



# Embedding of the EUSBSR in European Structural and Investment Funds

4th Working  
Meeting of the

EU Strategy for the Baltic Sea Region

11 April 2013 Espoo, Finland

Charlina VITCHEVA

# Structure of the presentation

## **1. Context**

*2. The EUSBSR as a Member State-led Strategy*

*3. Legislative basis to embed EUSBSR in ESI Funds*

*4. How to embed EUSBSR in ESI Funds*

*5. Consider links with ex ante conditionalities and results and indicators*

# **I - Negotiations of the legislative package for the period 2014-2020**

## **Backdrop**

- Council conclusions on the MFF agreed in February. Discussion is on-going with the European Parliament. Agreement on the MFF is a pre-condition to agreement on the legislative package
- Revised COM proposal for the CPR to introduce the Youth Employment Initiative (12 March 2013)

# Negotiations of the legislative package for the period 2014-2020

## State of play - Council negotiations

- Council is discussing the final negotiation block- MFF related provisions (includes information on resources, implementing provisions for the performance reserve and the macroeconomic conditionality etc.).
- Partial general agreement needs to be achieved to open trilogues on this block.

## State of play –European Parliament

- The European Parliament has a position on all regulations and all negotiation blocks (MFF agreement is pending)

# Negotiations of the legislative package for the period 2014-2020

## State of play – trilogues

- Political agreement on the strategic programming block in December 2012
- Trilogues are well advanced on thematic concentration, territorial development, the CSF and on ex ante conditionalities
- Trilogues have started on monitoring and evaluation, management and control, eligibility, technical assistance, and the performance framework. Trilogues on remaining blocks will commence in the near future.
- Trilogues on Fund-specific rules are also well advanced

# Timetable

- The aim is to finish trilogues by mid-May 2013, allowing adoption of the legislative package in Autumn 2013 in a single reading.

## II - Informal dialogue/negotiations on the PA/OPs - steps involved

### Partnership Agreement

COM sends Position Paper

**Done (autumn 2012)**



Informal dialogue

**Ongoing**



Informal draft to be submitted by all MS

**From April to June**



COM feedback/observations

**June-September**



Official submission

**After adoption of regulations**



COM formal observations



COM adoption decision

**End 2013**

### Programmes

**Same steps**

**Same timing as PA or a few months later**

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# The EUSBSR as a Member State-led Strategy

*High level of political  
commitment*

*Platform for transnational co-  
operation to advance national  
and regional interests*

**The updated Action Plan is  
fully in line with and  
contributes to Europe 2020**

*The opportune moment to  
realise full potential of the  
Strategy is now*



**Photo Credit: Baltic Sea**

The SeaWiFS Project, NASA/Goddard Space Flight Center,  
and ORBIMAGE

## Objectives and sub-objectives

### **Save the Sea**

*Clear water in the sea; Rich and healthy wildlife; Clean and safe shipping; Better cooperation*

### **Connect the Region**

*Good transport conditions (e.g. multilateral agreements on 'Rail Baltica and 'Via Baltica'); Reliable energy markets; Connecting people in the region; Better cooperation in fighting cross-border crime*

### **Increase Prosperity**

*EUSBSR as a frontrunner for deepening and fulfilling the single market; EUSBSR contributing to the implementation of Europe 2020 strategy; Improved global competitiveness of the BSR; Climate change adaptation, risk prevention and management*



**Photo Credit: Baltic Sea**  
Helsingin Sanomat

# Effective Flagship Projects

## Baltic Manure

*18 project partners from 8 countries, led by MTT –Agrifood Research*

*Develops and utilises the high potential and know-how on innovative solutions for manure management, such as the production of renewable energy and organic fertilisers*

*Together with Julius Kühn Institute (DE), recycling of phosphorus: potential to make the BSR the first self-sustaining region in the world in terms of mineral phosphorus fertiliser input.*

## Baltfish

*Led by Sweden, Ministry of Rural Affairs.*

*To promote the regionalisation of the Common Fisheries Policy, cooperation within Baltic fisheries and aquaculture, develop and improve coordination and collaboration on fisheries management*

*State of Baltic Sea fish stocks and level of aquaculture production. Activities of BALTFISH are result oriented and effective.*

## BSR STARS

*Led by Sweden and Lithuania, involving approximately 40 people from 10 countries' ministries and national innovation agencies*

*It is a first-of-its-kind innovation programme for R&I, Clusters and SME networks.*

*The objective is to create a number of world-leading innovation hubs in order to strengthen economic growth in the whole BSR (clean water, quality of life of elderly people, telecom applications, internationalisation of SMEs, etc.)*

# How to achieve objectives and subobjectives of the EUSBSR

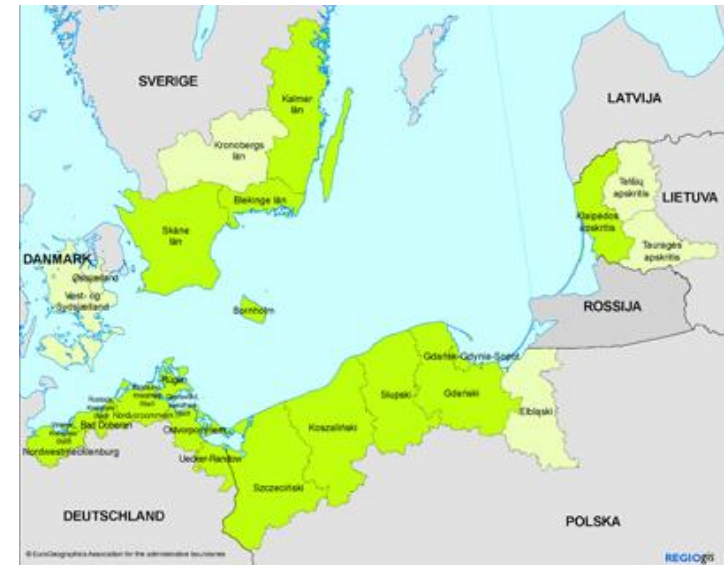
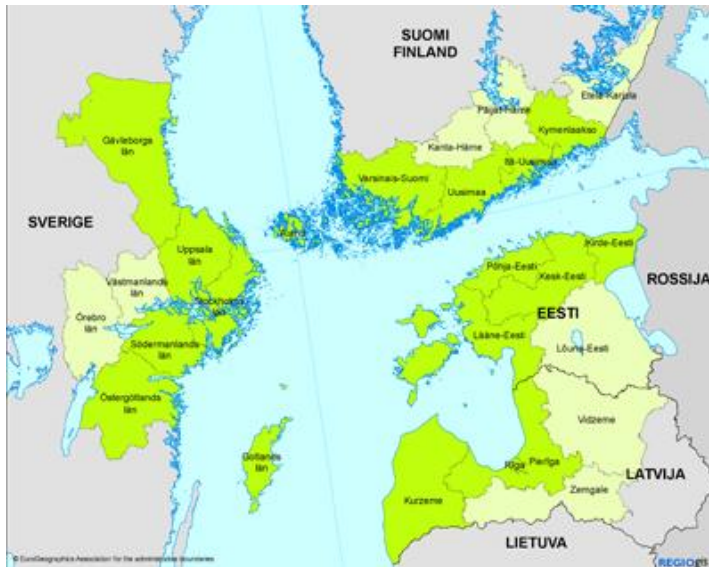
- Action plan comprises 17 priority areas and 5 horizontal actions, representing the main areas where EUSBSR can contribute
- To translate this into results, there are detailed actions and flagship projects (of which examples were just shown).
- Actions represent the main steps that are needed to achieve the agreed indicators and targets for that particular area, while flagship projects detail how to achieve (part of) the desired outcome.
- In order to address common challenges, use the EUSBSR **method through cooperation**: by acting together jointly or by making the respective efforts more coordinated, complementary or convergent to achieve optimal impact.
- Such cooperation can add value not only to the achievement of EUSBSR objectives but also of purely national objectives.

# Cooperation funding sources I

- All the ERDF, ESF, CF, EAFRD, EMFF mainstream programmes can support coordinated, complementary and convergent but also joint cooperation activities among the interventions they usually co-fund on their territory but also under certain conditions outside their own territory (Art. 60 of draft CPR)
- We have to aim at **mainstreaming cooperation** as a method of achieving better results and more efficient spending



# Central and South Baltic 2007-2013 Priorities and Percentage of Total Funding



## Central Baltic:

- 1: Safe and Healthy Environment 27.1%
- 2: Economically Competitive & Innovative Region 39.8%
- 3: Attractive and Dynamic Societies 23.9%

## South Baltic:

- 1: Economic Competitiveness 36.8%
- 2: Attractiveness and Common Identity 56.7%



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### Latvia-Lithuania, Lithuania-Poland, Estonia-Latvia

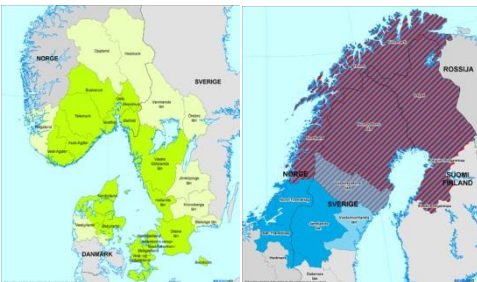
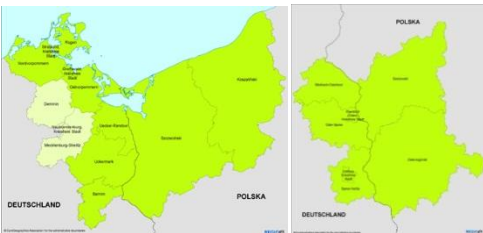
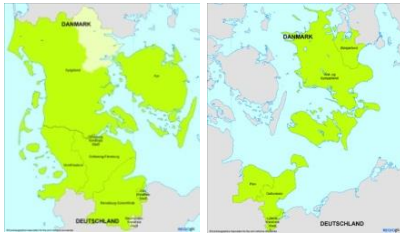
- **Attractive Living Environment and Development of Sustainable Communities**
- **Reducing isolation and increasing internal and external connectivity**
- **Encouragement of Socio-economic Development and Competitiveness of the Region**

### Germany-Denmark, Germany-Poland

- **Reinforcement and consolidation of the region's knowledge-based economy**
- **Infrastructure support and improvement of the environmental situation**
- **Economy, Innovation, Maritime Affairs and the Environment**
- **Support of economic link and cooperation within the scientific community**

### Finland – Sweden – Norway, Sweden-Norway

- **Research, Development and Education**
- **Activities focusing on skills, industry and the community**
- **Regional Functionality and Identity**
- **Development of the Economy**
- **Promote sustainable economic growth**





# ETC 2014-2020

Geography of the programmes: consultation process launched by the EC end of 2012. Meeting with MS experts on 15 April

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# Legislative basis to embed EUSBSR in ESI Funds

Draft Common provision regulation:

- Article 11 (Content of Common Strategic Framework)
- Article 14 (Content of the Partnership Agreement)
- Article 87 (Content, adoption and amendment of operational programmes under the Investment for growth and jobs goal)
- Annex 1 (CSF section 7.3 'Contribution of mainstream programmes to macro-regional and sea-basin strategies')

Draft European Territorial Cooperation regulation

- Article 6 (Investment priorities)
- Article 7 (Content of cooperation programmes)



# **Draft Common Provision Regulation**

## **Article 11 (Content of Common Strategic Framework)**

### ***preliminary agreement between Parliament and Council***

The Common Strategic Framework shall establish:

- (f) priority areas for cooperation activities for the European Structural and Investment Funds, where appropriate, taking account of macro-regional and sea basin strategies.

## ***Article 14 (Content of the Partnership Agreement)***

The Partnership Agreement shall set out:

- (v) The main priority areas for cooperation, taking account, where appropriate, of macro-regional and sea basin strategies.

## ***Article 87 (Content, adoption and amendment of operational programmes under the Investment for growth and jobs goal) preliminary agreement between Parliament and Council***

3. The Operational Programme shall describe, taking into account its content and objectives, the integrated approach to territorial development, having regard to the Partnership Agreement, and showing how it contributes to the accomplishment of the programme objectives and expected results, specifying, where appropriate, the following:

(e) where Member States and regions participate in macro-regional strategies and sea-basin strategies, subject to the needs of the programme area as identified by the Member State, the contribution of the planned interventions to such strategies.

## **Draft CSF: section 7.3 'Contribution of mainstream programmes to macro-regional and sea-basin strategies'**

- Ensure successful mobilisation for macro-regional strategies in line with needs
- Prioritise operations deriving from these strategies by specific calls or in project selection process through identification of operations which can be jointly financed from different programmes
- Make use of transnational programmes
- Promote the use ESI Funds to enhance European transport corridors, disaster management, water management, green infrastructure, maritime cooperation, R&I and ICT networks, management of shared marine resources and marine biodiversity

## Draft European Territorial Cooperation regulation

### *Article 6 (Investment priorities)*

- In addition to Article 5 of Regulation (EU) No [...] /2012 [the ERDF Regulation], the ERDF shall support the sharing of human resources, facilities and infrastructures across borders under the different investment priorities, as well as the following investment priorities within the thematic objectives:
- (b) under transnational cooperation: development and implementation of macro-regional and sea-basin strategies (within the thematic objective of enhancing institutional capacity and an efficient public administration).



## ***Article 7 (Content of cooperation programmes)***

1. A cooperation programme shall consist of priority axes. A priority axis shall concern one Fund, shall correspond to a thematic objective and comprise one or more investment priorities of that thematic objective in line with Articles 5 and 6 of this Regulation.
2. A cooperation programme shall set out:
  - (c) the contribution to the integrated strategy for territorial development set out in the partnership contract including;
  - (v) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies.

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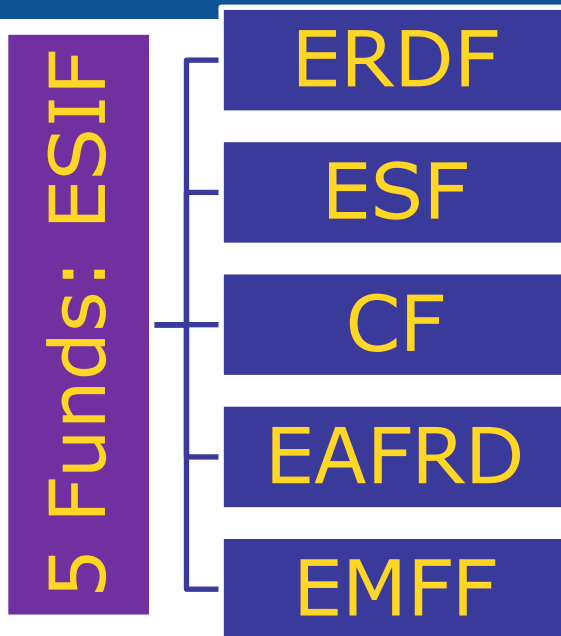
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# From ex post alignment in 2007-13 to proper embedding of EUSBSR in ESI Funds in 2014+

- Since the EUSBSR was launched in the middle of 2007-2013 period, the alignment of existing policies and programme has been problematic
- Survey: 50% disagree alignment of macro-regional strategies (EUSDR and EUSBSR) has been successful
- Although a variety of policies and funding should be mobilised, **primarily ETC programmes** are considered as the natural source of funding
- It is now the opportunity to embed the concept fully into 2014-2020 policy, programming and project selection in the right order and terms

# Programming of ESI Funds



- All MS are concerned, ESIF touch upon a wide spectre of policies

- ESIF can have a big impact on stimulating growth. In many countries the funds make up a significant share of public investments (up to 88% in Hungary)
- Funds to be spent in line with:
  - > Europe 2020
  - > Thematic concentration
  - > Growth, competitiveness and jobs

# Planning Documents involved

## Partnership Agreement

1 per MS

national level

Overarching strategy which:

- > Covers the 5 ESI Funds
- > Sets out the planned use of the Funds
- consistent with the European Semester
- taking into account of territorial challenges
- coordinated to ensure an integrated approach

### Core elements:

- > strategic choices = **selected thematic objectives**, allocations, **main results** expected
- > ex-ante conditionalities
- > list of programmes
- > **coordination with ETC**
- > coordination between Funds and with other policies
- > commitments on administrative capacity and reduction of administrative burden

Link to Europe 2020 and consistency with the European Semester is key. Process can be top-down or bottom-up depending on the institutional framework of MS.

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## Programmes

3 + per MS

at national or regional level

**Main role:** to set out a coherent intervention strategy for the territory/sectors

### Core elements:

- > Selection of thematic objectives, (investment) priorities/measures, allocations and justification – intervention logic
- > Financing plan and list of major projects
- > **Integrated approach to territorial development; specific needs** and demographic challenges
- > Ex ante conditionalities
- > Performance framework

Short, concise programmes with clear focus on results. Main platform for ex-ante conditionalities

Regional  
Policy

# Draft template for the Partnership Agreement

- The PA should indicate (in a specific section 3.1.4 'integrated approach to territorial development') the main priority areas for cooperation, taking account of macro-regional strategies
- The PA should set out how the MS intends to make use of cooperation, including
  - activities under the ETC
  - contribution of programmes to the implementation of the macro-regional strategies
  - implementation of joint actions with beneficiaries from different MS financed through mainstream programmes

# Draft template for the Operational Programme

The OP should set out in section 5.4 'The mechanisms to ensure coordination with cooperation activities and macro-regional and sea basin strategies:

- The arrangements for interregional and transnational actions, within the OP, with beneficiaries located in at least one other MS
- Where MS and regions participate in macro-regional and sea-basin strategies, the contribution of the planned interventions to such strategies. Where appropriate, a description of how the strategies have been taken into account in the definition of specific objectives and elaboration of types of actions to be supported
- When a MS prepares only one OP for ERDF, CF and ESF, the above elements can be covered also by the PA

# Specificities to be taken into account in the process of embedding

- Categories of MS/region
- Size of the MS/region
- Priorities of the MS/region
- Available amounts of EU funding
- Environmental differences
- Eligibility rules for different categories of regions (lower co-financing rates, higher requirements for thematic concentration, and exclusion of basic infrastructure in more developed regions)



## Elaboration of the intervention logic in ESI Fund programmes

- Identification of development needs → selection of thematic objectives and investment priorities → establishment of specific objectives → definition of result indicators → types of actions to be supported → definition of output indicators.
- The embedding should cover and be visible at all the steps of the intervention logic.
- Integration into the PA/OP of the relevant objectives, sub-objectives, priority areas *as linked to the (sub)objectives*, targets and indicators, and actions of the updated **Action Plan of the EUSBSR**

## The updated Action Plan of the EUSBSR provides a concrete basis of the embedding exercise as:

- It is fully in line with and contributes to Europe 2020
- It derives from a set of challenges and needs common for the 8 participating Member States
- It contains the relevant level of detail and concreteness, including specific targets and actions

# Outline of the embedding process

- Embed EUSBSR Action Plan into the PA and OPs (in accordance with the CSF and guidance)
- Focus on results, **nationalise the EUSBSR Action Plan** targets and indicators insofar as they lend themselves for this → examples
- Identify main priority areas for **cooperation** (R&I, connectivity, environment etc.). Seek synergies, value added.
- Anticipate methods of cooperation (joint, coordinated, complementary, convergent action)
- Design/ensure proper data collection, monitor and report on the implementation of the EUSBSR

## How EUSBSR is addressed in the informal dialogues

- PL: National programming manual obliges the programming authorities to identify actions to implement the EUSBSR Action Plan
- EE: Efficiency of research infrastructure in BSR, transport links (incl. Rail Baltica) and investments in water sector have been discussed. The study 'Innovation in the BSR' to be taken on board
- FI: Draft OP includes a chapter on the EUSBSR, incl. the views of the four regions as regards which axes are the most relevant
- LV: Co-operation should be developed not only in ETC but also mainstream OPs; macro-regional programming encouraged
- ETC: Informal dialogue has already started with programmes: more strategy oriented, also in complementarity with country-specific programmes: what is the most useful instrument that will allow to be more efficient and better reach the objective?

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## Consider links with the policy ex ante conditionalities

EUSBSR comes into play e.g. in the following strategic inputs of the MSs listed as ex-ante conditionalities:

- Smart specialisation (a region has to take into account its position relative to other regions in BSR and Europe)
- ICT (cross-border initiatives)
- National transport plans (cross-border links)
- Climate change (cross-border risk prevention and management)

Ensure sufficient coverage of EUSBSR in drafting your strategies (**quality issue**, not a tick-off requirement)

## Results and indicators

- In the current period we have only 'earmarked' and reported number of projects and amounts attributed to EUSBSR
- Enhanced result orientation is a key concept of the 2014-2020 programming period
- Simple aligning should be replaced by a proper embedding of the EUSBSR in the PA/OPs up to the level of results and indicators
- Design an inbuilt possibility to report on how the OPs contribute to achieving the (sub)objectives and targets of the EUSBSR Action Plan

## End remarks

- EUSBSR is strongly linked with Europe 2020, but adds specific territorial context
- Plan and implement ESI Funds with EUSBSR in mind – think Baltic
- Think together, programme together
- Recognise the role the mainstream programmes can play, mobilise them to support the objectives of EUSBSR
- Be ambitious, but not vague in your programming documents. Explain how EUSBSR has been taken into account in the definition of specific objectives and elaborate the types of actions to be supported
- Aim at tangible, visible and traceable results
- Monitor and adjust accordingly





**Thank you for your attention!**

**For more information**

**InfoRegio:**

**[ec.europa.eu/info/foregio](http://ec.europa.eu/info/foregio)**

**RegioNetwork:**

**[www.regionetwork2020.eu](http://www.regionetwork2020.eu)**