffuse sources, within pilot areas in the shape of river basins, and to spread the information of achieved results and experiences (Project MOMENT, 2011). MOMENT was framed in the INTERREG South Baltic Programme whose aim is to unlock South Baltic's potential for blue and green growth through cross-border cooperation between local and regional actors from Denmark, Germany, Lithuania, Poland and Sweden. INTERREG South Baltic supports sustainable development and water quality in all its 5 priorities axis. In the case of MOMENT, INTERREG helped to achieve the objectives of strengthening the institutional capacity, cooperation and competence among officials and politicians within ERB concerning the role of water management in regional and transnational development; creating new cross border

networks, testing and demonstrating new methods for local and regional effective river basin based water management and sustainable development. INTERREG proved to support the MLG principles of programming- through its multiannual funding period- , partnership – involving 23 partners in total- and networking. These actors already had relations outside the case under study, being part of the Euroregion Baltic cooperation network that involves 8 regions in 5 countries on the Baltic Sea. In fact, ERB is considered an arena for well-anchored long-term political cooperation. Moreover, some actors involved had already established partnerships long before the launch of MOMENT project in Sweden. Anyway, through the establishment of WUPs- Water Users Partnerships in the MOMENT project, INTERREG helped national and regional water policies to be applied at local level. This has been possible only thanks to the involvement of the three administrative levels of: local and regional authorities; universities, research institutes, and regional NGOs; and local stakeholders from public, private, academic, voluntary sectors forming the local WUPs. The latter guaranteed a democratic bottom-up decision-making process approach, central for cohesion and inclusion and for ensuring a sustainable, enduring and positive impact on water quality. This allowed the agenda of actions to be set collaboratively, overtaking the traditional top-down decision making approach, that normally excludes the majority of stakeholders.

Therefore, it is possible to observe how INTERREG contributed in the fulfilment of MLG principles of programming, partnership and networks in MOMENT project. However, also MLG' politics, policy and polity dimensions deserve a further analysis. Analyzing who have been the first movers, it can be said that Euroregion Baltic (ERB) has been the initiator of the MOMENT cooperation, involving regions on the South Baltic shores. Among ERB members, the leading role has been responsibility of the Regional Council of Kalmar County, assisted by local actors in the pilot areas selection process, in particular by the Klaipeda County Administration in Lithuania, by the Regional Water Administration Board in Gdańsk (Poland), by the Shirshov Institute of Oceanology in Russia (MOMENT Up).

As mentioned in the governance assessment, in Sweden, WUPs were anticipated by the formation of Water Councils, established in 2005 with the scope of organizing different stakeholders around a water body, no matter the borders and the administration responsible for it. The primarily scope of these water councils was to set the stage for discussion through the organization of regular forums, providing support to the work of water authorities in order to concretely implement regional and national policies in the frame of water management at the very local level. WUPs were responsible for the draft of a program of measures in each pilot area, thus, a first attempt to reach MOMENT objectives was initiated in Sweden in 2005. Anyway, the success of MOMENT project was possible only thanks to ERDF co-financing

under the South Baltic Program, that covered the 75% of the eligible expenditures for the Swedish partners, and the 85% in Poland, Lithuania and Russia. Among the results, it seems that in Poland and Lithuania MOMENT approach notably strengthened the institutional capacity, while in Russia it seems that the bottom-up approach in the pilot area has empowered the general public.

The second case-study, INTERCONNECT, is framed by the INTERREG South Baltic program, and in particular in its specific objective 3- *Improve the quality and environmental sustainability of transport services in the South Baltic area*. INTERCONNECT is a good example of project that can have a positive impact on local sustainable development policy. As regard to political mobilization, Region Blekinge (SE) has been the initiator of this project whose aim is to bring stakeholders together organizing a cross-border and cross-sectoral dialogue based on good practice. This will be performed especially thanks to the Work-package 5 “future governance and institutionalization”, in order to develop a multilevel governance framework for cooperation in the field of public transport and for a sustainable and inclusive growth path. Furthermore, the Work-package 3 “Evidence, knowledge, and experience” will foresee a constant dialogue between local and regional stakeholders (supply, demand and governance sides) in order to engage them in a continuous test of innovative and sustainable public transport solutions and policy-making. Just to remember, the Demand side consists in public transport users namely normal citizens, daily long-range commuters, tourists both motorized passengers and foot passengers. The Supply side regards public transport authorities responsible for the mobility at local and regional level, operators, service and commercial products providers. The Governance side is composed by decision-makers in the South Baltic Sea region whose tasks consist in increasing transport-related knowledge, managing interest groups and euro-regional and macro-regional network, and dealing with sectoral agencies in the fields of labour market, tourism, education, energy, environment, culture etc. INTERCONNECT presents the MLG principles of programming, partnership and networks, involving 19 partner organizations. These actors already had relations outside the case under study, being part of the Euroregion Baltic. Furthermore, some of these partners had already established a collaboration in past INTERREG transport projects like Interface and Interface plus, and BSR Interconnect. Again, INTERCONNECT, like MOMENT, is co-financed by the ERDF under INTERREG South Baltic 2014-2020, whose importance lays in the fact that, promoting MLG and cross-border cooperation, this project aims at changing completely the transport system in the BSR in around ten years. This will be effective only through the involvement of different administrative levels, namely: municipal level

(responsible for local public infrastructures and public transport planning), regional level (that involves different sectoral departments for urban development, urban planning, and economic promotion), academic level (with the involvement of a network of companies and scientific institutions that work on technology-based solutions in the field of transport, analyzing their socio-economic impact on the regional development); and private sector.

To take stock, analyzing briefly the Ex-post evaluation report of INTERREG South Baltic 2007-2013 (EU Commission, 2016) it has emerged that this program contributed to the reinforcement of a cross-border network and to the enhancement of a multilevel approach to governance on the southern shores of the Baltic Sea, thanks to the opportunities of co-financing provided by the European Union. In fact, European support allowed the launch or participation in different initiatives of actors who would have not had the possibility to do it only with their own means because of the high costs of networking and knowledge exchange.

To conclude, INTERREG program acted as an important trigger for cooperation among partners across borders, giving birth to new synergies. It can be stated that many projects and initiatives would have been anyhow undertaken thanks to the renown active cooperation in the Baltic Sea, but probably they would have not had the same intensity and extension as under INTERREG. Moreover, EU co-financing has certainly accelerated and instilled cooperation at an earlier stage compared to the same initiatives launched by national and regional authorities. South Baltic Program highlighted many newly emerging interrelations and projects but, at the same time, it capitalized on the already existent networks of cooperation. Again, actors in the Baltic Sea Region would have not been able to build on collaborative cooperation patterns only with their own support, or their efforts would have been probably supported with less commitment, and less impacting outputs and outcomes. Furthermore, South Baltic Program can take the merits for its contribution in the reduction of barriers to cooperation, usually found in know-how and technology transferability, mutual learning, network building, accessibility and proximity, linguistic barriers, institutional capacity, and socio-economic development gaps in different areas. INTERREG program's added value can be found in its project-based approach and in its intensive and durable communication and mutual learning that usually last long time after the conclusion of the projects themselves. In addition, it has been observed that, in many cases, partnerships built for projects turned, then, into long term cooperation thanks to an efficient communication at project level, in a systematized cooperation, and in administrative joint learning advantages.

The main beneficiaries of the program have been public authorities at national, regional or local level, followed by academia and R&D institutions, whose involvement contributed to the strengthening of a MLG approach. The latter has contributed increasingly

to the spread of more ideas and innovative solutions adopted in countries and regions, setting the right stage for national and regional levels to launch new actions in a flourishing framework. As a result, it can be stated that one of the most important achievements of the South Baltic Program is a better exploitation of the untapped potential of the South Baltic Sea region.

A systematic administrative joint learning, and a MLG approach brought Managing Authorities, Joint Secretariats and stakeholders together, counting also on a learning-by-doing approach that involved actors at national, regional and local level. The final evaluation report of the South Baltic CBC Program shows that there has been an attempt of involving local authorities and local stakeholders both as participants and beneficiaries of the projects. This offered new opportunities for local authorities to learn from other countries' experiences across borders. (EU Commission, 2016).

ANNEX I TO CHAPTER I

OBJECTIVES 1989-1993	OBJECTIVES 1994-1999	OBJECTIVES 2000-2006	OBJECTIVES 2007-2013
<p><b>OBJECTIVE 1-</b> promoting the development and structural adjustment of regions whose development is lagging behind</p> <p><b>OBJECTIVE 2-</b> converting regions seriously affected by industrial decline</p> <p><b>OBJECTIVE 3-</b> combating long term unemployment</p> <p><b>OBJECTIVE 4-</b> facilitating the occupational integration of young people</p> <p><b>OBJECTIVE 5-</b> a) Speeding up the adjustment of agricultural structures b) Promoting the development of rural areas</p>	<p><b>OBJECTIVE 1-</b> promoting the development and structural adjustment of regions whose development is lagging behind</p> <p><b>OBJECTIVE 2-</b> converting regions seriously affected by industrial decline</p> <p><b>OBJECTIVE 3-</b> combating long term unemployment and facilitating the integration into working life of young people and persons exposed to exclusion from the labour market; promotion of equal employment opportunities for men and women</p> <p><b>OBJECTIVE 4-</b> facilitating adaptation of workers to industrial changes and to changes in production systems</p> <p><b>OBJECTIVE 5-</b> promoting rural development by A) Speeding up the adjustment of agricultural structures in the framework of reform of common agricultural policy and promoting the modernization and structural adjustment of the fisheries sectors B) Facilitating the development and structural adjustment of rural areas</p> <p><b>OBJECTIVE 6-</b> development and structural adjustment of regions with an extremely low population density (1995)</p>	<p><b>OBJECTIVE 1-</b> promoting the development and structural adjustment of regions whose development is lagging behind</p> <p><b>OBJECTIVE 2-</b> supporting the economic and social conversion of areas facing structural difficulties hereinafter</p> <p><b>OBJECTIVE 3-</b> supporting the adaptation and modernization of policies and systems of education, training and employment</p>	<p><b>1) CONVERGENCE-</b> least developed Member States and regions defined by GDP per capita of less than 75 % of EU average</p> <p><b>2) REGIONAL COMPETITIVENESS and EMPLOYMENT:</b> it covers all other EU regions with the aim at strengthening regions, competitiveness and attractiveness as well as employment</p> <p><b>3) TERRITORIAL COOPERATION:</b> based on the Interreg initiative, support is available for cross-border, transnational and interregional cooperation as well as for networks</p>
64 BILLION UNITS OF ACCOUNTS	168 BILLION- 1/3 of the community budget	€ 195 BILLION FOR STRUCTURAL FUND € 18 BILLION FOR COHESION FUND	€ 347 BILLION

## ANNEX II TO CHAPTER III

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ANNEX III TO CHAPTER III

	Type of the project partner	Partners in approved projects	%	Partners in submitted projects	%
Public law	National Public Authority	20	4,4	34	4,0
	Regional Public Authority	46	10,1	65	7,6
	Local Public Authority	130	28,4	211	24,5
	Academic/Research & Development	107	23,4	248	28,8
	Public NGO/NPO	47	10,3	99	11,5
	Public Other	54	11,8	84	9,8
Private law	Academic/Research & Development	4	0,9	11	1,3
	Private NGO/NPO	34	7,4	73	8,5
	Private Other	15	3,3	35	4,1
	<b>Total</b>	<b>457</b>	<b>100</b>	<b>860</b>	<b>100</b>

Beneficiaries by type of institutions in approved projects in 2007-2013.

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