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Introduction

The contract of the Evaluation of the European Union Strategy for the Adriatic and Ionian Region (EUSAIR) was awarded to the private company Project4 (the Evaluation Consultant) by the Special Service for Strategy, Planning and Evaluation – Ministry of Development and Investments of Greece, on the 30th of July 2021 with the decision nr. 21SYMV009012814.

The scope of the Evaluation is specifically provided for in the application form of the EUSAIR Facility Point strategic project in the INTERREG ADRION Programme, as deliverable T.3.2.8 entitled "EUSAIR Evaluation Support".

The main evaluation questions outlined in the contract are organized around three topics:

1. Evaluation of the EUSAIR as a macro-regional strategy in its 5 years of its existence

- ✓ Is the existing Action Plan appropriate and sufficient to support the EUSAIR's strategic objectives?
- ✓ What is the scope for improvement in terms of its effectiveness and suitability?

2. Evaluation of implementation mechanisms

- ✓ Is the existing labelling system appropriate and sufficient to support the EUSAIR's strategic objectives and implementation?
- ✓ What is the room for improvement towards better integration of EUSAIR priorities into all possible sources of funding?

3. Evaluation of the EUSAIR's operating mechanism and governance system

- ✓ Which workflows and processes among the key players of the Strategy worked well in ensuring the added value of the strategy?
- ✓ What are the success factors or the necessary conditions for effective implementation?
- ✓ Which workflows and processes among the key actors need to be improved or reorganized in order to ensure smooth and efficient implementation processes

The Evaluation Consultant devised a mixed approach in order to formulate its expert opinion and conclusions on the main topics, appropriate to the specific nature of the EUSAIR which is characterized by two main features (or lack thereof) vis-à-vis a programme: it does not have committed funds, it doesn't have institutionalized authorities.

Thus, the methodology of the Evaluation Consultant combined an extensive desk research comprising in-depth review of documents, reports, studies, regulations regarding Macroregional Strategies and relevant EU Policies and Programmes, quantitative analyses of socioeconomic data of the Adriatic-Ionian Macroregion, analysis of EUSAIR monitoring data, with extensive field surveys comprising in-depth interviews with EUSAIR Governing Board Members, group discussions with Thematic Steering Groups members and questionnaires to Managing Authorities of relevant national, regional and territorial cooperation EU co-funded programmes.

The project team of the consultant consisted of six (6) members covering all the Pillars and the Topics of the EUSAIR.

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The Evaluation Consultant would like to thank for the successful contract management, the provision of reference material and support for arranging the field surveys meetings the officers of the Special Service for Strategy, Planning and Evaluation – Ministry of Development and Investments and Facility Point Greece and gratefully acknowledge the input received from EUSAIR National Coordinators, Pillar Coordinators and TSG members from Bosnia-Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia and the North Macedonia.

Abbreviations

ADRION: Adriatic Ionian

AI: Artificial intelligence

AI: Adriatic-Ionian Initiative

ALB: Albania

BiH: Bosnia and Herzegovina

CBC: Cross Border Cooperation

CEF: Connecting Europe Facility

CLDD: Community Led-Local Development

CORDIS: Community Research and Development Information Service

CPR: Common Provisions Regulation

CRF: Common Regional Framework

DG: Directorate-general

DG ENV: Directorate-General for Environment

DG MARE: Directorate-General for Maritime Affairs and Fisheries

DG NEAR: Directorate-General for European Neighborhood Policy and Enlargement Negotiations

DG REGIO: Directorate-General for Regional and Urban Policy

EASME: Executive Agency for Small and Medium-sized Enterprises

EBRD: European Bank for Reconstruction and Development

EC: European Commission

EIB: European Investment Bank

EMAS: Eco-Management and Audit Scheme

EMFF: European Maritime and Fisheries Fund

ERDF: European Regional Development Fund

ESF: European Social Fund

ESIF: European Structural Investment Funds

ESPON: European Spatial Planning Observation Network

ETC: European Territorial Cooperation

ETIS: European Tourism Indicators System

EU: European Union

EUSAIR: European Strategy for the Adriatic-Ionian Region

EUSBSR: European Union strategy for the Baltic Sea Region

EUSDSR: European Union strategy for the Danube Region

FP: Facility Point

GB: Governing Board
GDP: Gross Domestic Product
GNI: Gross National Income
ICM: Integrated Coastal Management
ICT: Information Communication Technologies
ICZM: Integrated Coastal Zone Management
IPA: Instrument for Pre-Accession Assistance
ISP: Indicative Strategy Papers
ISO: Interreg Specific Objective
ITI: Integrated Territorial Investment
LNG: Liquefied natural gas
M-ITI: Macro-regional Integrated Territorial Investment
M&E: Monitoring and Evaluation
MA: Managing Authority
MFF: Multiannual Financial Framework
MK: North Macedonia
MNE: Montenegro
MRS: Macro-Regional Strategy
MS: Member States
MSP: Marine Spatial Planning
NC: National Coordinator
NG: Natural gas
NGO: Non-Governmental Organization
NSRF: National Strategic Reference Framework
NUTS: Nomenclature of Territorial Units for Statistics
OECD: Organisation for Economic Cooperation and Development
OP: Operational Programme
P: Priority
PA: Partnership Agreement
PO: Policy Objective
R&D: Research & Development
R&I: Research & Innovation
RIS: Regional Innovation Strategy
REACT EU: Recovery Assistance for Cohesion and the Territories of EU

RES: Renewable Energy Systems

RIS: Research and innovation strategy

RRF: Recovery and Resilience Facility

SDGs: Sustainable Development Goals

SME: Small and Medium Enterprise

SO: Specific Objective

SRB: Serbia

SUD: Sustainable Urban Development

TC: Technical Cooperation

TEN-E: Trans-European Networks for Energy

TEN-T: Trans-European Networks for Transport

TN: Transnational

TSG: Thematic Steering Group

WB: Western Balkans

WBIF: Western Balkans Investment Framework

Executive Summary, Conclusions and Recommendations

The Evaluation of the EUSAIR was conducted with regard to the fundamental limitations of its framework and the distinctive features of the macro-regional strategies. The 3 NOs principle, no new legislation, no new funding, no new institutions, permeates the assessment of all three major evaluation themes, strategy fitness, delivery mechanisms, governance structure. The unfolding and evolving nature of a transnational, multi-sectoral and multi-level Strategy, where the building of robust implementation mechanisms is required before any visible performance on the set of goals originally defined is taken into account on evaluating outcomes and added value. Thus, the assessment of the EUSAIR is formulated mainly at the qualitative level with the insights from its key implementers¹, findings of relative studies and reports and the comparison to the narrative of the three maturity phases of MRSs².

The EUSAIR's area is a geographical and not a functional one and is divided into distinct successive zones: coastal, mountainous, lowlands³, plus its islands. There is a lack of territorial interconnections, the area is still characterized by strong disparities (institutional, social, and demographic, cultural, economic), the pattern of urbanization is polymorphic and heterogeneous (even if almost all countries have a monocentric settlement system) and there exists a variety of natural and ecological assets, levels of biodiversity, negative externalities of the growing tourism industry, and capital stock gaps. Overall economic inequality is significant among the countries and no remarkable converging trends occur at the long-term either between them or on the European average, while in addition to a sectoral diversity, it seems obvious that national economic preoccupations as well as specific development policy needs can very slightly be influenced by a strategy like EUSAIR or addressed by its limited means and tools so that a tangible impact can be discernable in the short or medium term.

All these contribute to the fact that the internal and external challenges are differently perceived in each zone as they differently affect them, thus tentatively leading to a limited responsiveness to the Strategy so far as concrete results take long to be produced inside every zone. While other macroregional strategies have been built on long lasting or at least significant previous experience of cooperative actions or common projects the EUSAIR has yet to build a shared regional identity. The findings of the Evaluation surveys verify that a common understanding on the vision and mission of the EUSAIR is lacking among its key implementers. However, it is unequivocally recognized as an achievement of the strategy the emergence of an environment of dialogue, collaboration and understanding among the countries and their representatives in the EUSAIR bodies. The rotating presidency of the EUSAIR and the take up by non-EU-member states is seen as a catalyst to enhancing the common understanding.

As a main convergence point on the role of the Strategy identified in the surveys is the preparation and support to the non-EU-member states to adapt to the EU acquis. However, the priorities of the EUSAIR are limited in line with the negotiating chapters and mainly focus on issues that are of rather "regional" importance. There are therefore clear possibilities regarding where the strategy can assist and where cannot serve the enlargement process; the territorial approach purported by the EUSAIR is very important in this, as it stresses the context-based dimension of policymaking, its strategy-oriented approach, and the need to be evidence-based. In this

¹ The key implementers of the EUSAIR are a) National Coordinators, b) Pillar Coordinators c) TSG members

² According to the three MRS development phases suggested by COWI (2017) study.

- Phase I builds up the implementation machine of the MRS, with very limited resources, no tangible physical output, lengthy and winding procedures and a constant risk of failing before it can produce results.
- Phase II must present a systematic productivity, with successful implementation mechanisms and a visible performance that could be judged by outcomes and, possible, results; the embedding issue arises (how to align with ESIFs, implement an Action Plan and fund projects) and support grows.
- Phase III has to show efficiency and maximum scope, be delivered by mature Thematic Areas with full engagement of the implementing actors and external stakeholders

³ areas below 200m of altitude.

aspect the Enlargement feature of the Strategy can be further highlighted, most notably with enhanced coordination and matching with specific chapters of the acquis.

Overall, further building on the distinctive characteristics of the “strategy” dimension of EUSAIR, as a coordination mechanism, alignment of interests, and as a road map, is needed in order to address the above issues.

The EUSAIR was formulated (during 2013-2014) and mainly implemented thus far, in the light of the Europe 2020 Strategy, which was the main development compass for the implementation of the ESI Funds Programmes for the period 2014-2020. Thus it has substantial connections with the Smart Growth priority, as well as the Sustainable Growth one, while correlation to the Inclusive Growth priority is minimal. In its current version, the Strategy does not have clear and operational links with European policies such as the Green Deal (including Climate targets and new Sustainable Blue Economy approach), the RIS3, the European Skills Agenda, Digital Compass, and funding instruments such as REACT EU, the Just Transition Fund and, of course, the Recovery plan for Europe and its programming arm, the RRF. At the Strategy and Action Plan level it is often difficult to straightforwardly deduce how EUSAIR is connected and how it will contribute to the achievement of the major European policies objectives. This inability to explicitly translate its contribution also applies to policy areas and strategy topics in which by default conceptual connections can be made, as for example between measures regarding fisheries and aquaculture and implementation of “from farm to fork” policy. On the other hand, as EUSAIR Pillars and Topics are broad and general there is flexibility for achieving harmonization. Depending on the Pillar or Topic the connections between EU Policies and EUSAIR actions are being elaborated by the TSG’s. For example, although the Strategy and the Action Plan have minor references to “green” energy and energy efficiency issues all the flagships in Pillar 2 (both in Transports and Energy) are promoting them. Another observation regarding the coherence of the Strategy is the absence of Social-oriented topics. As both interviews and discussion groups assessed, this absence was once again covered by the work of TSGs. However, all the reported initiatives were limited to the topics of education and skills and themes such as the promotion of inclusiveness, health, gender equity, poverty were not mentioned.

The strategy orientation and the selection of the main policy areas to be addressed are considered adequate and broad enough to accommodate updates of the strategic priorities and targets of the EU in the new multi-annual programming framework, according to the Evaluation surveys results. However, themes of the twin, “digital” and “energy”, are considered needed to become more visible in the Strategy. On the contrary, the EUSAIR is not seen as the suitable vehicle to respond to global or EU crisis and emergencies, either due to the lack of direct control over funds and the use of them, and/or the more or less slow procedures to translate objectives to actions. However, developments that significantly affect the area, such as the migration flows, are acknowledged at the political level of the Strategy, while others, such as the recent surge in energy prices can be accommodated in the work of the TSGs in the implementation level.

Since EUSAIR is a “Strategy” and not a “Programme”, the Evaluation Consultant considers advisable to avoid setting up very precise or ambitious objectives and targets that cannot be assured or accredited to the Strategy, due to the lack of own funding and programming tools. This leads to two ensuing alternatives:

- Either persist in a “gradual” approach and at the same time make outcomes and results clearly visible (for instance through setting interim milestones, customized to each country or regions’ capacities, instead of uniform targets) so as to create a leverage effect on stakeholders’ engagement and on Thematic Areas’ maturity.
- Or ‘imperatively’ link the Strategy and Programmes, in the context of the precise provisions for the 2021-2027 budgeting period.

Either way, EUSAIR targets and objectives could be linked more cohesively to targets of EU priorities. This will enhance the identification of preferable financial sources and will help the connection of EUSAIR actions

implementation to “mainstream” national and regional ESIF Programmes. If the current approach of linking project proposals to other EU programming arrangements for funding and implementation is to work, making the most of such complementarities is fundamental, although it poses additional coordination challenges.

Given the territorial nature of the Strategy and the diversity of the area, the Evaluation Consultant deems advisable to investigate how a more pronounced territorial aspect could be introduced to the Strategy, in order to exploit the particular potentials of NUTS2 and NUTS3 regions and to address the territorially specific challenges. This territorial aspect could take alternative forms:

- a. Give a territorial aspect to each one of the Pillars so that they expressly take account of the heterogeneity of the regions (partially this is under elaboration in Pillar 2 with the creation of transportation master plan).
- b. Promote a network of urban centers as a developmental "skeleton" and unifying element of the whole area.
- c. Use the tool of the Integrated Territorial Investments within the area (ITIs could also be applicable at the level of policy / thematic areas).

The EUSAIR's Action Plan, includes an extensive list of indicative actions with also indicative projects and examples of appropriate indicators are given. By utilizing a project cycle management approach, it is evident that there is no prioritization of actions within the topics neither a time schedule, the number of resources required or a definite identification of funding sources. In this sense, the Action Plan only partially specifies the strategy, and it has difficulties to provide an operational character, even though, according to the discussion groups results, significant but scattered work have been done so far by the TSGs to narrow down priorities and identify projects. As the EUSAIR passed to phase-II, it should present a systematic productivity, with a visible performance that could be judged by outcomes and, possible, results, that can clearly and logically be attributed to the Strategy. Therefore, and as the Strategy is funded by external tolls, there arises the need for drafting the Action Plan with clearly defined objectives that can correspond 'own' indicators and can be traced and monitored separately in the funding Programmes. Minimization of indicative actions and focus of effort on fewer targeted actions that provide value added were received rather positively from most of GB and TSG members.

The Action Plan follows a rather classic logical framework methodology adapted to the special needs of the macro-regional approach. Thus, the added-value and the stakeholder analysis take precedence to project development. This was not always evident in the labelling and embedding procedures and other project identification and development efforts of the TSGs, according to the findings of the evaluation surveys.

Labelling, as implemented during the period 2019-2021, was a starting point for the creation of a mechanism for the implementation and monitoring of the progress of the Strategy, but it must be improved and homogenized to be effective. The implementation of labelling until now was done with different approaches across TSGs and this also affected the monitoring of each Pillar. As a result, data from both labelling and monitoring cannot be merged to provide a coherent picture of the course and development of the Strategy. In Pillar 1 and 3 the labelling procedure led to the generation from the TSG of 'project ideas' to be further developed by the FP in order to be promoted to ADRIION 2014-2020 for financing. In Pillar 2, in both sub-themes, labelling was applied by identifying (using the criteria that the GB approved in 2018) the planned or on-going projects that contribute to the targets of the Strategy regardless the promoter. In Pillar 4 the labelling process led to the orientation of six Flagships that are mainly proposed as project ideas for further elaboration and promotion to be implemented exclusively as Interreg Projects.

Following the labelling procedure, the monitoring indicators in each pillar are not yet homogenized as there are four (4) separate M&E consultants contracted by different Authorities (FP partners). As a result, the monitoring system is uneven and cannot give a clear and comprehensive picture of the development of the Strategy. The absence of a coherent monitoring system, with clear criteria for the selection of indicators, measurement specifications, which will be linked at the level of actions to an Intervention Logic / Theory of Change is a

weakness of the strategy. The adoption of such a system should be supported by approval in the coordination level of EUSAIR for all Pillars and then be refined by the TSG's at the level of monitoring actions.

Similar seems to be the approach of defining flagships at each pillar as the perspective of the approach in each Pillar differs between whether they are "commonly recognized priorities" constituting a platform for embedding interventions from all available ESIF programmes implemented in the region, or "flagship projects" to be implemented by joint or individual cross-border territorial cooperation programmes.

Following-up on embedding is of crucial importance for the progress of EUSAIR during the 2021-2027 period. The form of actual delivering on the embedding will be mostly determined by Managing Authorities of the Programmes as the criteria for the selection of projects is their responsibility. EUSAIR Governance Structures have the responsibility to prepare and promote type of actions and projects to be compatible, eligible, and relevant to the Programmes that may provide financing. This was done with Flagships and continued (and will be continued) with coordination and facilitation meetings with the MAs and other relevant stakeholders. By the time of the evaluation the approach from the MAs is unclear. Almost all of the "mainstream" national and regional Programmes did not participate in the survey conducted for the evaluation and most Territorial Cooperation Programmes that answered indicated only the provision of selection bonus (the least binding and with less effort coordination practice). This is expected at the time being as most (if not all) of the 2021-2027 Programmes are still in programming phase. However, the nonparticipation of MAs of the mainstream regional and national programmes can be seen as indicative of the small understanding and the low prioritization that EUSAIR is having in their agenda. Regardless of the coincidence, the effectiveness of embedding will depend on the documentation, the maturity of the projects / priorities and the ability of EUSAIR promoters (TSGs and FP) to support them in the MAs. This requires that TSGs have common understanding with the MAs and can be adapted to the eligibility, the purposes, the restrictions, and the abilities of each ESIF Programme. On that matter the relevant DG services can also support the quick and reliable feedback on the embedding status across the Programmes of the area. Coordination of calls for proposals on embedded priorities will be supported through the establishment a Network of MAs, in the example of EUSBSR, as it is already decided by the Governing Board

The governing structure is considered adequate to accommodate the needs of this new phase of the Strategy on the condition of careful improvements based on the work done so far and the accumulated experience. Country level improvements are key to unlock the full potential of its multi-level governance. The key implementers need stronger political backing in their respective administrations to enable effective delivery of outcomes from their work. Commitment and ownership at the country level is dependent on political empowerment in line ministries and regions due to the restrictions of the 3 "NOs" principle, more so in this phase where the Strategy spins out of its initial building circle into broader involvement and stakeholders. The momentum of the TSGs work needs to be capitalized in the 2021-2027 period into actual effect on the implementation of ESIF/IPA funds. This can be based on improving the robustness of the TSGs with a homogenous mode of operation, clarified mandate and responsibilities, clear communication to line ministries (or other participating institutions) of the commitment and expectations from their participation/representation in the TSGs, criteria-based appointment of TSG members. Further stakeholder involvement engagement is required to achieve alignment of interests in strategic actions of the EUSAIR. Targeted communication efforts can bolster not only stakeholders interest but also solidify commitment of key implementers of the multi-level governance structure.

In parallel, realistic ways of mobilizing the Managing Authorities of mainstream ESIF programmes should be explored. Improved networking of MAs could facilitate cooperation for a coordinated approach among participating countries to calls for proposals promoting EUSAIR flagships and/or embedded priorities. Any solution however would be incomplete without the active involvement of the EC, especially as the IPA programmes of the non-member countries are under direct management and as the ESIF/IPA regulations don't encompass any binding provisions for supporting MRS actions.

In order to sustain the current momentum of the EUSAIR and facilitate the subsequent passing to “phase III” the Evaluation Consultant considers there is a need for:

- stronger incentives to tie in with national planning documents (links between national strategies and macro-regional identified ex post)
- aligning the EU programming frameworks and EUSAIR so that (as there are no provisions to incorporate EUSAIR in the implementation stage) objectives should be aligned; this is much so in the case of non-EU member countries with the Indicative Strategy Papers (ISP) and IPA II assistance documents
- synergies with ETC and Cross-Border Cooperation to be enhanced, i.e., through coordinated monitoring
- building strategic synergies around common topics.

The Action Plan of the EUSAIR has remained stable since the EC Communication on the EUSAIR from 2014 accompanied with an initial list of example projects, even though it is defined as a “rolling” one, with actions that could be added or adapted responsively to changes of needs over time. According to the Evaluation Consultant, it is advisable to activate this “rolling” feature and revise the Action Plan in regular intervals, at least in tandem with the Multi-annual Financial Framework of the EU, also reflecting the work and progress made in the implementation level of the EUSAIR. Nevertheless, through the work of the TSGs and the progressive maturity of the Strategy implementation mechanism, an evolution of projects, from single, mono-pillar ones, to strategic, cross-pillar and masterplans to coordinate chains of projects is evident. Taking also into account the changes in the EU strategic priorities and targets in the thematic areas of the EUSAIR, and the conclusion of the embedding process in the drafting phase of the ESIF/IPA programmes for 2021-2027, a revision of the Action Plan is necessary to better accommodate the developments. Given the transition stage of the Strategy from phase I to phase II any revision is advisable to build on the existing experience and review of the TSGs work and be based on careful incremental steps. Apart from identifying the actions, the following issues should be considered in a revised Plan:

- i. Use of a rationale from projects to macro-processes, expanding on the flagships experience and focusing on few priorities with a strategic character, clear expectations, added value and multiplier effects.
- ii. Define “programming periods” and a coherent system of indicators based on the Common Indicators of the ESIF with a common methodology for all Pillars and aligned with clear strategy objectives. This will also enable a better link with the financial sources.
- iii. Standardization of the TSGs working methodologies, to support them in delivering “chains of projects” and “project to policy loops”.
- iv. Creating new roles in the TSGs for smoother implementation.
- v. Appropriate arrangements for the active involvement of MAs and DG Services at project level.
- vi. Political backing of the TSGs and their members from their home institutions.

1 Relevance and Appropriateness of the Strategy

1.1 Milestones and Stakes

A macro-regional strategy is (according to the Common Provisions Regulation) an integrated framework for addressing common challenges in a particular geographical area encompassing EU Member States and third countries. Through joining forces and strengthening cooperation a substantial contribution to the achievement of economic, social, and territorial cohesion goals is sought. A macro-regional strategy is not a programme, but it is accompanied by a rolling Action Plan capable to be updated in light of new needs and changing context. Macro-regional strategies are based on three NOs (no new legislation, no new funding, no new institutions) and a YES (align funding and mobilize existing institutions for the implementation of the Strategies). Furthermore, MRS are also thought as adequate tools for supporting the integration of Europe by fostering the development of new formats to develop and implement European policies. While the issues involved differ from one geographical area to another, priority is given to issues of strategic importance covering challenges where closer cooperation is vital, such as environmental protection, and opportunities, where cooperation is of mutual benefit, e.g., in research and innovation. The EU's first macro-regional strategy, the European Union strategy for the Baltic Sea region (EUSBSR) has acted as a model for a further three EU strategies: the Danube strategy, the Adriatic-Ionian strategy, and the Alpine strategy.

The European Council of 13-14 December 2012 requested the European Commission to present a new EU Strategy for the Adriatic and Ionian Region (EUSAIR) before the end of 2014. Building on the lessons learnt and experience from the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region, the Commission adopted on 17 June 2014 a Communication on the EU Strategy for the Adriatic and Ionian region, accompanied by an Action Plan. The Strategy incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission on 30 November 2012. The Strategy was endorsed by the General Affairs Council on 29 September and subsequently by the European Council on 24 October 2014.

The Adriatic and Ionian Region is a functional area primarily defined by the Adriatic and Ionian Seas basin. Covering also an important terrestrial surface area, this Region homes more than 70 million inhabitants. The EU Strategy for the Adriatic and Ionian Region involves 10 countries, four EU Member States (Croatia, Greece, Italy, Slovenia), five Accession Countries (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia) and a third country (San Marino). It is the fastest growing macro-regional strategy with new members added in 2020 (North Macedonia) and 2022 (San Marino), evidence of the attractiveness and the performance of the Strategy. The inclusion of North Macedonia in the EUSAIR contributes to the EU enlargement policy in the Western Balkans, to regional cooperation and good neighbourly relations, while the inclusion of San Marino can be seen as a step for the country to strengthen its European integration and regional cooperation in the Adriatic and Ionian region.

The European Commission's second report on the implementation of macro-regional strategies (January 2019), considers that MRS constitute political platforms which bring added-value to the cooperation aspect of cohesion policy, and provide an opportunity for multi-sectoral, multi-country and multi-level coordination in terms of policy-making and planning, emphasizing that the greater participation of civil society could strengthen the bottom-up dimension of the strategies as well as that further efforts are needed to improve internal and external communication. Good practices from current ESIF programmes (targeted calls, direct support for strategy projects) are welcome, but closing the gap between MRS and funding opportunities is considered still a challenge. A Commission Staff Working Document accompanying the 2019 implementation report provides more detail about the state of progress of the individual macro-regional strategies.

The Council, on 25 April 2017 adopted conclusions on the implementation of EU macro-regional strategies welcoming the progress of the strategies, their contribution to territorial cohesion, a more integrated

implementation of EU sectoral policies, and closer links with third countries, yet noticing that the strategies could be developed further in terms of governance, result orientation, funding, communication, and cooperation. It adopted a second set of conclusions on 21 May 2019 where it recognizes the role of macro-regions in fostering socio-economic and territorial cohesion and regional cooperation, acknowledges the achievements made in implementing concrete projects to improve quality of life or strengthen relations between countries and between EU and non-EU countries, observes the need to set up momentum in support of MRS and calls on countries to strengthen ownership, ensure political support and empower key implementers.

As a Strategy and not a programme, the EUSAIR has to, as any MRS, progressively build and gradually widen its objectives, concrete targets, and tools for intervention according to a set of goals originally defined. A strategy unfolds, it doesn't encompass all possible issues and developments from the beginning. Therefore, it follows a progressive path towards its maturity. Besides the critical overarching care to not fundamentally alter the strategic goals, maturity is searched for in what regards political commitment, governance, funding, and result orientation. A MRS is thus crossing three successive phases. In Phase I it has to build up its implementation machine, with very limited resources, no tangible physical output, lengthy and winding procedures and a constant risk of failing before it can produce results. In Phase II the Strategy and its Thematic Areas must present a systematic productivity, with successful implementation mechanisms and a visible performance that could be judged by outcomes and, possible, results; it is in this Phase that the embedding issue arises (how to align with ESIFs, implement an Action Plan and fund projects) and support grows although the risk of losing support persists. In Phase III, the Strategy has to show efficiency and maximum scope, be delivered by mature Thematic Areas with full engagement of the implementing actors and external stakeholders.

EUSAIR is at a crossroads where the following issues should be addressed:

- How to exit from the (essentially internal) Phase I by adequately completing the buildup of its governing and implementation mechanisms and assuring the stakeholders' effective participation as well as the necessary political support at the national level in all countries involved
- How to retain the "gradual" approach of the Strategy and at the same time to produce "tangible" outputs and results in order to demonstrate its value added and ensure commitment
- How to align with the mainstream development planning in a more imperative way in the context of the provisions for the 2021-2027 budgeting period, passing to Phase II
- How to, in parallel with all the above, update the Strategy so as to comply with recent context or/and policy developments
- How to effectively combine aspirations and real needs coming from countries with so different development status and priorities and from regions and transborder areas with so different characteristics, potential and liabilities.

In 2019, the OECD Synthesis report assessed the EUSAIR as being between Phase I and II; the EC Report on EU MRS Implementation considers it is close to Phase II.

1.2 Commonalities and Diversity in the Area

The EUSAIR's area covers ten countries: Albania, Bosnia-Herzegovina, Croatia (EU), Greece (EU), Italy (EU), Montenegro, North Macedonia, Serbia, Slovenia (EU) and San Marino. Within them, EUSAIR covers 14 Italian, 2 Slovenian, 2 Croatian and 13 Greek regions.

MAP 1: Countries and Regions included in the EUSAIR area

Source: EC (https://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/adriatic-ionic/)



Six of the countries also participate in the EU Danube Macro-Region and two in the Alpine Macro-Region.

MAP 2: Areas included in the EUSAIR, Alpine and Danube MRs

Source: European Commission (2020), Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies, COM(2020) 578 final



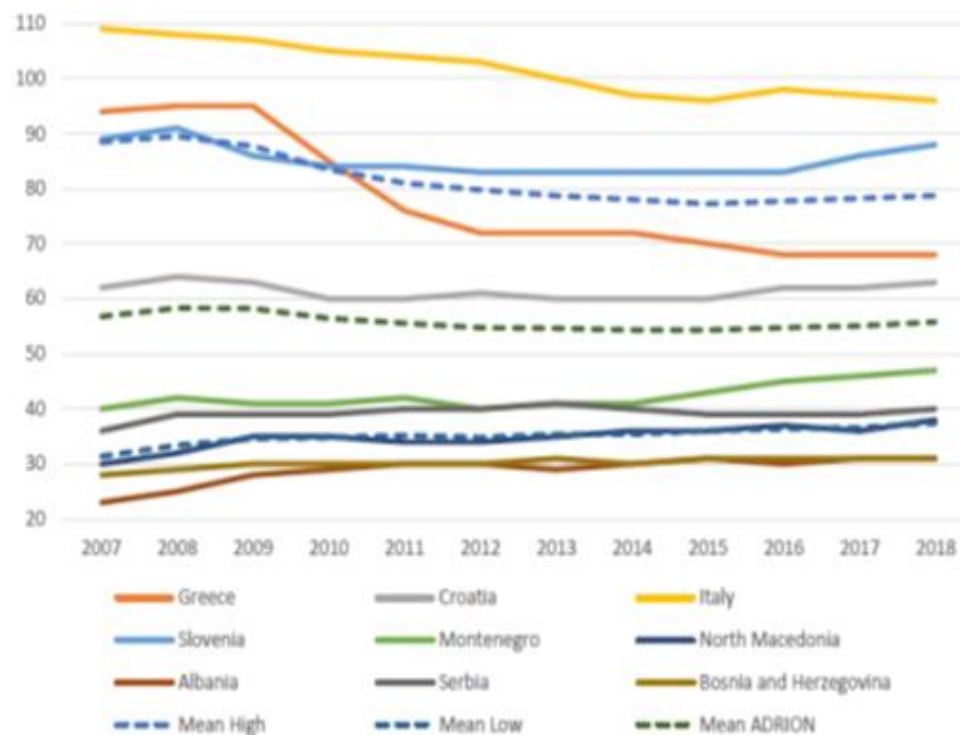
The area encircles the Adriatic-Ionian Sea corridor, and all countries share important common interests and challenges: to promote Blue Growth, to enhance intra-regional connections, to protect environmental quality and to put their significant tourism sector on the path of sustainability.

However, the area is basically geographically delineated and not a functionally. It is an area with few strong territorial interconnections, and it is still characterized by strong disparities at the economic, social and demographic, cultural as well as institutional level. Its pattern of urbanization is polymorphic and heterogeneous (even if almost all countries have a monocentric settlement system) and there exists a variety of natural and ecological assets, levels of biodiversity, capital stock gaps and also negative externalities of the growing tourism industry.

1. Overall economic inequality is significant among the countries and no remarkable converging trends occur at the long-term either between them or on the European average, if one excludes the downwards impact that the economic crisis had to the Italian and (especially) Greek relative performance, the better overall record achieved in Slovenia or the slight convergence identifiable in Montenegro.

FIGURE 1: GDP per capita in PPS, EU 27 = 100

Source: INTERREG ADRION, Analysis of the territorial challenges, needs and potentials of the AIR. Appendices, 2020



In conjunction with the sectoral diversity, it seems obvious that national economic preoccupations as well as specific development policy needs can very slightly be influenced by a strategy like EUSAIR or addressed by its limited means and tools so that a tangible impact can be discerned in the short or medium term. General goals and cross-cutting objectives will constantly need to be sectoral or nationally specialized.

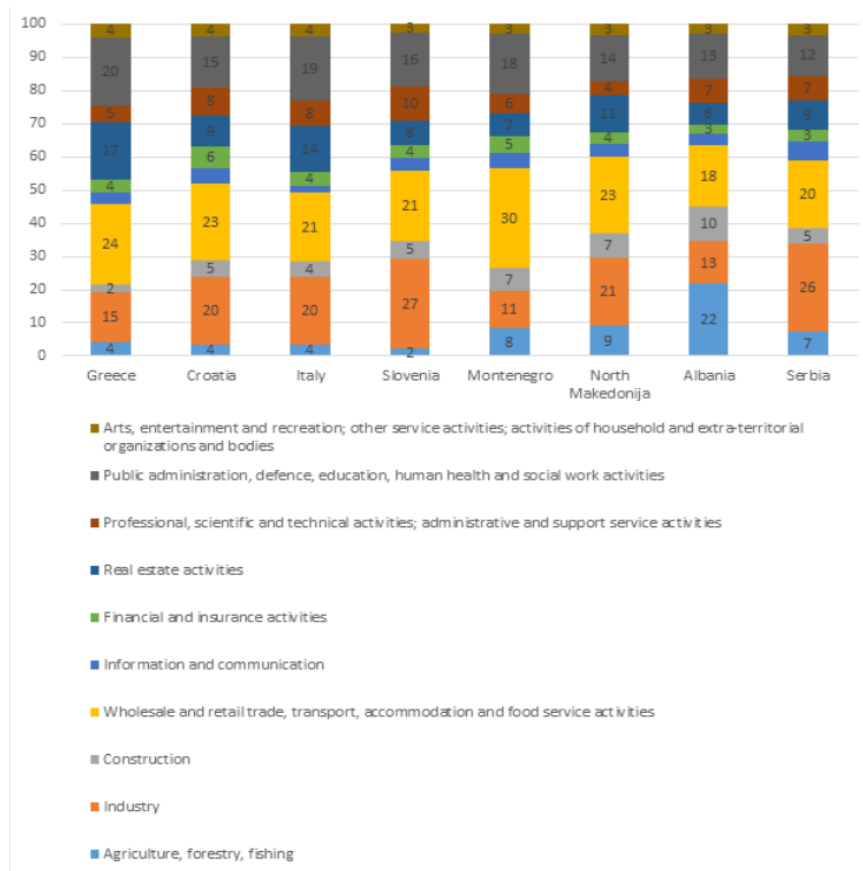
2. Per sector distribution of the Gross Value Added in each country is indicative of important structural and long-term economic diversities that can potentially act as a factor generating diverging priorities.

Most striking diversities refer to the relative importance of industry, with Slovenia and Serbia demonstrating a quite high participation in their total GDP while Greece, Albania and Montenegro seem the least industrialized of all countries *and thus could expect a lower final impact of actions trying to enhance productivity through innovation). Albania and, to a lesser degree, North Macedonia, Montenegro, and Serbia have an extended agricultural sector, this meaning that the Strategy, due to its current sectoral composition,

may both attract a lower interest and provide a substantial impact in their economic structure.

FIGURE 2: Per sector composition of GDP per capita in 8 EUSAIR countries

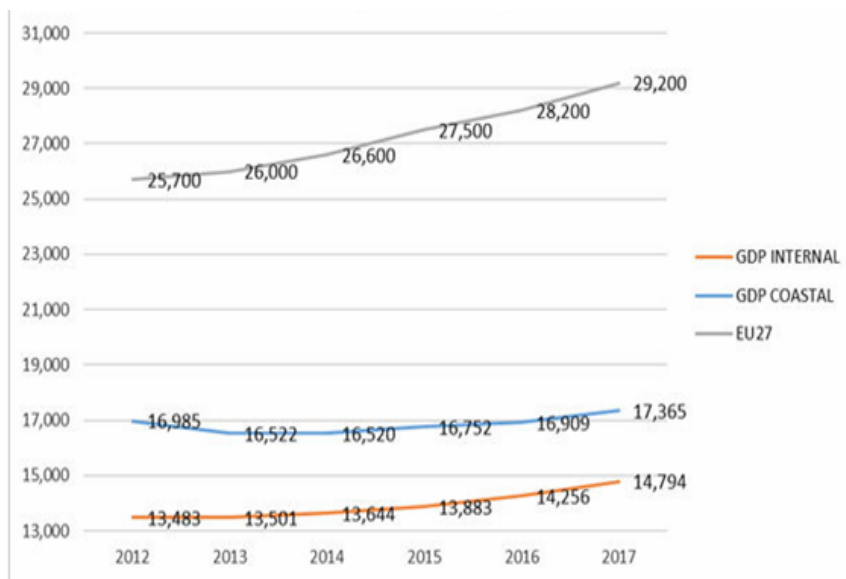
Source: INTERREG ADRION, Analysis of the territorial challenges, needs and potentials of the AIR. Appendices, 2020



- Moreover, the area is geomorphologically divided. At first, into distinct successive zones: coastal, mountainous, lowlands, not to mention its numerous islands (some of them well ex-centric with respect to the main Adriatic-Ionian axis). The coastal zone is economically more performant than the internal ones, although the gap is narrowing through the past decade.

FIGURE 3: GDP per capita of the coastal/internal NUTS3 regions in the EUSAIR area

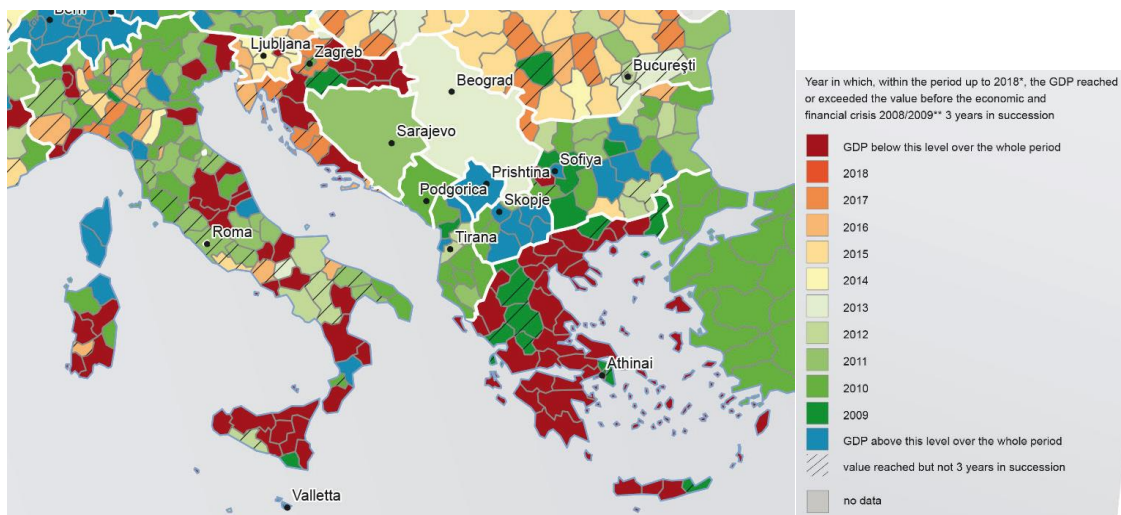
Source: INTERREG ADRION, Analysis of the territorial challenges, needs and potentials of the AIR. Appendices, 2020



This pronounced diversity may lead to the common challenges of the macro-region being differently perceived and assessed in each zone as they differently affect them, according to their level of development or their endogenous capacities to respond to the economic crisis. This response does not exactly follow the 'coast – mountains – lowlands' pattern; in fact, return to the pre-crisis situation may have been subject to nationally specific factors (as in Greece) or to regional particular strengths and weaknesses.

MAP 3. Regional differences of economic development in the EUSAIR area

Source: EU2020.de Atlas for the Territorial Agenda 2030



This said, the role of strongly established long-term socio-economic drivers seems very important as well as difficult to compensate when they tend to mitigate or even constraint the positive impact anticipated by a strategy which is in its essence a “macro” or “over the regional scale” one. This applies particularly when trying to promote macro-objectives in or to the advantage of inner peripheral territories: poor socio-economic situation and economic potential seems a factor with a both extended and scattered spatial distribution in the EUSAIR's area; lack of access to regional centers concern in particular the mountainous zone.

MAP 4. Major socio-economic drivers of inner peripherality in the EUSAIR area

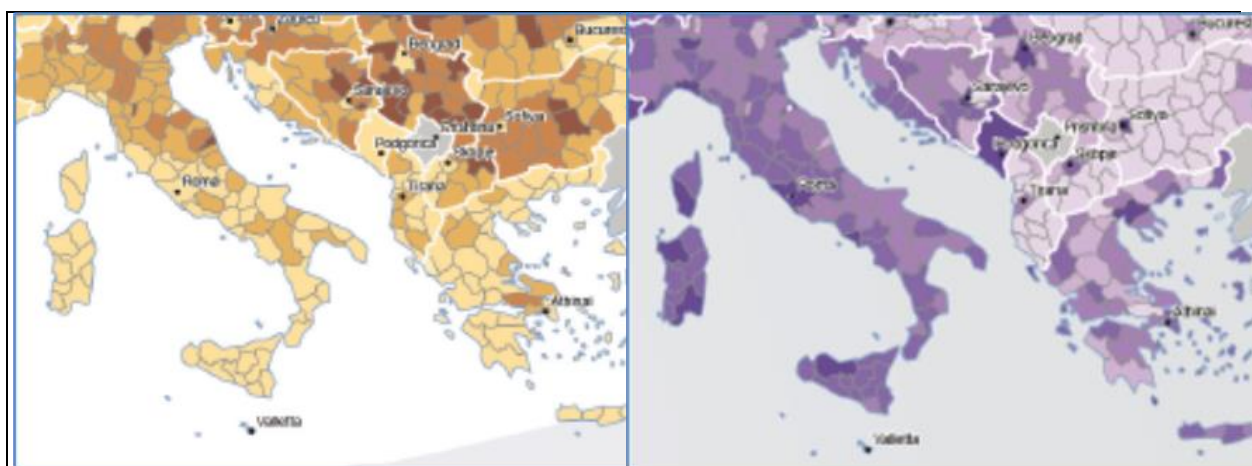
Source: EU2020.de Atlas for the Territorial Agenda 2030

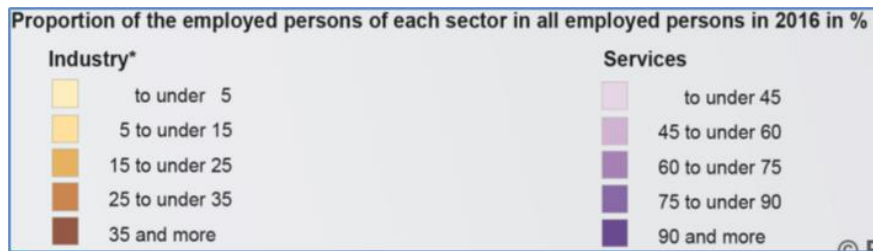


Economic diversity appears more pronounced by sector employment, a diversity which leads to territorially different needs, challenges, and expectations from development strategies like the EUSAIR, particularly when they are linked to the Accession issue, an acute one for the non-EU countries of the area.

MAP 5. Importance of Industry and Services in the economy at the NUTS 3 level within the EUSAIR area

Source: EU2020.de Atlas for the Territorial Agenda 2030



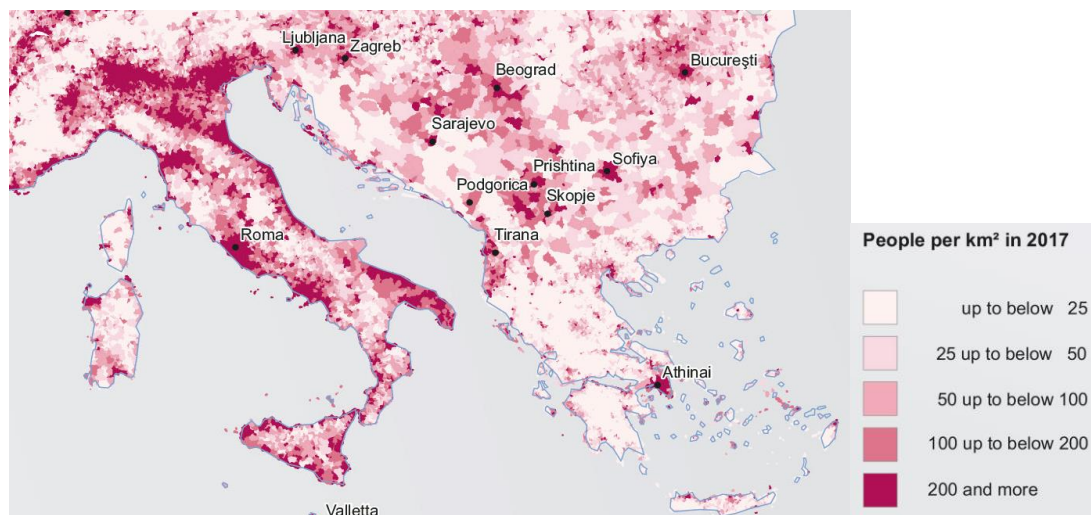


4. The territorial aspect becomes an important one when coming to the settlements issue. Population density is very dissimilar between regions and localities, as it is also the population change. For a strategy which is by definition “territorial”, this is an important factor, if only because its final beneficiaries are unevenly dispersed.

Western Adriatic shore and the Danube-Morava-Axios corridor are the most densely populated areas, while positive demographic change is concentrated in urban concentrations and negative change is more pronounced in Albania and in mountainous places in Croatia and Greece.

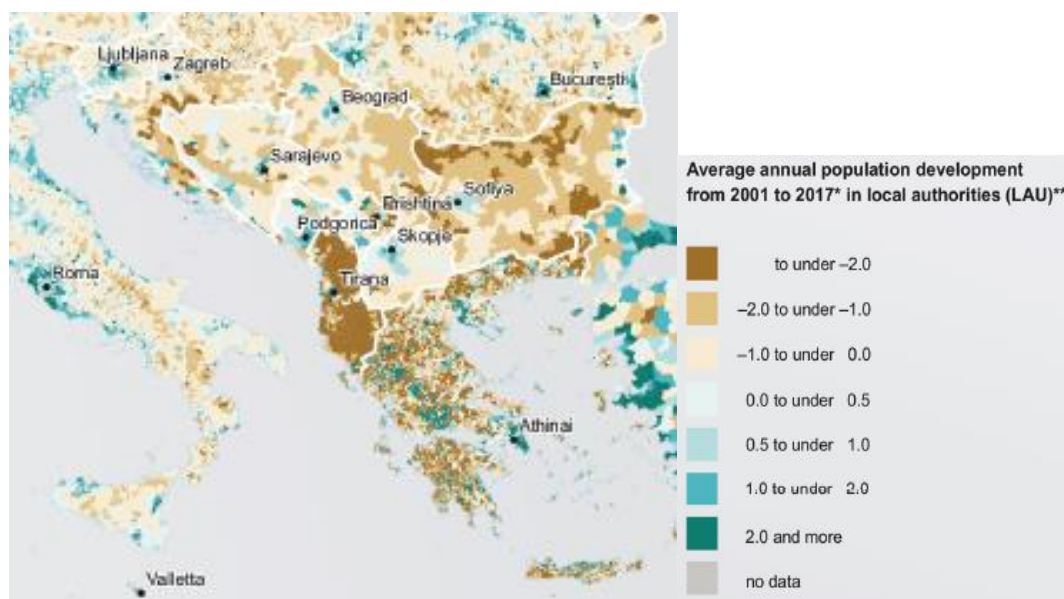
MAP 6. Population density in the EUSAIR area

Source: EU2020.de Atlas for the Territorial Agenda 2030



MAP 7. Demographic evolution in the EUSAIR area

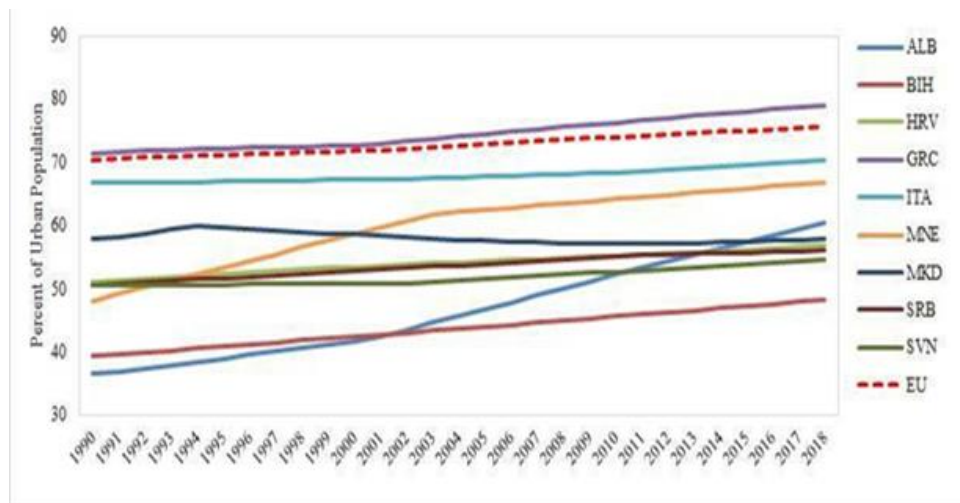
Source: EU2020.de Atlas for the Territorial Agenda 2030



Urban areas are in general considered the most interesting as regards both their development potential and the challenges they are confronted to. In the EUSAIR area, urbanization is, in general, less pronounced than in the whole of the EU, with the exception of Greece and, recently, Montenegro and Albania.

FIGURE 4: urban population growth per country participating in the EUSAIR

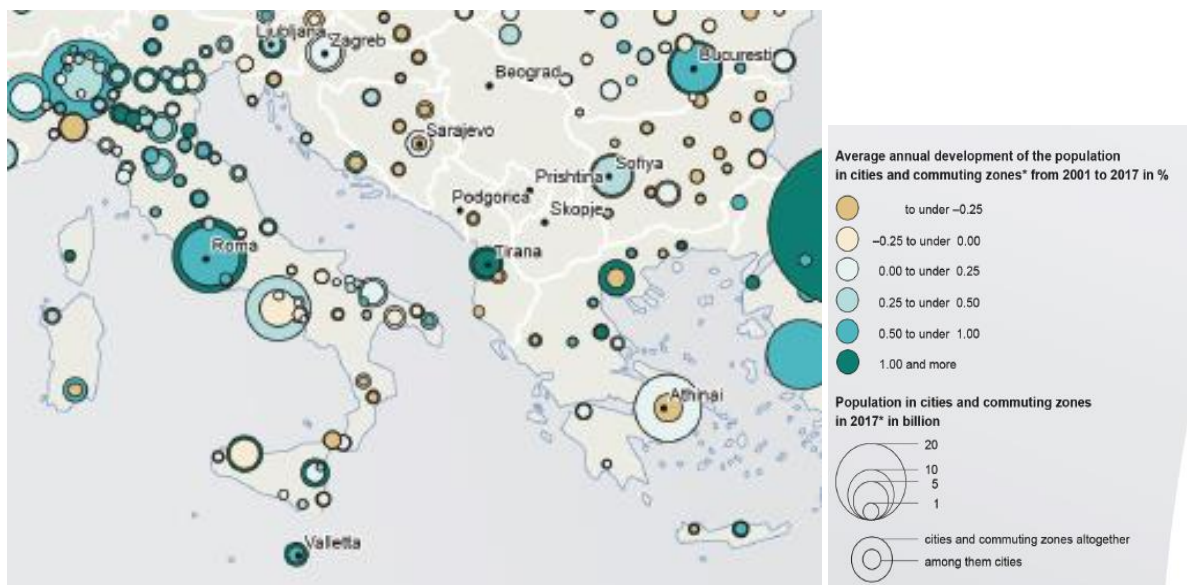
Source: INTERREG ADRION, Analysis of the territorial challenges, needs and potentials of the AIR. Appendices, 2020



There are only a few major metropolitan areas, but there exists an interesting group of top tier cities and minor urban clusters emerging in the macro-region. It is therefore important to explore the potential that the urban areas provide the Strategy for addressing needs, promoting assets, and organizing on a territorial basis the development for the benefit of inhabitants. This could also be a critical factor in what regards enhancing awareness and commitment.

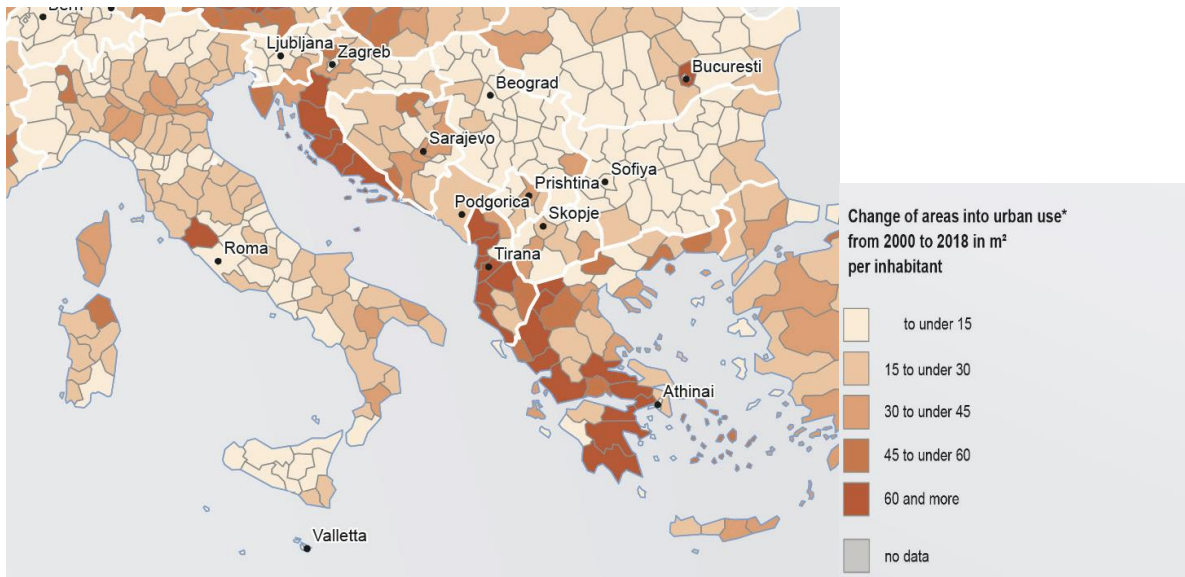
MAP 8. Demographic evolution in cities and commuting zones

Source: EU2020.de Atlas for the Territorial Agenda 2030



MAP 9. Land change into urban use at NUTS 3 level in the EUSAIR area

Source: EU2020.de Atlas for the Territorial Agenda 2030



5. In consequence of the above it seems clear that the diversity of the area pushes towards a more pronounced territorial aspect of the Strategy now that its “phase I” is considered close and its “phase II” has to present a systematic productivity, with a visible performance that could be judged by outcomes and, possible, results, on the field, thus is to say in its different territorial units.

On the basis of the findings of the survey to EUSAIR key implementers and the proposals recorded, taking also into account existing studies regarding the use of territorial tools to support the implementation of macro-regional strategies, the Evaluation Consultant explored some possibilities in strengthening the territorial aspect of the Strategy and/or imprint its processes in the geographic space. Thus, three main ways to utilize spatial features are being considered for further study or a limited pilot implementation in select Topics of the TSGs.

This territorial aspect could be introduced to the Strategy in order (a) to exploit the particular potentials of NUTS2 and NUTS3 regions, (b) to address the territorially specific challenges, and (c) to enhance the role of the urban areas as a network that could provide an engine of growth, a berth of social cohesion and a well-structured locally visible and perceived governance mechanism.

The territorial aspect of the Strategy could take alternative forms:

- Give a territorial aspect to each one of the Strategy’s Pillars so as they expressly take account of the heterogeneity of the territorial units. This could be done through
 - either indicating at the most befitting territorial level the expected combined territorial impact of the synthesis of the Pillar’s actions, or at least of the sum of its most strategically or financially important ones
 - or imposing to each Pillar’s objectives and/or its Flagships a Territorial Impact Assessment as vigorous as it could be, taking account of each Flagship’s horizontal or spatially diversified characteristics.

Relative actions (specific assessment tasks) could be introduced in each Pillar or strategically important Flagship.

- Promote a network of urban centers as a developmental “skeleton” and unifying element of the whole area. This could be done through
 - either creating a set of actions specifically addressed to the challenges and promoting the

development potential and the driving function of the area's urban centers

- or expressly promoting, as a Flagship, the networking between the most important, from a developmental scope, cities in the area, in fields such as ICTs, B2B services, manufacturing clusters, etc.

Relative projects could be introduced in each Pillar. Alternatively, a specific inter-Pillar Flagship could be designed. Also, the Forum of the Adriatic and Ionian Cities can be utilized in this case.

- Use the tool of the Integrated Territorial Investments within the area.

Sub-areas with most pronounced common geographical and socio-economic or environmental characteristics and/or acutely challenging problems, that also dispose a quite clear delimitation at an inter-national and/or inter-regional level, could be subject to integrated interventions following the ITI pattern of the ESIFs.

The Integrated Territorial Investment (ITI) tool can be adjusted to encourage macro-regional strategies breaking out of the constraints resulting from the by-project funding by INTERREG or by the managing rules of the ESIFs' mainstream programmes. In that case, Macro-regional Integrated Territorial Investments could be a tool for the implementation of macro-regional territorial strategies by combining funding from different funding sources and promoting place-based and effectively managed and implemented policy. They could also allow the set-up of a more stable governance structure, still respecting the '3 NOs principle', as they can capitalise on existing funding, do not require new legislation, nor new institutions, and ask only for a small governance restructure. ITIs would increase the ownership of the strategy and better involve priority area and horizontal action coordinators when it comes to the design of actions, the thematic focus and the overall coordination of the flagships and their funding. At the same time, it would ensure the continuity of macro-regional efforts throughout more than one programming period and render the MRS empowered with people of stronger (local/regional) interest and commitment⁴.

An ITI needs (i) a specific area, (ii) a set of common strategic goals in a commonly defined strategy, (iii) an appropriate governance system and (iv) a dedicated budget. Whereas conditions (i) and (ii) could be fulfilled in the context of the EUSAIR, trying to reach condition (iii) could lead, at the present stage of the Strategy, to a more complex implementation system; ensuring condition (iv) could trigger additional consuming consultations. Because of these constraints, a pilot ITI project would be advisable to be planned in order to assess this instrument's potentiality. Also, the role of European Groupings of Territorial Cooperation⁵ can be explored further for implementing ITIs.

1.3 Main Developments in the Environment of the EUSAIR

1.3.1 Europe 2020 Strategy

EUSAIR was formulated (during 2013-2014) and mainly implemented in the light of the Europe 2020 Strategy, which was the main development compass for the implementation of the ESI Funds Programmes for the period 2014-2020. The 2020 Strategy sets a limited number of headline targets for 2020, representative of Smart, Sustainable and Inclusive Growth:

- increase employment rate of the population aged 20–64 to least 75%,

⁴ Kai Böhme, Maria Toptsidou (2019) MACRO-REGIONAL INTEGRATED TERRITORIAL INVESTMENTS: HOW TO BREAK OUT OF INTERREG, Spatial Foresight Brief 2019:12

⁵ Regulation (EU) No 1302/2013

- invest 3% of GDP in R&D,
- reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right,
- increase the share of renewable energy in final energy consumption to 20%,
- achieve a 20% increase in energy efficiency,
- reduce the share of early school leavers to 10%,
- increase the share of the population aged 30–34 having completed tertiary to at least 40%,
- reduce the number of Europeans living below national poverty lines by 25%, lifting 20 million people out of poverty.

Considering this, the EUSAIR and the Action Plan integrate and refine, in the spatial and developmental framework of its area, the main priorities of the Europe 2020 Strategy.

Regarding the priority of Smart Growth, Pillar 1 specifies relevant actions to promote RTD and business development in areas related to the blue economy. Likewise, Pillar 2 includes actions that support the development of shipping and the energy market, while Pillar 3 promotes competitiveness in the field of tourism - culture. In general, EUSAIR covers all the Thematic Objectives of Smart Growth and the monitoring data confirms the high relevance of EUSAIR to the Smart Growth priority.

In relation to Sustainable Growth, Pillar 3 specifies actions for the protection of the environment and in particular the prevention of marine pollution and the sustainable management of coastal areas. Pillar 2 promotes sustainable transport (mainly in the maritime sector, which is critical due to its environmental footprint), but also sustainable energy through the interconnection of systems. The Action Plan also includes actions for sustainable tourism and the enhancement of the cultural heritage (Pillar 4), as well as the development of environmental protection technologies and the management of resources and waste related to the activities of the blue economy (Pillar 1). In total there is a complete matching between the Objectives of the EUSAIR and Thematic Objectives of Sustainable Development (T.O 4 to 7).

On the other hand, the correlation between the Strategy and the Action Plan of EUSAIR with the Thematic Objectives of Inclusive Development is relatively small. It is mainly confined to the area of employment and training around the blue economy. An important reason for this may be the fact that the implementation of social policies (or services to citizens) is, within the framework of the principles of subsidiarity and proportionality, mainly a national policy area. The implementation of the *acquis Communautaire* in social policy and justice is one of the most important issues of the pre-accession processes and needs detailed and country specific approach. Therefore the cooperation regarding social policy under the EUSAIR might not be (for now) effective. In any case, it is particularly positive that individual actions targeting specific issues appear to be addressed in the process of specialisation of the Action Plan by the TSG's in areas such as Inclusive Tourism, or Transport. At the same time, some social issues (mainly in relation to persons with disabilities rights, education and employment) seem to be the main focus of the discussion so far of inter-pillar cooperation and can effectively be promoted.

1.3.2 European Policies beyond 2021

The new European policies and strategies set out the framework for spatial and macro-regional policies for the 2021-2027 programming period. The logic of double transformation, "digital" and "energy", of the economy guides strategies and programmes at EU, national and (inter)regional level.

The EUSAIR has to produce synergies with European policies applying to its Thematic Areas: Blue technologies

- Fisheries and aquaculture - Maritime and marine governance and services - Maritime transport - Intermodal connections to the hinterland - Energy networks - The Marine environment - Transnational terrestrial habitats and biodiversity - Diversified tourism offer - Sustainable and responsible tourism management. Furthermore, it presents a number of assets in support of the enlargement process (horizontal cooperation, regional dimension, capacity-building approach, inclusive approach) and identifies two cross-cutting issues: (a) capacity-building for efficient implementation and for raising public awareness and support; (b) research and innovation to boost high-skilled employment, growth, and competitiveness, and cooperation within transnational networks.

Ensuring links and greater alignment between EUSAIR and other EU as well as national and cross-border policies is important. The Strategy needs clear and operationally viable links with European policies such as the Green Deal, the RIS3, the European Skills Agenda, Digital Compass, and, of course, funding instruments such as REACT EU, the Recovery plan for Europe and its programming arm, the RRF, and the Just Transition Fund. Making the most of complementarities is fundamental, although it poses additional coordination challenges.

Particularly in EUSAIR's dominant Pillar 1, connection between Blue Growth and RIS should be recognized in order to link research, innovation and business opportunities in blue economy with regional capacities and to connect Blue Growth with other dominant sectors of the Macro-Region such as Agri-food, Health and Tourism. European Green Deal also prioritizes the sustainability of the blue economy and fisheries sectors (Environment and Oceans), the secure and affordable EU energy supply, a fully integrated, interconnected, and digitalized energy market, the food security in the face of climate change and biodiversity loss, the promotion of healthy oceans, seas, coastal and inland waters (Green Mission of Horizon). Moreover, Digital Compass prioritizes digital transformation of business, public services, digital infrastructure and digital skills and professionals, with ambitious targets requiring focusing of resources and capacities. There is therefore a question whether and how the above logic of twin transition, "digital" and "energy", will be integrated in the EUSAIR.

In general, it would be advisable to assess the advantages of choosing either cross-cutting policy issues in the Strategy or Topics specific to the parallel policies.

Regarding the EU Green Deal and Climate 2030 targets

The European Green Deal aims to make Europe the first climate-neutral continent by 2050, while boosting the competitiveness of European industry and ensuring a just transition for the regions and workers affected. Preserving Europe's natural environment and biodiversity, a 'farm to fork' strategy for sustainable food, and a new circular economy action plan are other key elements.

The European Green Deal contains a set of initiatives and policies that includes:

- Legislative proposals: European Climate Law, enshrining the 2050 climate-neutrality target in law, expansion of the EU Emissions Trading System to the maritime sector, Carbon Border Tax, Review of the Energy Taxation Directive.
- Strategies and Action Plans: The New industrial strategy, the strategy for green financing and a Sustainable Europe Investment Plan, Comprehensive plan to increase the EU emissions reduction target for 2030 towards 55 %, 'Farm to Fork Strategy' on sustainable food along the whole value chain, • Cross-cutting strategy to protect citizens' health from environmental degradation and pollution, Biodiversity Strategy for 2030, New Circular Economy Action Plan; tackling micro-plastics.
- Financing instruments, Just Transition Fund, turn parts of the European Investment Bank into Europe's climate bank.
- Non-legislative initiatives.

The 2030 Climate Plan shares the Commission's proposal to cut greenhouse gas emissions by at least 55% by 2030 sets Europe on a responsible path to becoming climate neutral by 2050. The plans aim to increase the

EU's ambition on reducing greenhouse gases and set this more ambitious path for the next 10 years. The assessment shows how all sectors of the economy and society can contribute and sets out the policy actions required to achieve this goal. Objectives are:

- Set a more ambitious and cost-effective path to achieving climate neutrality by 2050.
- Stimulate the creation of green jobs and continue the EU's track record of cutting greenhouse gas emissions whilst growing its economy.
- Encourage international partners to increase their ambition to limit the rise in global temperature to 1.5°C and avoid the most severe consequences of climate change.

EUSAIR is highly connected (and compatible) with the EU Green deal. From aquaculture and marine litter (including circular management of fishing nets) to exploitation of RES and energy transition of maritime sector the EU Green Deal is a crosscutting policy for the implementation of all Pillars.

Regarding priorities and objectives of the new approach for a sustainable blue economy in the EU

The new approach on sustainable blue economy (COM (2021) 240 final/17.05.2021) takes a systemic view that integrates ocean policy into Europe's new economic policy under the umbrella of the EU Green Deal. Main aim is the transition to a sustainable blue economy which will create tangible opportunities for new jobs and businesses. Sustainable blue economy offers many solutions to achieve the European Green Deal objectives:

- Many of the current activities need to reduce their carbon footprint, while new, carbon-neutral activities need to take centre stage. The blue economy can contribute to carbon neutrality by developing offshore renewable energy and by greening maritime transport and ports. This contains the support of Offshore renewable energy, the reduction in greenhouse gas emissions from all modes of transport, and this includes maritime transport. The consideration of Ports beyond transshipment and logistics, their future lies in developing their key role as energy hubs (for integrated electricity, hydrogen, and other renewable and low-carbon fuels systems), for the circular economy (for collecting, transshipping, and disposing of waste from ships and other port industries, and for decommissioning ships), for communication (for submarine cables), and for industry (as industrial clusters).
- Reducing the impacts of human activities on the sea is a collective responsibility. The blue economy can play a vital role in many aspects of the work to combat pollution and can benefit from new opportunities arising from that work. Commission focuses on plastic litter at sea, nutrient loss into the sea and the use and risk from chemical pesticides seafloor litter and microplastics including measures for the re-use and recyclability of fishing gear at end of life and to reduce the damage from lost and abandoned fishing gear. The circular economy agenda for Blue Economy also includes the recycling of large ships, the environmentally sound management and optimal treatment of decommissioned offshore oil and gas platforms.
- EU biodiversity strategy for 2030 highlights the expanding protection to 30% of the EU's sea area and creating ecological corridors will reverse biodiversity loss, contribute to climate mitigation and resilience and at the same time generate significant financial and social benefits. To preserve and restore marine biodiversity, the Commission will: table a proposal for legally binding EU targets to restore degraded ecosystems; propose a new action plan to conserve fisheries resources and protect marine ecosystems; work with Member States, regions and the European Environment Agency to identify and designate additional marine protected areas and to define strict protection; promote and support local participatory initiatives (such as community-led local development groups, fisheries local action groups etc.) that combine the regeneration of marine resources with the preservation of local livelihoods.
- In coastal regions, developing green infrastructure will help preserve biodiversity, coastal ecosystems, and landscapes, strengthening the sustainable development of tourism and of the coastal regions' economies climate adaptation should be based on natural and nature-based solutions – wetlands such

as salt marshes, seagrass fields, mangroves, and dunes,

- Alleviation of pressure on climate and on natural resources for food production would be achieved by using marine resources better and by choosing alternative sources of food and feed. Blue economy can help alleviate pressure on climate and on natural resources for food production. This includes sustainability and digital transition arrangement in Fisheries, Aquaculture, potential to produce bio-based products and biofuels (algae).

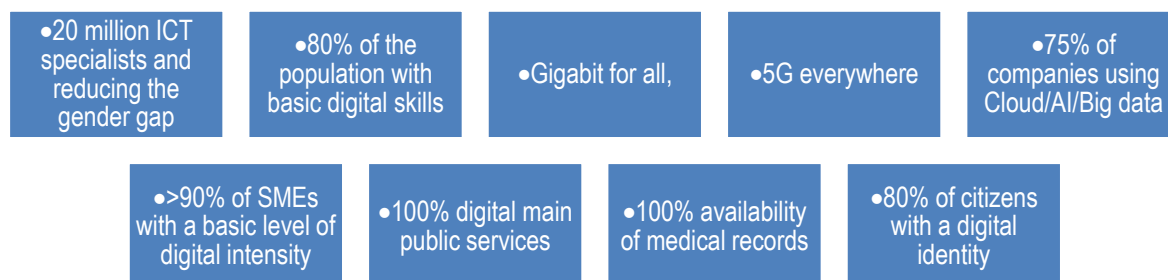
Supporting the development of a sustainable blue economy will be based on: Reliable, high-quality, and harmonized ocean data, Marine and maritime research and innovation, sustainable investment, cultivation of blue skills and jobs. It will also need for broadly accepted rules and conventions on space planning, citizen engagement, regional cooperation, maritime security, and international policy.

Regarding priorities and objectives in the area of the digital economy and ICT

These are set out in the EU 2030 Digital Compass Strategy. The priorities focus on four main themes:

- A digitally skilled population and specialized digital professionals.
- Secure and efficient sustainable digital infrastructure.
- Digital transformation of enterprises.
- Digitization of public services.

The above issues do not seem to be adequately addressed by the 4 Pillars and the cross-cutting issues. Likewise, digital priorities are not significantly supported by the Action Plan. The corresponding main objectives at EU level for 2030 are ambitious and require a concentration of resources and forces:



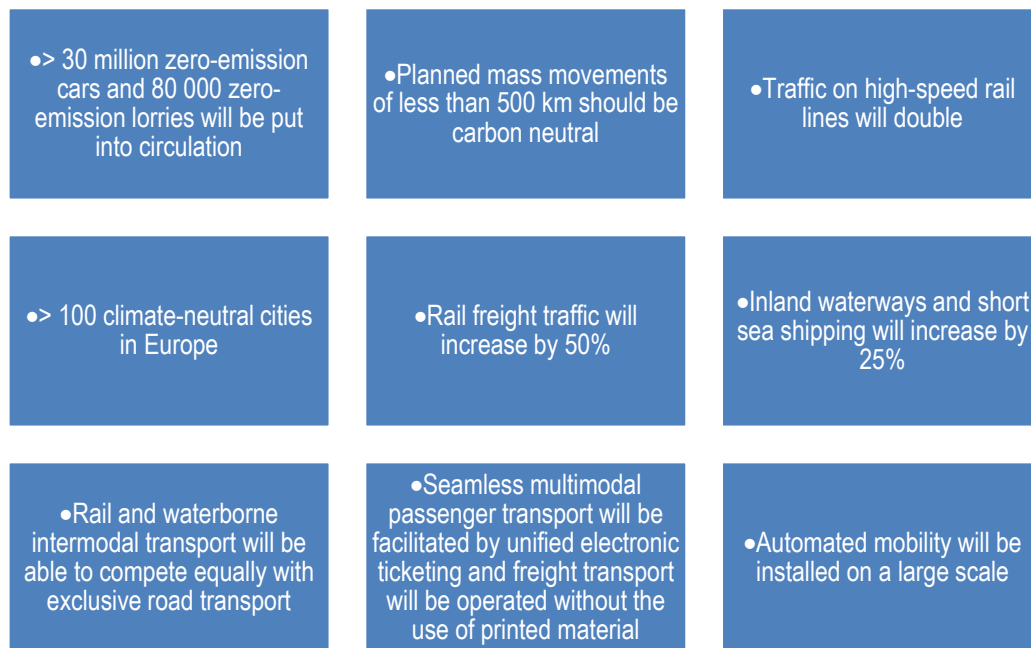
Regarding transport and mobility policy

The priorities and objectives at EU level are set out in the "Strategy for sustainable and smart mobility – European transport on the path of the future". The main challenge in the transport sector is the reduction of pollutant emissions on which the success of the Green Deal depends. The flagship areas on which the efforts will focus are:

- Deployment of zero-emission vehicles, renewable and low-carbon fuels, and related infrastructure
- Creation of zero-emission airports and ports
- More sustainable and healthy interurban and urban mobility
- Greening of freight transport
- Carbon pricing and user incentives
- Implementation of connected and automated multimodal mobility
- Innovation, data, and artificial intelligence for smarter mobility

- Strengthening the single market
- Fair and equitable mobility for all

The 2nd Pillar of the Strategy is suitable to contribute to the above priorities and in particular topics 2.1 "Maritime transport" and 2.2 "Intermodal connections with the hinterland". The corresponding action plan could be enriched in particular in topic 2.2 and possibly introduce a new theme, in order to incorporate in addition some of the following ambitious objectives of the European strategy, in particular for zero-emission vehicles and fair mobility, by 2030.



Regarding the Just Transition policy

Following up on the Paris Agreement goals, the EU has committed to climate neutrality by 2050 through the European Green Deal, converting the commitment into a binding law in 2021. Setting these goals will have an important impact on the Western Balkan countries (WB6), parties to the Energy Community Treaty, which have embraced the 2050 decarbonization goal through the adoption of the Sofia Declaration in 2020 within the Green Agenda for the Western Balkans process, which mirrors the European Green Deal. But achieving climate neutrality will require major changes in all economic sectors and will undoubtedly have major economic and social impacts on local communities that have been dependent for many years on fossil fuels, especially coal. The gross national income (GNI) per capita is to be taken into account in the complying criteria but it is a matter of concern whether the Western Balkan countries members of EUSAIR could timely respond to the challenge of shifting their economies from fossil fuels to clean forms of energy, due to their very high dependence on coal as well as their more pronounced coal-related air pollution levels.

There is an obvious need for an adequate incorporation of the policy into the EUSAIR as energy production from fossil sources has a significant role in the area. The promotion of blue economy should be a priority theme for actions targeting the diversification of employment in fossil energy production areas.

Regarding the Smart Specialization Strategy

Smart specialization has made a real difference in the way European regions are designing their innovation strategies, creating, or reinforcing cooperation at all levels, especially with local business spheres. The Commission seeks to shape a broader approach to boosting innovation-led growth in the EU, with the objective of making smart specialization a comprehensive tool to help all regions seize the opportunities brought by

technological change, digitization, and industrial modernization.

The four challenges ahead are:

- Boosting innovation capacity in less developed and industrial transition regions,
- increasing cooperation in innovation investment across regions,
- facilitating synergies between EU policies and instruments
- Reforming regional innovation systems.

The first three of them apply also to EUSAIR; “global value chains” could be supported through pilot projects with the expectation to help the development of competitive clusters and the reform of the business environment.

An EU-funded pilot action including a number of volunteer regions could be extended to the Region as well as technical assistance actions for regional partnerships. Inclusion to the thematic Smart Specialisation platforms would also be beneficial. Taking account of the actions in the Horizon 2020 Policy Support Facility will help countries to address obstacles in their research and innovation systems.

Pillars and topics of EUSAIR are connected to priorities areas (sectors) of National or regional S3 Strategies in the Area.

Regarding Cohesion Policy

The limited or lack of direct, *ex ante* links between EUSAIR and the goals established in the national development strategies, sector strategies, investment plans, and EU Operational Programmes (OPs), is a serious challenge for the multi-level governance of EUSAIR in all countries. Ensuring links and greater alignment between EUSAIR and other EU as well as national and cross-border arrangements is important; there is need for stronger incentives to tie in EUSAIR with national planning documents as in many national strategic development documents especially at the sector level, there are few to no intrinsic links between national and macro-regional strategy.

Aligning the EU Cohesion programming frameworks and EUSAIR is essential; even if, in the new programming period 2021-2027 matching EUSAIR and Cohesion policy at the planning stage is finally assured, there must be concrete provisions to incorporate EUSAIR in the implementation stage. Synergies with ETC and Cross-Border Cooperation (CBC) programmes can be limited but ETC and CBC programmes retain their appeal as an ability to provide more readily accessible and compatible frameworks and financing opportunities

There is an obvious need for better leveraging the “strategy” dimension of EUSAIR; strategies can be powerful coordination mechanisms, helping identify priorities, align interests, and provide a road map for action but they are not concrete, and it is harder to articulate their value added. As a macro-regional strategy, one of EUSAIR’s core goals is to improve coordination among EU policies and programmes in a cross-sector and cross-border basis. However there is a tendency to approach EUSAIR as a mean to promote projects rather than as a strategy to align policy objectives with the projects to realise the former.

The panoply of topics and projects that can be implemented through EUSAIR in support of its thematic objectives vary from large, costly infrastructure projects (for example in Pillar 2), to softer infrastructure projects (particularly the case of Pillars 3 and 4), or a combination of these (especially Pillar 1). Because the various themes and types of projects may require different methodological inputs, for cross-sector coordination to work there needs to be some agreement and alignment as to how objectives are best achieved (e.g., through a macro-regional policy approach, through individual but coherent national strategies, etc.). It is also necessary to make sure that these objectives are coherent with those of the relevant counterparts who will be implementing the project(s) (e.g., national, or subnational administrations, non-government stakeholders, etc.). If these counterparts are not involved from the beginning, the process can be more difficult.

1.3.3 The Enlargement Policy for the Western Balkans

From the very beginning, the EUSAIR in its official documents clearly set out its support to EU enlargement in the WB. Its action plan published in 2014, for instance, explicitly cites the accession process by referring to the foreseen harmonisation with specific EU directives and regulation as a benchmark. Such expectation is not surprising, as the European integration of the Western Balkans is, one way or another, a policy objective of all the countries involved.

The European perspective for the WB has been reaffirmed in numerous occasions since the adoption of the EUSAIR. With the adoption of the New Enlargement Methodology, in February 2020, it foresaw the reorganisation of the negotiation process whereby the *acquis communautaire* chapters are now gathered into 6 thematic clusters. But even though the Council agreed on the opening of the accession negotiations of two candidate countries, ALB and MK, these countries are still waiting for the first intergovernmental conference to confirm this choice. During the Sofia Summit, leaders of the WB welcomed the Economic and Investment Plan for the Western Balkans to mobilize up to EUR 9 billion of IPA III funding for the period 2021-2027 to support economic convergence with the EU and the EC identified a number of investment flagships supported also by the multi-country multiannual action plan (C(2021) 9749 final). The Green Agenda for the Western Balkans, accompanying the Economic and Investment Plan and based on the European Green Deal, sets out relevant actions and recommendations. Furthermore, in light of the epidemiological crisis of COVID-19, the EC opened to the WB the EU Joint Procurement.

The EUSAIR contributes to the enlargement process focusing on easing the adoption of the *acquis Communautaire* in the WB countries, fostering administrative capacity in the WB countries, offering a framework where different levels (multi-level governance), processes, strategies, and funds (EU and non-EU) may converge, promoting a strong involvement of stakeholders and participatory policymaking. The EUSAIR Action Plan identifies two cross-cutting issues: a) capacity-building, including communication, for efficient implementation and for raising public awareness and support; b) research and innovation to boost high-skilled employment, growth, and competitiveness, and cooperation within transnational networks to bring ideas to markets and help develop new products and services.

Comparative analysis of EUSAIR pillars with relevant *acquis* chapters shows possible processes and policies that could support the EU integration while increasing the administrative capacity, political commitment, and policy implementation of the MRS.

EUSAIR Pillar 1 “Blue Growth” is linked to chapter 13 (Fisheries) and chapter 25 (Science and research) of the *acquis*. The Action Plan highlights how actions in the sectors of fisheries and aquaculture, as well as in the blue technologies, need to build on the Smart Specialization Strategies developed at regional and national level. The EUSAIR Action Plan points to the need to enhance cooperation among the coastal communities and to widen stakeholders’ involvement. The Smart Specialization approach may increase cooperation and facilitate the advancing and implementation of innovation. The S3 approach can contribute to the enlargement process thanks to its connection with chapter 22 of the *acquis*. The S3 approach (moving to S4, in order to encompass the sustainability dimension) may also be a good instrument to develop networks among different stakeholders, encouraging the involvement of academia in the decision-making process and stimulating its dialogue with the private sector and policymakers.

Pillar 2 “Connecting the Region” is related to chapters 14 (Transport), 15 (Energy) and 21 (Trans-European Networks) of the *acquis*. EUSAIR has the potential to provide a considerable contribution to the enlargement process. The legislative and physical connectivity of the WB with the EU is a precondition for enlargement and serves as the basis for economic growth and people to people relations. However, it is equally true that the Balkans’ transport and energy infrastructure is still at an underdeveloped stage. EUSAIR flagships on transport are complementary to the Economic and Investment Plan for the WB. The EUSAIR Action Plan could be updated

by foreseeing the cooperation with the Transport Community including the railways sector.

Pillar 3 “Environmental Quality” is connected to chapter 27 (Environment) of the acquis. The convergence of this pillar with the current European strategies is strong but alignment, specifically in the realization of the connected infrastructures, is expensive. The EU, through IPA direct and indirect management and other budget lines, has supported several projects in this area. ADRION has supported regional projects to sustain the development of coordinated databases and protection measures. However, protection of ecosystems is not politically appealing as it is often an obstacle to the construction of infrastructures and/or to the expansion of mass tourism. The EUSAIR could define criteria for long-term sustainability of projects.

Pillar 4 “Sustainable Tourism” is linked to chapter 20 (Enterprise and industrial policy) and chapter 26 (Education and culture) of the acquis. Tourism has been severely affected by the Covid-19 pandemic, and today is in the focus for recovery. Nonetheless, travel restrictions opened new opportunities to proximity tourism and smaller destinations and the new circumstances urged the adoption of smart and digital solutions.

The EUSAIR has a number of potential assets that could bring a crucial contribution to the accession path of WB countries:

- a horizontal cooperation that allows greater ownership of the processes by the beneficiary countries;
- a regional dimension that connects the WB to the EU, fostering a regional sense of identity that goes beyond the WB as well as a Europeanisation process;
- a convergence of interests on enlargement, which is a priority topic across the EU Member States that participate in the strategy;
- a capacity building approach, based on the cooperation in different fields and at different levels, which enables the relaunch of the enlargement path out of the traditional logics and narratives;
- an emphasis on territorial cooperation that stimulates positive dynamics between local authorities, the private sector, and other relevant stakeholders at the local, national, and transnational level;
- an inclusive approach that empowers stakeholders as active participants in the macro- region.

By stimulating the countries involved to cooperate and coordinate their efforts, the EUSAIR can contribute to the enlargement process in concrete terms:

- the EUSAIR may ease the adoption of the acquis Communautaire in WB countries by facilitating stronger political cooperation and exchange between member and non- member states on specific, technical topics, such as those included in the strategy’s pillars (see the dedicated section below);
- the EUSAIR may support enlargement by fostering administrative capacity building in WB countries through cooperation at the technical level among participants in its Thematic Steering Groups (TSGs) and other stakeholders involved in the activities of the Strategy;
- the EUSAIR may support enlargement by proposing a grounded, evidence-based, and participatory policymaking that increases the accountability of governments;
- the EUSAIR may support enlargement by opening EU policies and strategies to Western Balkans, thus favoring the process of Europeanization;
- the EUSAIR may support enlargement by offering a framework where different processes, strategies, and funds (EU and non-EU) may converge towards shared priorities;
- the EUSAIR may support enlargement by promoting EU multilevel governance and a strong involvement of stakeholders that benefits the consolidation of democracy;
- with its focus on green and innovation EU agendas, its work in the field of connectivity, and the special

focus on tourism - one of the hardest COVID-19 hit economic sectors - EUSAIR is particularly well-placed to include the WB in the EU endeavors to fight climate change while trying to overcome the consequences of the pandemic.

Considering the slow path of the accession negotiations, most aspects tackled by the EUSAIR will not be the core concern of the integration process for the years to come. The new enlargement methodology maintains the focus on the so-called fundamentals, that for a great part fall beyond EUSAIR scope of action. The territorial approach purported by the EUSAIR is very important as it stresses the context-based dimension of policymaking, its strategy-oriented approach, and the need to be evidence-based and informed by the partnership principle.

Finally, the adoption of a comprehensive Economic and Investment Plan for the Western Balkans, which aims to spur the long-term economic recovery of the region, support a green and digital transition, foster regional integration and convergence with the European Union, is an important step. The Economic and Investment Plan sets out a substantial investment package mobilizing up to €9 billion of funding for the region. It will support sustainable connectivity, human capital, competitiveness and inclusive growth, and the twin green and digital transition.

The Green Agenda in the Western Balkans, foresees actions around five pillars, closely related to the EUSAIR's ones: (i) climate action, including decarbonization, energy and mobility, (ii) circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources, (iii), biodiversity, aiming to protect and restore the natural wealth of the region, (iv), fighting air, water and soil pollution and (v) sustainable food systems and rural areas. Digitalization will be a key enabler for the above five pillars in line with the concept of the dual green and digital transition. The Plan identifies ten investment flagships to support major road and railway connections in the region, renewable energy and the transition from coal, renovation of public and private buildings to increase the energy efficiency and reduce greenhouse gas emissions, waste and wastewater management infrastructure, as well as the roll out of broadband infrastructure. Other flagships include increased investments in the private sector to boost competitiveness and innovation, in particular of small and medium sized companies and a Youth Guarantee.

1.4 Assessment of the Strategy

Deprived of own means to materialize its objectives as concrete outputs producing the aspired results and impact, the Strategy of the EUSAIR cannot be judged merely by the degree of fulfillment of its original goals. First of all, it is an unfolding strategy that has to pass through different successive phases of maturity. Secondly, it has only a few tools available in order to impose its goals. Thirdly its progress is subject to too many external factors and to a very diverse environment. And finally, its goals are qualitative in essence.

Therefore, the evaluation of the Strategy can be made mainly at the qualitative level; the judgement of its stakeholders expressed during the survey, the findings of relative studies and reports and the comparison of the ex-ante and ex-post values in a set of few macro-indicators. Then, a general assessment of its relevance, appropriateness, and adequacy can be formulated.

1.4.1 Findings from the Survey to EUSAIR key implementers regarding Strategy

The Evaluation Consultant conducted interviews with the National Coordinators and group-discussions with Pillar Coordinators and TSG members. Regarding strategic orientation four (4) main issues were discussed: the reflection of a common vision and understanding for the macro-region, the timeliness and response of the strategy, to current socio-economic conditions and EU strategies/priorities, the structure of the strategy, and the main findings are summarized as follows:

- A common understanding of the vision for the macro-region is a crucial point that most of the interviewees considered to be lacking among the key implementers of the Strategy. This lack of common understanding can be seen as reflected in actions with unclear joint interest and of multiplier effect, low attendance in certain cases of the EUSAIR bodies and different approaches in the TSGs.
- The inclusion of both EU-member states and other countries is seen as a factor affecting the achievement of a common understanding of the Strategy so far. Better coordination is viewed by some interviewees that can lead to better common understanding of the Strategy. However, it is recognized that significant steps have been made in smoothing disputes in a historically burdened and fragmented region and emerging a collaborative and understanding mindset. Especially, the rotating presidency of the EUSAIR and the take up by non-EU-member states is seen as a catalyst to enhancing the common understanding. The main convergence point on the role of the Strategy, highlighted almost in all of the interviews, is the preparation and support to the non-EU-member states to adapt to the EU acquis.
- The new EU multi-annual programming framework incorporates new and updated strategy priorities, relevant to EUSAIR Pillars, set out most prominently in the EU Green Deal, the 2030 Climate Target Plane, the 2030 Digital Decade, the European Skills Agenda, the Strategy for Sustainable and Smart Mobility and the 2021 Enlargement Package for Western Balkans. All of them, according to the findings of the interviews, are considered to be related to the EUSAIR and addressed by its Pillars, either with explicit references or implicit relevance.
- The Enlargement process and most notably the coordination and the matching with chapters of the acquis is seen as a possible issue that can be further highlighted in the Strategy. ESF+ type interventions, and specifically the promotion of skills in the macro-region, is also seen as an issue that could have a clearer delineation in the Strategy. The Danube Strategy PAs 9 and 10 are seen as an example here. Likewise, the Strategy is deemed to be enhanced by incorporating a distinctive role for digital transformation, possibly as a cross-cutting issue.
- The Strategy is mostly understood as a political declaration on the identification of common themes for cooperation in the macro-region while some interviewees consider the themes of the Strategy already broad enough to accommodate changes of the strategic priorities and targets of the EU in the new multi-annual programming framework.
- This broad scope of the EUSAIR and the inclusion of the main policy sectors of regional development also lend arguments to its independence from the inclusion of new members, as far as they operate in the same environment and face similar challenges of the macro-region. Specifically, the addition of the two (2) newest members, North Macedonia, and San Marino, doesn't affect in any significant way the center of gravity or other amounts of the macro-region.
- Regarding the developments in the socio-economic environment in the recent years there was a common approach by the interviews that the Strategy doesn't have to respond to such changes or emergencies by modifying or revisioning its fundamental documents, as its focus and mandate is to strengthen the cohesion of the Region and facilitate the accession process of the Western Balkans to the EU. Especially, in emergency situations, such is the COVID19 pandemic, the EUSAIR is not seen as the right tool to address the effects, either due to the lack of direct control over funds and the use of them, and/or the more or less slow procedures to translate objectives to actions. Moreover, other significant developments, like the increase in migration flows since 2015-16 have been addressed mainly in the political level⁶, while the recent surge in energy prices is considered that can be accommodated in the work of the TSGs in the implementation level.

⁶ Declaration of Ioannina (11.05.2017)

1.4.2 Findings from Studies and Reports

On EUSAIR and Cohesion Policy Objectives

According to the territorial analysis of the new ADRION Programme the Adriatic-Ionian macro-region the main challenges in relation to the Cohesion Policy Objective 1 (A Smarter Europe) comprise low performance in R&D, digitalization, internationalization, and innovation capacity due to the overwhelming presence of SMEs in all the sectors of the local economies. Digital transition is seen as an opportunity due to the low starting point of digital skills of the workforce but also due to the legacy of the pandemic to work arrangements and provision of public services. Those challenges, and especially digital transition, are not addressed explicitly in any of the three EUSAIR Pillars, but only through the cross-cutting issue of “R&I and SMEs development”.

Regarding Policy Objective 2 (A Greener Europe) an important capacity is identified in developing RES, bolstered by the existing legal framework in all the regions, eco-innovation, and energy efficiency in the building sector. Circular economy activities are also considered of high interest to the private sector of the area as well as the development of organized energy markets. Climate change and vulnerability to natural disasters common in the area (earthquakes, wildfires, drought, heatwaves) pose challenges to the rich biodiversity but also the tourism sector of the area. Climate change and natural disasters preparedness and mitigation, even though they transcend borders, are not evidently addressed by the EUSAIR, in any Pillar. The theme of energy efficiency in buildings is also lacking from the Strategy, while the facilitation of effective energy markets is explicitly addressed by Topic 2.3 “Energy networks”.

In the framework of Policy Objective 3 (A more connected Europe) large infrastructure investments are seen as key to complete the integration of the area in the enlargement process of the EU to the Western Balkans and in international competition where China, through the Belt and Road Initiative, as well as other important international players, are increasing their presence. Bottlenecks are identified in motorways of the sea and the capacity of airport network of the area, while railway transport and infrastructure are lacking. Investment opportunities then arise for a renewed interest and awareness in developing multimodal transportation systems, mainly based on ports. EUSAIR Pillar 2 and specifically Topics 1 “Maritime transport” and 2 “Intermodal connections to the hinterland” address almost all the challenges still present in transport infrastructure.

On ensuring synergies with Cohesion Policy

Macro-regional strategies, EUSAIR included, are referred to as “implementers”⁷ of the Cohesion Policy, by providing a strategic framework to coordinate policies, projects, networks, plans at different level to achieve a higher impact than a single project and single policy instruments. However, the path for a MRS to reach this level of performance is long and needs sustained efforts and commitment from the strategy owners. The study by COWI⁸ provides a framework of three-phases regarding the maturity of the MRS in order to deliver on Cohesion. EUSAIR was classified between development phases 1 and 2, while it is estimated now⁹ that it has achieved phase 2, where the macro-regional strategy is perceived by external stakeholders and starts to work, while institutional capacity increases. In phase II funding is recognized as the main barrier for the EUSAIR to perform,

⁷ Bergström A., Eggensberger, P., Jerina A and Singer C. (2019), Non-paper “EU MACRO-REGIONAL STRATEGIES: LABORATORIES FOR A NEW EUROPE”

⁸ COWI, M&E Factory, Institute for advanced studies. (2017). Macro-regional strategies and their links with cohesion policy. European Commission.

⁹ European Commission (2020), Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies, COM(2020) 578 final

thus alignment with the policy framework of the EU and integration to its mainstream programmes is paramount to connect to funding sources. Regarding strategy, the recommendations of the COWI study for MRS were for more strategic alignment with ESIF, at least at key thematic areas and a strategic focus of the MRS in cross-sectoral and cross-territorial coordination, rather than engagement with many themes and priorities. The Strategies should be focused to issues that cannot be addressed by individual countries sufficiently. The EC Report (COM (2020) 578 final) makes the following remarks on that matter:

- Align the EUSAIR to national strategic documents and plans and required by the EU acquis and the enabling conditions of the ESIFs.
- Provide for reaction to emergency issues and crises (i.e., migration and COVID19).

The study *OECD Multi-level Governance and Cross-Sector Practices Supporting EUSAIR* emphasizes, regarding the necessary strategic link between EUSAIR and Cohesion Policy, that the limited ex ante links between EUSAIR and the goals established in the national development strategies, sector strategies, investment plans, and EU Operational Programmes (OPs), is a serious challenge as it affects the ability to clearly identify the strategy's value-added and also leads in a certain degree to competition for funds. Consequently, the study suggests:

- Strengthening links with other strategies and framework arrangements. Ensuring greater alignment between EUSAIR and other EU as well as national and cross-border arrangements is important, especially post-2020 and making the most of complementarities is fundamental. Therefore, there is a need for stronger incentives to tie in with national planning documents, in order to overcome current difficulties to embed EUSAIR into national strategy, planning and framework documents. While national aims are often complementary to EUSAIR goals, links between national and macro-regional strategies are often identified ex post.
- Aligning the various EU programming frameworks and EUSAIR. There is difficulty connecting with OPs as they were prior to the introduction of EUSAIR, and on the different thematic objectives that each country would co-finance. As there are no provisions to incorporate EUSAIR in the implementation stage, objectives should be aligned, and this is one of the key challenges; this is much so in the case of non-EU member countries with the Indicative Strategy Papers (ISP) and IPA II assistance documents. It would also be helpful if more explicit selection criteria for EUSAIR projects linking to ESIF were established.
- Synergies with ETC and Cross-Border Cooperation (CBC) programmes can be only limited. They can support the implementation of EUSAIR, but these initiatives are limited in their scope. For example, ADRION funds are available for “soft” actions, but they cannot be applied to more costly projects and CBC programmes generally involve only two or three partner countries. The possibility of a strategic and coordinated monitoring exercise among multiple ETC and CBC programmes in the EUSAIR has to be foreseen.
- Better leveraging the “strategy” dimension of EUSAIR is of paramount importance. Strategies can be powerful coordination mechanisms and provide a road map for action, but they are rarely concrete, and it is harder to prove their value added. This objective is proving difficult to realize because the sector policies that support EUSAIR Pillars are part of established policy networks and implementation channels not structured to function in a cross-sector and multi-country manner. This is further compounded by a tendency to approach EUSAIR as means to promote projects rather than as a strategy to align policy objectives with the projects to realise them.

According to the findings of the interviews, the view of a better adaptation to emergency situations is not considered as a high priority. On the contrary most of the participants assessed that the Strategy responds flexibly to changing circumstances (Covid19, migration crisis, energy crisis). The case of the management of COVID-19, culminating in the creation of the RRF, shows that in exceptional situations Europe has the potential to activate mechanisms at a higher level, which can strengthen and give new tools to the Macro-regional Strategy rather than

the opposite. However, the effects of those mechanisms should be evaluated by the TSG's.

Regarding the improved alignment to EU and national Programming Framework, it is accepted by the interviewees that the alignment of the Action Plan with the funding framework will increase its effectiveness, but to the extent that the adaptation will be made on one level (that of the Strategy) it will undoubtedly limit the scope of action. Therefore, in view of a revision of the Action Plan, the dilemma arises as to:

- Whether the Strategy should focus on a relatively limited "commonly accepted" issues that will be shaped from the point of view of funding and the common ground of national priorities. This arrangement will undoubtedly increase the effectiveness of EUSAIR.
- Or whether the Strategy should have a broader scope (Action Plan) serving a more comprehensive and ambitious vision of the area but with awareness that many of the objectives will be difficult to be achieved or have attributable results.

On the territorial aspect of the MRS

The article in Spatial Foresight Brief 2019: MACRO-REGIONAL INTEGRATED TERRITORIAL INVESTMENTS: HOW TO BREAK OUT OF INTERREG, proposes an interesting way to deal with the parallel existence of common challenges and, at the same time, spatial diversity within the MRS's areas. It stresses the point that there is an "Achilles' heel" in the macro-regional strategies, as Interreg funding eases the funding process for the macro-regional strategies, but it also puts both into a loop of different mutual commitments. The study argues that "macro-regional strategies need to comply with Interreg rules and practices, while Interreg programmes need to adjust their priorities and geographies accordingly". The current interdependent solution between macro-regional strategies and Interreg seems to the authors unsustainable for the future of both.

Despite the benefits of close exchange and although the support to the respective macro-regional strategies is generally appreciated, it creates administrative burden to both the macro-regional strategy, as the coordinators need to adjust to and comply with different Interreg rules, reporting and requirements, as well as for the Interreg programmes, which put an additional workload in place to facilitate the support to the macro-regional strategies. Further to this, the Interreg support creates a comfort zone between Interreg and macro-regional strategies, which may be convenient for both, but may not be sustainable in the long-run. National and regional authorities rely more on the support of Interreg programmes, losing the motivation to increase national resources and capacities for the strategies. The same holds for the macro-regional players, which get more and more dependent on the programme and lack innovative proposals to develop further their governance.

Changes in macro-regional strategies are observed; as their future calls for more flexible concepts, there is a gradually move from flagships as projects, their main implementation mechanisms so far, to flagships as processes. Flagships as processes can be implemented through interlinked activities and they can support a more long-term planning without being bound to stricter thematic and funding framework of the Interreg programmes. Interreg and macro-regional strategies converge when it comes to funding, but they diverge in terms of design, structure, timespan, and flexibility.

It is proposed that Macro-regional Integrated Territorial Investments¹⁰ (M-ITIs) are a tool allowing the implementation of macro-regional territorial strategies by combining funding from different funding sources and promoting place-based and effectively managed and implemented policy. Two options are put forward:

- A Macro-regional Integrated Territorial Investment for a whole MRS

¹⁰ Article 30 Reg. (EU)1060/2021 "Where a territorial strategy referred to in Article 29 involves investments that receive support from one or more Funds, from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment."

In this case, a M-ITI will cover and be set up for the whole territory. The strategy can continue with the same objectives, policy areas and horizontal actions, or can also proceed with adjustments in its Action Plan based on new emerging trends, developments, and regional needs. The process of changing the Action Plan from a thematic perspective will be the same and done through discussions and agreements with the relevant key players. For the MRS's governance, small changes have to be introduced with a central institutional body for coordination.

- A Macro-regional Integrated Territorial Investment for several policy / thematic areas

M-ITIs could be applicable at the level of policy / thematic areas, instead of covering the whole MRS area territory. For instance, there can be a M-ITI for the objective 'save the sea', or even for the policy area 'innovation', or the policy area 'security'. The MRS objectives and priorities will not be affected. A few changes are to be expected: there will be a coordination body per single objective or policy area. The M-ITI will provide some funding support, coming from the participating operational programmes and utilized partly for the support of flagship projects and processes, communication activities, etc.

Besides making the macro-regional strategies more independent from Interreg funds, a M-ITI for a macro-regional strategy would help increase the ownership of the strategy and better involve priority area and horizontal action coordinators when it comes to the design of actions, the thematic focus and the overall coordination of the flagships and their funding.

On political support and funding

The *QUALIFIED NON-PAPER BY KEY STAKEHOLDERS IN THE FOUR MACRO-REGIONAL STRATEGIES (LABORATORIES FOR A NEW EUROPE)* insists that the Adriatic and Ionian Region is one in which disparities in political commitment of the member countries (EU members and non-members) present clear obstacles to the implementation. Aware of that, the EUSAIR seeks to actively confirm the political commitment by adopting political documents such as the Catania ministerial Declaration of 2018 that guides their strategic actions.

Another reason for decreasing political support is 'hidden' in the lifecycle of a macro-regional strategy. As the maturity model suggests, Phase I is internal in character – the Strategy is building up its implementation machine and the picture of produced external outcomes is 'blurred' leaving the stakeholders unable to attribute some of them to the Strategy's contribution. As a result, high-level political support eventually subsides and at the moment is less visible in all the four Strategies. Phase II is characterized by rapid expansion of the circle of stakeholders that want to collaborate for tackling the common challenges. This pushes the Thematic Areas to seek formats *beyond projects* (naturally, projects are limited in time, scope, and number of partners) and with higher policy impact. Flagship-like formats produce results of higher value added than separate projects, as they produce on two levels at the same time – policy and action. In fact, they seem to be a more strategic format to deliver macro-regional value added. Arguably, such formats can be seen as unique contribution of macro-regional strategies demonstrating how the macro-regions can boost thematic progress in chosen focus areas. Strategic pursuit of the participation agenda – manifested in such inclusive collaboration formats – is the source of legitimacy and sustainability of the macro-regional strategies.

The lack of funding for horizontal governance and for capacity building among the MRS community is obvious, slowing down the development of MRS. The vast majority of non-state stakeholders is excluded from present funding due to the set-up of size and the regulations of funding in the programs. Sector programmes are used although projects are few for (Erasmus Plus strategic partnerships and Horizon 2020) and, unfortunately, the capacity of implementing stakeholders was not sufficient to influence the programming of next generation of the programmes, 2021-2027. European Parliament funding is an important part of the financial support to the Strategies.

The macro-regional strategies are maturing. Phase I is completed – meaning that the implementation structures are largely in place, formats shift from single projects to more complex macro-regional initiatives, monitoring and evaluation systems underway. In Phase II, the Strategies are moving away from almost total dependency on one funding source, the INTERREG B programmes. They are firmly committed to finding ways of using the ESIF mainstream programmes and increasing the share of sector programmes funding.

Political support should translate into the expanded financial dialogue with the EU mainstream and sector programmes, for the sake of better thematic alignment but also for opening up the existing (project-driven) EU funding paradigm to accommodate formats beyond projects, i.e., longer-term policy-driven collaborative processes, to facilitate alignment of funding and policy.

On EUSAIR and Enlargement

One of the key goals of the EUSAIR has been to enable the enlargement process for the Western Balkans. Participating in the EUSAIR are Albania - ALB, Bosnia and Herzegovina - BiH, Montenegro - MNE, North Macedonia - MK, and Serbia - SRB. From 2022 also San Marino is participating in the Strategy as the first non-Member, neither Western Balkan Country. From 2020 with the addition of North Macedonia the EUSAIR is the Macro Regional Strategy with more candidate/potential candidate countries than EU Member States cooperating with each other. This feature creates opportunities and also particularities that in many cases effected the implementation progress so far.

The contribution of EUSAIR in the enlargement process can be formalized in four main aspects (Luisa Chiodi, 2021):

1. by easing the adoption of the *acquis Communautaire* in the WB countries;
2. by fostering administrative capacity with grounded, evidence-based policies, especially generating cohesion competencies in the WB countries;
3. by offering a framework where different levels (multi-level governance), processes, strategies, and funds (EU and non-EU) may converge;
4. by promoting a strong involvement of stakeholders and participatory policy-making that increase the accountability of governments and consolidate democracy.

The evaluation considering the conclusions and findings of previous studies related to the investigation field, has included specific inquiries regarding the role of EUSAIR in enlargement process both in interviews and discussion groups.

According to (Luisa Chiodi, 2021) EUSAIR Pillars and topics are related to 8 *Acquis* Charters. However, most aspects tackled by the EUSAIR are not considered at the core concern of the integration process for the years to come. EUSAIR advancing the WB countries' harmonization with the *acquis* in the thematic fields and, what is more, by generating capacity-building opportunities in the concrete experiences of cooperation. The importance of this role is critical as it is always be taken into account that administrative capacity of "enlargement" countries is limited.

Analysis papers and interviews stress that better coordination between the EU policy areas and the EC DGs interested by its work, particular in between the DG NEAR and DG REGIO is needed. The absence of representatives or observers of DG NEAR on Governing Board and the lack of coordination of Facility Points with EU delegations in the countries is affecting the tuning of IPA Programmes and the Strategy. Especially in financing, on many occasions NCs from enlargement countries declared their inability to connect the mandate from the Governing Board to financing channels of their IPA Programmes. The absence of coordination is one definite reason that led to the limited effectiveness of labeling process in IPA Programmes.

The existence of many non-EU member countries has been highlighted by most of the studies (OECD, EU) as the main factor for the delays (compared to other MRS) in the establishment of the governance system. Undoubtedly the activation of the governance system was affected by (external) political and economic events during the 2014-2019 period¹¹. Another crucial factor is the limited in numbers human resources of WB institutions to participate in the demanding governance processes. Especially in the smaller WB countries the main actors in administrative level are multi-tasking.

1.4.3 The macro perspective

Impact of the EUSAIR on the development of the area cannot be established, for a number of reasons:

- The Strategy is still in the transition from Phase I to Phase II of maturity, with very few projects having been able to produce significant outputs or to trigger substantial results
- With no own resources and implementation tools, it was from the beginning irrelevant to expect any significant impact either than in the field of awareness, preparedness and establishing the cooperation mechanisms
- The concrete territorial result of the projects in realization or in function cannot be easily demarcated from the result provoked by the external environment, other programmes or long-term factors operating in the area or in the region where the projects are localized.

Setting ambitious targets which may be highly dependent on the external environment of the Strategy and its area, does not facilitate the achievement of goals especially when they have a too much 'strategic' character and a very long-term horizon, because it does not permit monitoring through results (as a bottom-up approach from partial results to the impact is almost impossible) and thus inevitably limits the scope as well as the extent of any evaluation based on quantitative evidence.

Therefore, it is of a very limited value any attempt to evaluate the macro-impact of the Strategy. Targets such a 20% increase in R&D&I investment in the blue technology domain, a 100% coverage of the water under national jurisdiction and of coast lines by Maritime Spatial Planning and Integrated Coastal Management, an increase by 20% of the traffic of clean Ro-Ro, ferries, short-sea shipping and cruise ships and yachts, a 100% increase in cross-region regular container train connections and a 50% reduce of the time spent at regional border crossings an increase by 50% in tourist arrivals from countries outside the Region and by 50% increase in tourism arrivals during the off-season period, etc., are over-ambitious, they cannot be directly attributed to EUSAIR effects and they cannot contribute to calculate the impact of the Strategy (for a more detailed analysis cf. below, ch. 2.1.1. Structure of the Action Plan, and ch. 2.1.4. Assessment of the Monitoring and Indicators System).

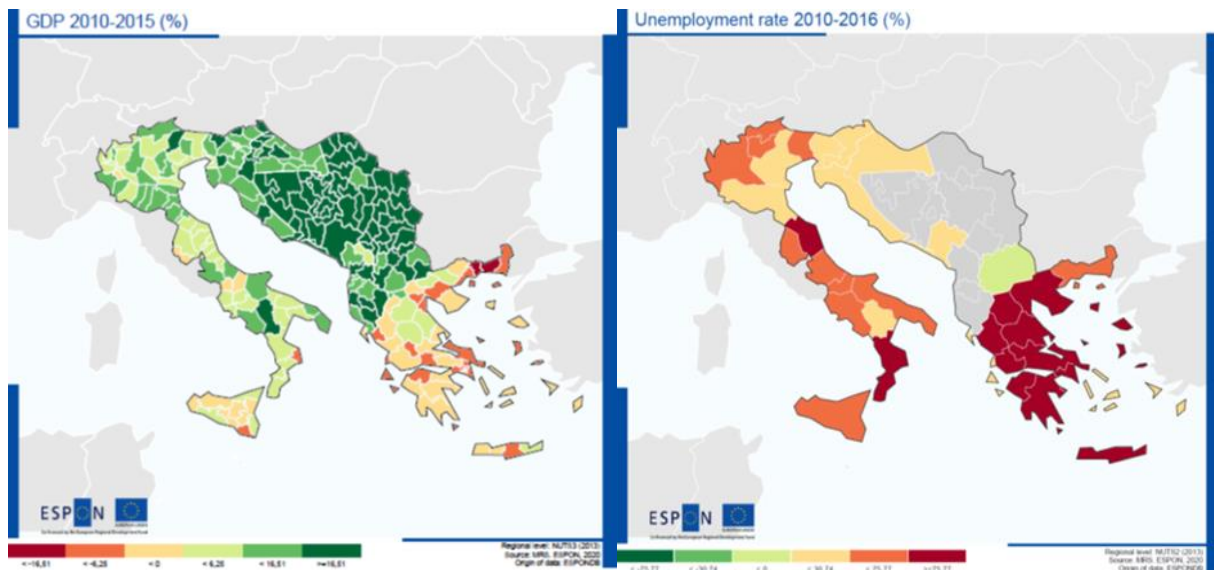
What could be of interest in order to have a clear image of the evolution in the area with or without the Strategy's contribution, is to compare values of different indicators set in the Strategy, at times somewhere before the Strategy and somewhere towards the current situation. This could help to deduce interesting changes or signs of stability in the area and thus to try to assess if the Strategy could effectively modify the development situation in the area.

This exercise could be based on the data presented in the MRS.ESPON v.1.0 platform¹² corresponding to the EUSAIR's Pillars; they are incomplete, and they often cannot be specified at the sub-national / regional level, but nevertheless, they are sufficiently indicative.

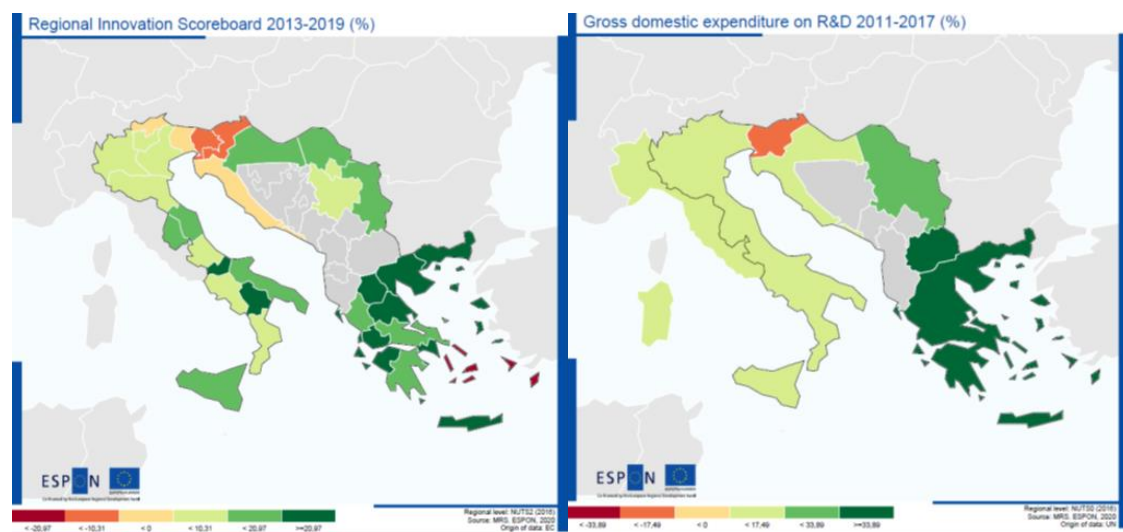
¹¹ Prespa Agreement for example influenced for the participation of North Macedonia in the Strategy.

¹² MRS.ESPON v1.0. ESPON-EUSAIR-European and Macro-regional Territorial Monitoring Tool

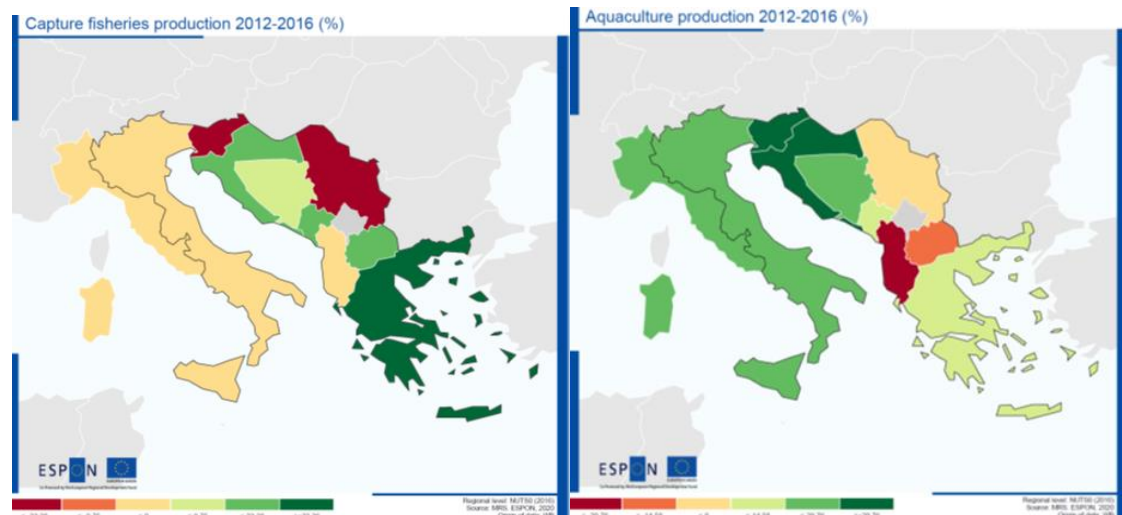
1. Economic growth diverged between countries and regions, with Serbian, BH and a few Albanian and North Macedonia regions showing a significant performance while Greece was severely affected by the crisis and 3 Greek, and 2 Italian regions present a critical unemployment situation.



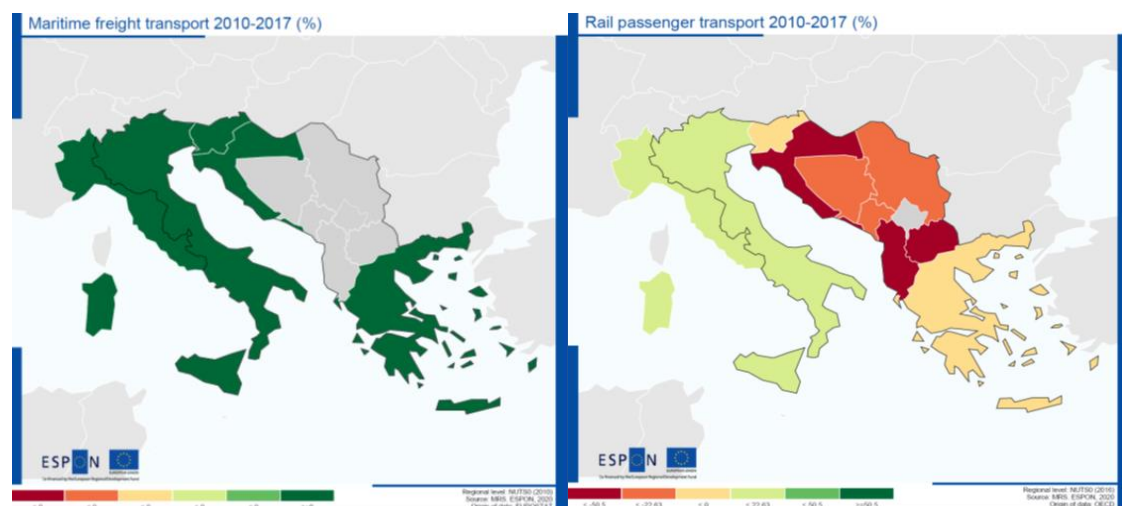
2. Progress in innovation, measured either by the Regional Innovation Scoreboard indicators or the GDE on R&D shows a general slight improvement with the Greek regions presenting a quite better performance.



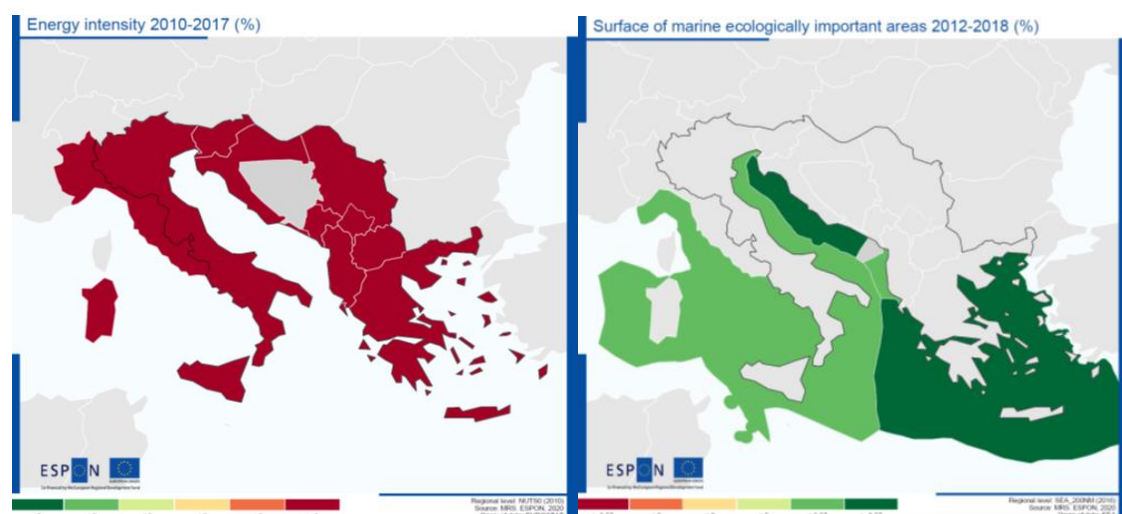
3. Regarding 'Blue Growth', capture fisheries production progressed in Greece and Croatia and regressed in Italy and Albania, while aquaculture production increased everywhere except in Albania and the North Macedonia.



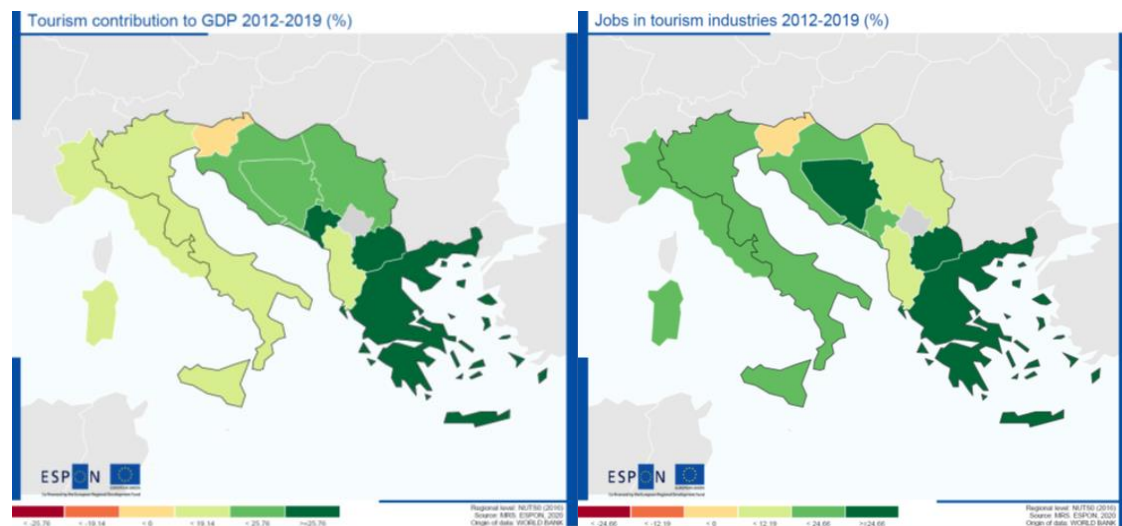
4. Maritime freight transport increased substantially in the area. This is not the case for railway passenger transport, regressing everywhere except for Italy, with its more extended and heavily used network.



5. Energy intensity increased everywhere, and the surface of marine ecologically important areas has been extended, particularly in Croatia and Greece.



6. Both tourism contribution to GDP and jobs in tourism have increased, with a marked preponderance in Greece, BIH, and the North Macedonia.



1.5 Conclusions and Recommendations

Having in mind an eventual revision / update of the EUSAIR's strategy and / or Action Plan in the context of the new programming period 2021-2027, some conclusions and recommendations can be reached out of the previous remarks.

1. While other macroregional strategies have been built on long lasting or at least significant previous experience of cooperative actions or common projects, inside or outside the context of European policies, and they also rely on a historical sense of belonging, the EUSAIR has yet to build a shared regional identity. It is not long ago that two of the participating countries were not members of the EU while six of them aren't still. There was no important antecedent of trans-Adriatic or trans-Ionian cooperation on either concrete long-term policies or important big-scale common projects, except for occasional interventions and ETC actions, usually 'soft' ones.

Diversity of productive tissue, macro-economic environment, social structure, pattern of settlement, is much more pronounced (in some cases extreme) than similarities between the participating countries. Overall economic inequality is significant among the countries and no remarkable converging trends occur at the long-term either between them or on the European average, if one excepts the downwards impact that the economic crisis had to the Italian and (especially) Greek relative performance. In conjunction with a sectoral diversity, it seems obvious that national economic preoccupations as well as specific development policy needs can very slightly be influenced by a strategy like EUSAIR or addressed by its limited means and tools so that a tangible impact can be discernable in the short or medium term.

This means that what has been judged and designated as common challenges, are quite differently perceived, confronted or inserted in each country's set of priorities with respect to their interests and policymaking agenda. Strengths and weaknesses for addressing the challenges or for exploiting common opportunities vary to a large extent.

Consecutively, the broader the EUSAIR's core goals have been set, the less awareness and area-wide acceptance could be expected in the short to medium term. General goals and cross-cutting objectives will constantly need to be sectoral or nationally specialized and, in order to act as an effective strategy, EUSAIR should be simultaneously precise and encompassing, in a cross-sector, cross-country and cross-border basis.

2. Due to the afore mentioned background and to its late start (in regards with other MRS), the EUSAIR is at a still limited level of maturity. Its 'phase-I' seems to have unfolded with reasonably successful results. But

passing to its 'phase-II' has to be treated according to a more 'programmatic' than 'strategic' approach.

EUSAIR is at a crossroads where the following issues should be addressed:

- How to exit from the (essentially internal) Phase I by adequately completing the buildup of its governing and implementation mechanisms and assuring the stakeholders' effective participation as well as the necessary political support at the national level in all countries involved
- How to retain the "gradual" approach of the Strategy and at the same time to produce "tangible" outputs and results in order to demonstrate its value added and ensure commitment
- How to align with the mainstream development planning in a more imperative way in the context of the provisions for the 2021-2027 budgeting period, passing to Phase II
- How to, in parallel with all the above, update the Strategy so as to comply with recent context or/and policy developments
- How to effectively combine aspirations and real needs coming from countries with so different development status and priorities and from regions and transborder areas with so different characteristics, potential and liabilities.

But, as it remains a "Strategy" and not a "Programme", it is advisable for EUSAIR to avoid setting up very ambitious objectives and targets who cannot be assured, monitored, evaluated, and accredited to the Strategy, as it lacks its own funding and its programming tools. This leads to the two ensuing alternatives:

- Either persist in a "gradual" approach and at the same time make outcomes and results clearly visible (for instance through setting interim milestones, customized to each country or regions' capacities, instead of uniform targets) so as to create a leverage effect on stakeholders' engagement and on Thematic Areas' maturity.
 - Or 'imperatively' link the Strategy and Programmes (and which of them?), in the context of the precise provisions for the 2021-2027 budgeting period.
3. The EUSAIR's area is basically a geographical and not a functional one and is divided into distinct successive geomorphological zones with a lack of territorial interconnections, still strong regional disparities (economic, social, and demographic, institutional, cultural), a polymorphic and heterogeneous pattern of urbanization and a variety of natural and ecological assets, levels of biodiversity, negative externalities of the growing tourism industry, capital stock gaps. This pronounced diversity may lead to the common challenges of the macro-region being differently perceived and assessed in each zone and region as they differently affect them, according to their level of development or their endogenous capacities to respond to economic instabilities. The effect of strong established long-term regional socio-economic drivers seems very important, and it is difficult to compensate them if they tend to mitigate or constraint the positive impact anticipated by a strategy which is in its essence a "macro" or "over the regional scale" one.

In consequence of the above it seems clear that the diversity of the area pushes towards a more pronounced territorial aspect of the Strategy now that its "phase I" is considered close and its "phase II" has to present a systematic productivity, with a visible performance that could be judged by outcomes and, possible, results, 'on the field', thus is to say in its different particular territorial units.

This territorial aspect could be introduced to the Strategy in order

- (a) to exploit the potentials of NUTS2 and NUTS3 regions
- (b) to address the territorially specific challenges
- (c) to enhance the role of the urban areas as a network that could provide an engine of growth, a berth of

social cohesion and a well-structured locally seen and perceived governance mechanism.

The territorial aspect of the Strategy could take alternative forms:

- Give a territorial aspect to each one of the Strategy's Pillars so as they expressly take account of the heterogeneity of the territorial units
 - Promote a network of urban centers as a developmental "skeleton" and unifying element of the whole area
 - Use the tool of the Integrated Territorial Investments within the area.
4. EUSAIR is not a tool in its strict sense, of the EU Cohesion Policy. But the limited ex ante links between EUSAIR and the national development strategies, sectoral strategies, investment plans and Cohesion Policy's Operational Programmes is not only a challenge for the multi-level governance of EUSAIR but also a prerequisite for its own functioning as a means to achieve cohesion and convergence in the area and sectors of interest. The panoply of topics and projects of the EUSAIR vary from large, costly infrastructure projects to softer projects or a combination of these. Because the various themes and types of projects require different methodological inputs, for cross-sector coordination to work and strategic effect to be realized, there needs to be alignment as to how objectives are best achieved.

Aligning the EU Cohesion programming frameworks and EUSAIR is essential. Even if, in the new programming period 2021-2027, matching EUSAIR and Cohesion policy at the planning stage is finally assured, there must be concrete provisions to incorporate EUSAIR in the implementation stage. ETC and CBC programmes retain their appeal as an ability to provide more readily accessible and compatible frameworks and financing opportunities but labelling EUSAIR interventions for Cohesion Policy OPs (especially the regional ones) has to be pursued in a rather vigorously manner if concrete results are to be hoped for. Otherwise, the 'parallel' course of EUSAIR and OPs will persist and passing to the 'Phase-III' (show efficiency and maximum scope, deliver by mature Thematic Areas with full engagement of implementers and stakeholders) will slow-off. There is need for

- stronger incentives to tie in with national planning documents (links between national strategies and macro-regional identified ex post)
 - aligning the EU programming frameworks and EUSAIR so that (as there are no provisions to incorporate EUSAIR in the implementation stage) objectives should be aligned; this is much so in the case of non-EU member countries with the Indicative Strategy Papers (ISP) and IPA II assistance documents
 - synergies with ETC and Cross-Border Cooperation to be enhanced e.g., through coordinated monitoring
 - building strategic synergies around common topics.
5. From the very beginning, the EUSAIR set out its support to EU enlargement in the WB. The European perspective for the WB has been reaffirmed in numerous occasions since and the New Enlargement Methodology foresaw the reorganization of the negotiation process whereby the *acquis communautaire* chapters are now gathered into thematic clusters; the Economic and Investment Plan for the Western Balkans is adopted to mobilize funding to support economic convergence with the EU, the EC has identified a number of investment flagships and the Green Agenda for the Western Balkans sets out relevant actions and recommendations. Considering the slow path of the accession negotiations, most aspects tackled by the EUSAIR will not be the core concern of the integration process for the years to come.

The EUSAIR presents a number of assets in support of the enlargement process (horizontal cooperation, regional dimension, capacity-building approach, inclusive approach) and identifies two cross-cutting issues: (a) capacity-building for efficient implementation and for raising public awareness and support; (b) research

and innovation to boost high-skilled employment, growth, and competitiveness, and cooperation within transnational networks. However, the priorities of the EUSAIR are limited in line with the negotiating chapters and mainly focus on issues that are of rather "regional" importance. There are therefore clear possibilities regarding where the strategy can assist and where cannot serve the enlargement process; the territorial approach purported by the EUSAIR is very important in this, as it stresses the context-based dimension of policymaking, its strategy-oriented approach, and the need to be evidence-based.

6. Ambitious targets are more often highly dependent on the external environment of the Strategy and as such they do not facilitate the achievement of goals, especially when they have a too much 'strategic' character and a very long-term horizon. They do not permit a bottom-up approach to reach to the results, and they make difficult any evidence-based mid-term assessment and review of the Strategy.

By examining the values of different targets set in the Strategy approximatively at the beginning and towards the end of the current period, it is found that:

- Economic growth diverged between countries and regions throughout the implementation period, with some regions presenting a critical unemployment situation
- Progress in innovation presents a general slight improvement
- Regarding 'Blue Growth', capture fisheries production progressed in some countries and regressed in others, while aquaculture production increased everywhere except in Albania and N. Macedonia
- Maritime freight transport increased substantially in the area, but railway passenger transport regressed everywhere except in Italy
- Energy intensity increased everywhere, and the surface of marine ecologically important areas has been extended
- Both tourism contribution to GDP and jobs in tourism have increased.

None of these changes can be attributed to the Strategy and no clear judgement can be made on the Strategy's contribution in achieving them. Therefore, and as the Strategy is funded by external tolls, there arises the need for drafting the Action Plan with clearly defined objectives that can correspond 'own' indicators and can be traced and monitored separately in the funding Programmes. In its Phase-II the Strategy and its Thematic Areas must present a systematic productivity, with a visible performance that could be judged by outcomes and, possible, results.

7. In its current version, the Strategy does not have clear and operational links with European policies such as the Green Deal (including Climate targets and new Sustainable Blue Economy approach), the RIS3, the European Skills Agenda, Digital Compass, and funding instruments such as REACT EU, the Just Transition Fund and, of course, the Recovery plan for Europe and its programming arm, the RRF. At the Strategy level is often very difficult to imprint how EUSAIR is connected and how it will contribute to the achievement of the major European Policies' Targets. This (the inability to set the contribution) also applies to policy areas and strategy topics in which by default conceptual connections can be made, as for example between measures regarding fisheries and aquaculture and implementation of the 'from farm to fork' priority. On the other hand, as Pillars and topics are broad and general there is flexibility for harmonization. Depending on the Pillar or Topic the connections between EU Policies and EUSAIR actions are to be given by the TSG's.

It is noted above that it is advisable to avoid setting up very precise or ambitious objectives and targets who cannot be assured or accredited to the Strategy. Targets and objectives however could be linked more cohesively to Targets of European Priorities, thus enhancing the identification of preferable financial sources and helping the connection of EUSAIR actions' implementation to "mainstream" national and regional ESIF Programmes.

A challenging issue seems to be how the Strategy is translated to Action Plan and the Action Plan arrives to labelling. Labelling is good for visibility, and technically it can help overcome some of the programming challenges; moreover, it has to help in promoting the design of EUSAIR-actions, either through setting a few guiding principles or by establishing milestones of macro-regional importance.

2 Adequacy and Effectiveness of the Action Plan

2.1 The Action Plan as a Programming Tool

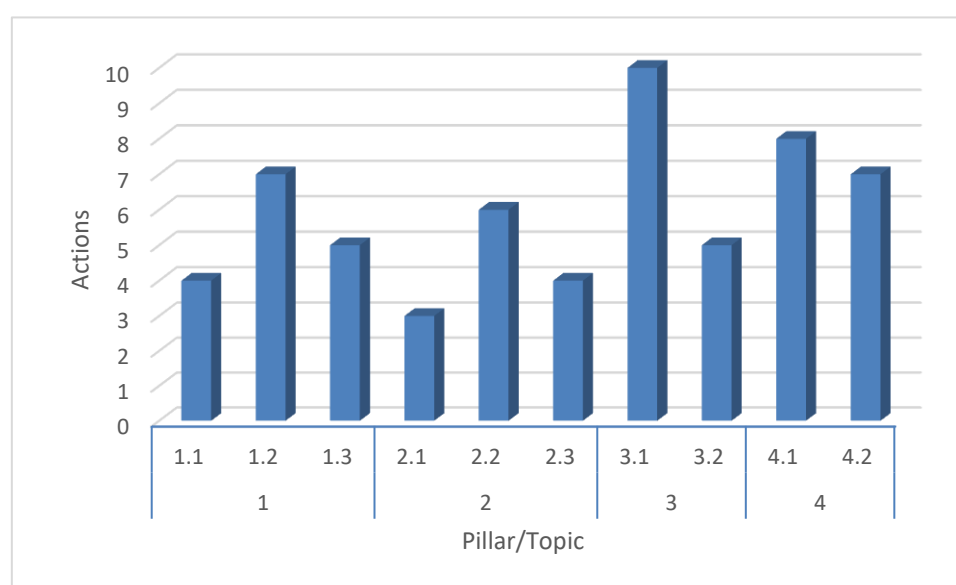
2.1.1 Structure of the Action Plan

The Action Plan of the EUSAIR constitutes the operational tool that facilitates the identification of concrete priorities for the macro-region and the implementation of the Strategy. The structure of the Action Plan reflects the Pillars and the topics of the Strategy. For each topic indicative actions are recognized accompanied by examples of possible projects. It should be noted that according to the EC document¹³ the Action Plan should have the following features:

- ✓ It is a rolling document, meaning that actions can be added and adapted according to changing needs.
- ✓ Coordination and monitoring fall onto the Pillar Coordinators.
- ✓ It should be associated to a timetable and fleshed with result indicators and targets.
- ✓ It should ensure contact between project promoters, programmes, and funding sources.

In total, 59 indicative actions are identified in the Action Plan distributed in the 10 topics of the Pillars. Each pillar has on average 15 actions, while each topic an average of 6 actions.

FIGURE 5: EUSAIR actions per topic/Pillar



There can be identified common types of actions across the topics, mainly comprising harmonization and coordination of plans and procedures. Other common types of action identified are development of tools, development of skills and capacities and clusters. There are also a few actions that seem to require cross-pillar cooperation for their implementation. Furthermore, there are also indicative actions, whose added value by being implemented in a macro-regional geographic perspective vis-à-vis individual countries is not always clear. The following table summarizes the above findings with examples from the Action Plan.

¹³ European Commission (2020), Working document – Action Plan, Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region, COM(2020) 132 final

Action feature	example in Action Plan
harmonization and coordination of plans and procedures	Governance of maritime space Clustering port activities /services Improving and harmonising traffic monitoring Remove barriers for cross-border investments Cross-border facilitation Implementing Maritime Spatial Planning Enhancing the network of Marine Protected Areas Implementing a life cycle approach to marine litter Drafting and implementation of a joint contingency plan for oil spill Development of joint management plans for cross-border habitat Harmonisation and enforcement of national laws Brand-building of the Adriatic- Ionian tourist products Sustainable and thematic tourist routes Promoting the Region in world markets Cooperation for facilitating tourist circulation
development of tools	R&D&I platforms on green sea R&D platform for seafood Developing ports, optimising port interfaces, Sustainable tourism R&D platform
development of skills and capacities	Developing skills (1.2) Institutional capacity to harmonise standards and regulations (1.3) Maritime skills (1.3) Training in vocational and entrepreneurial skills in tourism
clustering	cluster development (1.1) Tourism businesses clusters
cross-pillar	Improving the accessibility of the coastal areas and islands (2.2) Cross-border facilitation (2.2) Sustainable and thematic tourist routes Cooperation for facilitating tourist circulation
not clear added value from a common MRS perspective	Address diffuse sources Protection and restoration of coastal wetland areas and karst fields Awareness-raising activities on the implementation and financial aspects of environmentally friendly farming practices Improving accessibility for Adriatic -Ionian tourism products and services Facilitating access to finance for new innovative tourism start-ups.

In each topic of the Action Plan there are references to examples of outputs, results, indicators, and targets, in a rather draft form and not consistent throughout all the topics. There are cases where only output indicators are given and others where some quantification of a target is given or a milestone. In some topics indicators seem to be more suitable to context indicators or phrased as objectives. In the following table each indicator/target is explored whether it is included in the Monitoring System/Reports of the EUSAIR and the Evaluation Consultant assesses the example indicators/targets of the Action Plan on various SMART¹⁴ criteria.

PILLARS/TOPICS	Indicators/Targets	EUSAIR Monitoring	Evaluator comments
1.1 Blue technologies	20% increase - as compared to the base line situation - in R&D&I investment in the blue technology domain by 2020	GVA in Blue Economy sectors - Gross domestic expenditure on R&D - ESIF number of Projects - EMFF indicators (CO01, CO02, CO03,	Over-ambitious, can't be directly attributed to EUSAIR effects

¹⁴ Specific, Measurable, Attainable, Relevant, Time-bound.

PILLARS/TOPICS	Indicators/Targets	EUSAIR Monitoring	Evaluator comments
		CO04, CO05, CO26, CO28, CO29 and SOI.1.1 / SPOI1.2)	
1.2. Fisheries and aquaculture	- Multiannual fisheries management plans for the stocks adopted and implemented at Sea basin level - Number of joint marketing initiatives aiming at establishing an Adriatic-Ionian brand for seafood products	- Aquaculture Production - Employment in Fisheries and Aquaculture Capture Fisheries Production - EMFF number of projects, budget, indicators	More suited as output indicators, lacks quantification
1.3. Maritime and marine governance and services	- Creation of a shared system of major macro-regional data bases (i.e., Adriatic-Ionian Cloud) 100% of the water under national jurisdiction and 100% of coast lines covered by Maritime Spatial Planning and Integrated Coastal Management and their implementing mechanisms fully in place	- Employment in Blue Economy sectors - Employment per sector and country in the AI-R - EMMF indicators CO46, SOI3.1, SOI3.2, SOI3.3.	- More suited as output indicator - Over-ambitious
2.1. Maritime transport	- Double the current Adriatic-Ionian market share in container traffic reaching EU - Establish a single system for maritime traffic surveillance through a unique window and common data exchange - Increase the traffic of clean Ro-Ro, ferries, short-sea shipping and cruise ships and yachts by 20%	- Maritime freight transport - Arrivals of passenger ships - Arrivals of container ships	- Over-ambitious, can't be directly attributed to EUSAIR effects - Specific, measurable, attainable, relevant - Over-ambitious
2.2. Intermodal connections to the hinterland	- Agree on a master plan for coastal road traffic - Double cross-region regular container train connections - Reduce the time spent at regional border crossings by 50%	Accessibility (road/train/air)	- Specific, measurable, attainable, relevant - Over-ambitious, can't be directly attributed to EUSAIR effects - Over-ambitious
2.3. Energy networks	- Complete the agreed PECEI projects - Security of gas supply at the same level as elsewhere in the EU	- Final Energy Consumption - Share of renewable energy in gross final energy consumption (%)	- Over-ambitious, can't be directly attributed to EUSAIR effects - Over-ambitious, can't be directly attributed to EUSAIR effects

PILLARS/TOPICS	Indicators/Targets	EUSAIR Monitoring	Evaluator comments
	"x" ports with LNG infrastructure	Electricity production from natural gas sources (%)	Over-ambitious, can't be directly attributed to EUSAIR effects, lacks quantification
3.1. The marine environment			
a) Threat to coastal and marine biodiversity	- Establishment of a common infrastructure platform with participation of all countries for data collection, research, and laboratory analysis by end of 2015 10% surface coverage of Adriatic and Ionian Seas by Marine Protected areas - Adoption of maritime spatial planning and integrated coastal management strategies by EU Member State by 2017 and for coastal candidate and potential candidate Countries by 2018 - Achieving Good Ecological Status of the Adriatic and Ionian Seas by 2020 - Enhancement of a marine NATURA 2000 network and a coherent and representative network of MPAs under the Marine Strategy Framework Directive by 2020	Number of Projects	- SMART - Over-ambitious, can't be directly attributed to EUSAIR effects - Can't be directly attributed to EUSAIR effects, lacks quantification - Can't be directly attributed to EUSAIR effects - Not specific, lacks quantification
b) Pollution of the sea	- Reduction of marine litter in line with Marine Strategy Framework Directive and 7th Environment Action Programme targets by 2020 - Reduction of anthropogenic nutrient flows to the Adriatic and Ionian seas to ensure that by 2021 eutrophication is minimised - A joint contingency plan for oil spills and other large scale pollution events adopted by 2016 and measures to	Number of Projects	- Can't be directly attributed to EUSAIR effects, lacks quantification - Can't be directly attributed to EUSAIR effects, lacks quantification - SMART

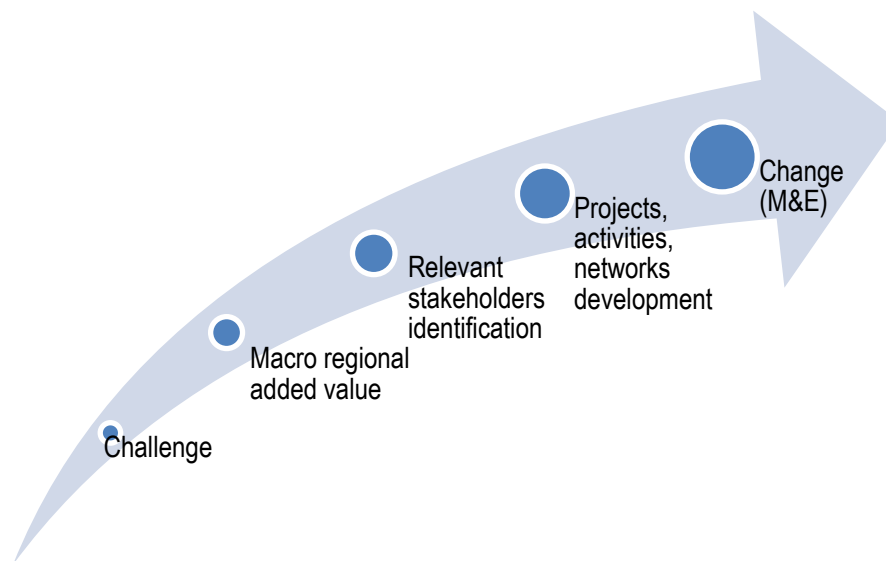
PILLARS/TOPICS	Indicators/Targets	EUSAIR Monitoring	Evaluator comments
3.2. Transnational terrestrial habitats and biodiversity	- Establishment of transnational management plans for all terrestrial eco-regions, shared by two or more participating countries - Enhancement of NATURA 2000 and Emerald networks in the Region	Number of Projects	- Over-ambitious, lacks quantification - Not specific, lacks quantification
4.1. Diversified tourism offer (products and services)	5 new macro-regional routes created - Conformity with EU standards and best practice by hotels and museums in the Adriatic-Ionian, to be fully accessible by special needs groups	- Tourism direct contribution to GDP - Jobs in tourism industries - Number of UNESCO World Heritage Sites - Number of arrivals in EUSAIR countries - Number of bed places in hotels and similar accommodation establishments in EUSAIR countries - Number of nights spent at hotels and similar accommodation establishments in EUSAIR countries - Relative contribution of tourism to the destination's economy in EUSAIR countries	- Specific, measurable, attainable, relevant - Not specific, can't be directly attributed to EUSAIR effects, lacks quantification
4.2. Sustainable and responsible tourism management (innovation and quality)	50% increase in tourist arrivals from countries outside the Region 50% increase in tourism arrivals during the off-season period	- Total spending of overnight tourist in EUSAIR countries - Spending of same-day visitors in EUSAIR countries - Direct tourism employment as a percentage of total employment in the destination by EUSAIR countries - Strategies and action plans developed in the field of natural and cultural heritage and tourism	- Over-ambitious, can't be directly attributed to EUSAIR effects - Over-ambitious, can't be directly attributed to EUSAIR effects

The definition of limited SMART result indicators for each topic would benefit the guidance of the TSGs and stakeholders towards the desired change. In the same direction, quantification of targets would strengthen accountability however the lack of secure funding would still leave the gap in attributing certain progress to the EUSAIR.

In comparison to the established monitoring system, only partial correlation between proposed and monitoring indicators exists. A clear connection between indicators and targets and a clear connection between actions / output / results should be developed.

The implementation of the Action Plan requires the activation of the multilevel governance of each country under the coordination of the National Coordinators. Furthermore, it calls for a bottom-up approach for the identification of project ideas and their implementation involving a broad spectrum of stakeholder of the macro-region.

Overall, the operational level of the EUSAIR follows a rather classic logical framework methodology adapted to the special needs of the macro-regional approach. Thus, the added-value and the stakeholder analysis should take precedence to project development, as depicted in the following figure.

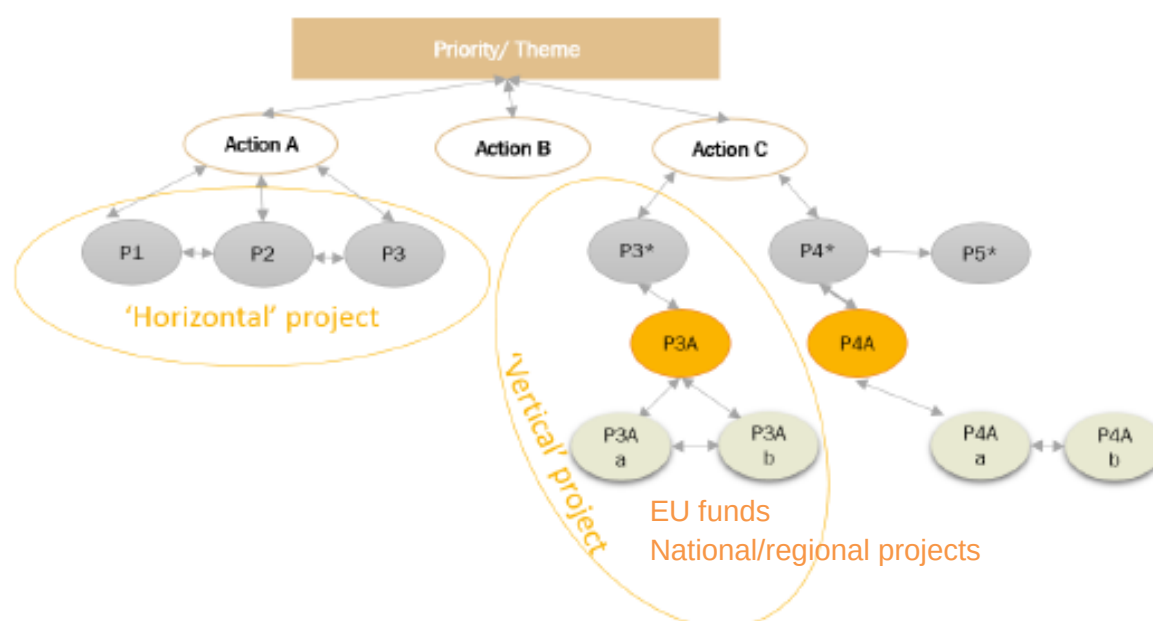


The identification of projects, activities and networks can also benefit from adopting a certain rationale for the achievement of change and maximizing impact. One approach is the “project chain”¹⁵ where interlinked projects in a policy or pillar can initiate macro-regional processes. These “chains” can be horizontal, as parallel projects inside one topic/pillar, or vertical, with links to successional projects of other EU or national/regional funds. The action plan of EUSAIR encourages the development of both “chains” by stressing in the project identification criteria the need to build on existing initiatives and the coherence and compatibility across pillars.

FIGURE 6: EUSAIR actions per topic/Pillar

Source: Interact 2018, own process

¹⁵ Interact (2019), How do macro-regional strategies deliver: workflows, processes, and approaches



The second approach is the “project to policy loop”¹⁶, where a macro-regional process is linked to a policy change. Thus, a macro-regional process can trigger a policy discussion and be the outcome of a policy change or discussion. As it is shown in the following sections of the Evaluation, the labelling process of the EUSAIR has similarities mainly to the “policy chain approach”, whereas the flagships have some similarities to the “project to policy loops approach”, with different gradients of the implementation of these approaches across the pillars. As the key implementers of the strategy increase their capacity to work in a truly macro-regional perspective and their understanding of the added value and limitations of EUSAIR, it is evident that identified actions and projects tend to evolve from single, mono-pillar ones to cross-pillar and masterplans to coordinate chains of projects, although with different maturity levels among TSGs. Thus, according to the Evaluation Consultant, it would be advisable to improve the guidance of the Action Plan towards cross-pillar cooperation and projects as well as emphasize the need to work on actions “beyond projects” and in “project to policy loops”.

2.1.2 The Action Plan vis-à-vis the 2021-2027 programming period

The assessment of the relevance between the indicative actions (and thus the Pillars and Topics) and the financial mechanisms for the period 2021-2027 aims to show whether the Strategy corresponds to the Union's funding priorities and whether it is compatible with the financial framework. The second aspect is particularly important, since EUSAIR does not have its own financial resources.

The examination is presented in the table below per Pillar:

1. BLUE GROWTH	Relevant ERDF/ESF/CF Special Objectives:	EMFF	Other forms of support	IPA III Annex II	IPA III Annex III
1.1 Blue technologies					
R&D&I platforms on green sea mobility, deep sea resources, biosecurity, and biotechnologies	1.i		Horizon, Life(CCM), EASME	(p)	(j)
Macro-regional cluster development	1.iii		Horizon, EASME	(o)	(i)
Researchers' mobility	1.iv		Erasmus		(j), (a)

¹⁶ ibid

1. BLUE GROWTH	Relevant ERDF/ESF+/CF Special Objectives:	EMFF	Other forms of support	IPA III Annex II	IPA III Annex III
Improving access to finance and promoting start-ups	1.iii	P1,P2	EASME, EBRD(WB)	(o)	(i)
1.2. Fisheries and aquaculture					
Scientific cooperation on fisheries and fish stocks	1.i		Horizon,	(t)	
Sustainable management of fisheries		P1	Horizon	(t)	
EU compliance and common standards and practices	ISO1	P4		(t)	
Diversification and profitability of fisheries and aquaculture		P2	EASME	(t)	
R&D platform for seafood	1.i		Horizon,	(p)	(j)
Developing skills	1.iv, 4.2 ESF+		Erasmus	(l)	(a)
Marketing of seafood products	1.iii		EASME	(t)	(j)
1.3. Maritime and marine governance and services					
Governance of maritime space	ISO1	P4		(f)	
Institutional capacity to harmonise standards and regulations	ISO1	P4	Horizon		(i)
Data and knowledge sharing	ISO1, 1.ii	P4, P1	Horizon		(j)
Maritime skills	1.iv, 4.2 ESF+	P3	Erasmus	(t)	
Citizen and business awareness and involvement	5.ii	P3		(t), (h)	

The indicative actions of the Action Plan are compatible with Specific Objectives (SO) of ERDF or the Priorities (P) EMFF. IPA III can also cover sufficiently the implementation of activities in non-MS countries. The Pillar is mostly related with Policy Objective (PO) 1 – a smarter Europe of the ESIF, other connection can also be found with Interreg Specific Objective 1 (ISO1) and PO 5 – A Europe closer to Citizens. By nature, the Pillar's 1 topics and actions are highly connected to Horizon.

2. CONNECTING THE REGION	Relevant ERDF/ESF+/CF Special Objectives:	Other forms of support	IPA III Annex II	IPA III Annex III
2.1. Maritime transport				
Clustering port activities/services throughout the region	3.i/ 3.ii, CF	CEF/EIB, EBRD, int, donors (in n-MS)	(n)	
Improving and harmonising traffic monitoring and management	3.i/ 3.ii, CF	CEF/EIB	(n)	
Developing ports, optimising port interfaces, infrastructures, and procedures/operations	3.i/ 3.ii, CF	CEF/EIB, EBRD	(n)	
2.2. Intermodal connections to the hinterland				
Developing the Western Balkans comprehensive network	3.i/ 3.ii, CF	CEF/EIB, EBRD, int, donors (in n-MS)	(n)	(c)
Improving the accessibility of the coastal areas and islands	3.ii, 5.ii., 2.viii		(n)	
Developing motorways of the sea	3.i, CF	CEF/EIB	(n)	
Railway reform	3.i/ 3.ii, CF	CEF/EIB	(n)	
Development of air transport		CEF/EIB		

2. CONNECTING THE REGION	Relevant ERDF/ESF+/CF Special Objectives:	Other forms of support	IPA III Annex II	IPA III Annex III
Cross-border facilitation	ISO1			(c)
2.3. Energy networks				
Cross-border electricity interconnections		CEF/EIB, EBRD		
Gas pipelines		CEF/EIB, EBRD, donors (in n-MS)		
Support the establishment of a well-functioning electricity market		EBRD		
Remove barriers for cross-border investments	ISO1			(c)

The two first topics of Pillar 2 which concern Transport are highly connected with the two SO's of PO2. Other forms of support are including the Connecting Europe Facility (CEF) grants, Loans, Equity investments and guarantees by EIB and EBRD. Energy Actions are not supported by ERDF/CF if they are not referring to energy efficiency improvement and/or promotion of RES. In any case Energy Investment are supported by financial institutions and of course private sources. In non-Member States of WB it is also possible to finance infrastructure projects through International Donors.

3. ENVIRONMENTAL QUALITY	Relevant ERDF/ESF+/CF Special Objectives:	EMFF	Other forms of support	IPA III Annex II	IPA III Annex III
3.1. The marine environment					
a) Threat to coastal and marine biodiversity					
Increasing marine knowledge	2.vii	P4	Life, Horizon	(r)	
Enhancing the network of Marine Protected Areas	2.vii, ISO 1	P4	Life	(r)	(b)
Exchanging best practices among managing authorities of Marine Protected Areas	ISO 1	P4	Life		(b)
Implementing Maritime Spatial Planning and Integrated Coastal Management	2.vii	P4	Life	(r)	
b) Pollution of the sea					
Implementing a life cycle approach to marine litter	2.vi	P4	Life	(r)	(b)
Supporting clean-up programmes	2.vii	P3	Life	(r)	(b)
Drafting and implementation of a joint contingency plan		P4	Life		(b)
Identifying hotspots		P4	Life, Horizon	(r)	(b)
Ensure prioritisation of investments to reflect the contribution to reducing pollution of the sea	2.vi, 2.vii, CF	P4		(r)	(b)
Address diffuse sources	2.vii	P4		(r)	(b)
3.2. Transnational terrestrial habitats and biodiversity					
Development of joint management plans for cross-border habitats and ecosystems	ISO1		Life	(r)	(b)
Joint population level management plans for large carnivores and	ISO1		Life	(r)	(b)

3. ENVIRONMENTAL QUALITY	Relevant ERDF/ESF+/CF Special Objectives:	EMFF	Other forms of support	IPA III Annex II	IPA III Annex III
awareness-raising activities					
Harmonisation and enforcement of national laws	ISO1				(b)
Protection and restoration of coastal wetland areas and karst fields	2.vii		Life	(r)	(b)
Awareness-raising activities on implementation and financial aspects of environmentally friendly farming practices	5.ii		Life		(b)

The environmental Pillar of EUSAIR is related mostly with SO 2.vii (enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution). Significant can be the contribution of ISO1 as it relates to action promoting joint strategies, management and networking. The Pillar is also relevant to Life+ and Horizon programmes.

4. SUSTAINABLE TOURISM	Relevant ERDF/ESF+/CF Special Objectives:	EMFF	Other forms of support	IPA III Annex II	IPA III Annex III
4.1. Diversified tourism offer (products and services)					
Brand-building of the Adriatic Ionian tourist products/services	ISO1				(e)
Initiative to improve quality for sustainable tourism offer	4.vii				(e)
Diversification of the cruise and nautical sectors and enhancement of the yachting sector	4.vii				(e)
Sustainable tourism R&D platform on new products and services	1.i		Horizon		(e)
Sustainable and thematic tourist routes	ISO1, 4.vii				(e)
Fostering Adriatic-Ionian cultural heritage	4.vii				(e)
Improving accessibility for Adriatic-Ionian tourism products and Services	5.i / 5.ii	P3	EIB, EBRD		(e)
Upgrade of Adriatic-Ionian tourism products	1.iii		EASME		(e)
4.2. Sustainable and responsible tourism management (innovation and quality)					
Network of Sustainable Tourism businesses and clusters	1.iii				(e)
Facilitating access to finance for new innovative tourism start-ups	1.iii		EASME, EBRD (WB)		(e)
Promoting the Region in world markets	4.vii, ISO1				(e)
Expanding the tourist season to all year-round	5.i / 5.ii	P3			(e)
Training in vocational and entrepreneurial skills in tourism	1.iii, ESF 4.2	P3			(e)
Adriatic Ionian cooperation for facilitating tourist circulation	ISO1				(e)

Adriatic-Ionian action for more sustainable and responsible tourism	4.vii	P3			(e)
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The indicative actions of the Action Plan are mostly related with SO 4.vii (promotion of sustainable and inclusive tourism) and the 2 SOs of the OP5 (A Europe closer to Citizens).

The above analysis shows that all topics and actions of the Action Plan can be linked to the priorities of the ESIF. However, there is a limited number of Specific Objectives that the indicative actions are contributing to.

2.1.3 Assessment of the Cross-cutting Issues

Although described differently in every Pillar the action plan includes Cross-cutting issues: a) Capacity building, b) communication – awareness raising, c) innovation. Although the aim of the Cross-cutting issues is clear and connected to goals of strategy in some cases they are overlapping with the goals of indicative actions. In Pillar 1 several indicative actions, especially in topic 1.1 are directly targeting R&D, or innovation promotion while other actions (EU compliance and common standards and practices) are supporting awareness measures. Explicit actions regarding capacity building are also included in Pilar 1 and 2.

On the other hand, the analysis of relevancy between indicative actions and Objectives of the ESIF shows that the Strategy has limited connection with social development. ESF+ Special Objectives can be only connected to “improvement of skills” in certain productive areas (fisheries, maritime and tourism). The same low relevancy is also recorded for Climate actions (both Mitigation and Adaptation). Several issues that are absent in the current Strategy and the action plan and should be examined to be integrated in the EUSAIR concern (not explicitly) cooperation in:

- Search and Rescue and in natural disaster’s prevention and control.
- Green energy and energy efficiency transition.
- Transition to Digital Economy.
- Promotion of Circular Economy.
- Promotion of social inclusion (including accessibility for all to ports, tourist, and coastal area), gender equity and assistance to marginalized communities.
- Healthcare, prevention, and control diseases (including livestock diseases)

As there is no scope to broaden the Topics of the Strategy, the above issues can be integrated in the Strategy as Cross-Cutting Issues and be developed through Cross-Pillar cooperation. The review of the Action Plan should take into account that the topics of, Digital economy, green energy and circular economy have been already integrated in the Flagships of multiple Pillars. More specifically

- The Promotion of Digital economy, skills and applications are integrated in Flagships F1.1., F1.2, all the Flagships of Pillar 2, F3.3. and F.4.1.
- Green energy and energy efficiency is integrated in F1.1. (Business adaptation in blue economy) F.2.1 (AIR Green / Smart Hubs) F.2.2. (Power networks and market for a Green AIR), F.2.3. (Integrated NG corridors for a Green AIR), F.2.4. (Development and operation for direct use of LNG...- Promotion of LNG infrastructures in harbors).
- Circular Economy is included in the recommended activities of F.1.1 and should be integrated as a crosscutting issue also in actions of Pillar 2 and 3 under the application of Directive 2019/883 on port reception facilities for the delivery of waste from ships, which promotes the creation of appropriate port reception facilities for the collection of waste fishing gear and marine litter collected at sea.

The introduction of cross-cutting issues highlights the importance of supporting Cross-Pillar cooperation. During the Discussion Groups sessions for the evaluation, the need to enhance Cross Pillar Cooperation was expressed by the majority of TSG Groups and subgroups. It has not been developed till now as TSGs focused on the last 4 – 5 years on defining, organising and developing the issues of each Pillar. The definition of Flagships highlights this need, while several issues need to be resolved in order to maximize effectiveness.

A good example for Cross-Pillar Cooperation is the one related to the Ports Flagships. Proposed activities of Flagships 2.1 (Green/smart ports) and 2.4 (LNG installation in ports) should be combined to increase efficiency of investments and could also integrate action referring to Topic of Marine Environment (Implementing a life cycle approach to marine litter, Supporting clean-up programmes). Promotion of Smart Ports can also create synergies with CRUISAIR Flagship (Pillar 4).

A more definite subject of Cross-Pillar coordination that arises from the Flagships is the application of the Maritime Spatial Planning (MSP). Pillars 1 and 3 directly include MSP actions in the description of indicative embedding activities. Giving the fact that MSP will be one for each application area and will also regulate sea areas of touristic interest, ship and energy network passages and energy production areas in the sea Cross-Pillar coordination is needed to provide an integrated framework of guidance.

2.1.4 Assessment of the monitoring and indicator system

The monitoring system was set in 2018. There is a separate monitoring report for each Pillar and at the end they form a joint report. Sets of Indicators, for monitoring and evaluation of projects, were prepared separately by each Pillars Monitoring experts and without any specific methodology/direction. By the end of 2021, indicators were described only for Pillars 1, 3 and 4.

Following the practice of labelling and monitor the selection and preparation of a set of indicators in each Pillar was not based on a clear and uniform procedure. Comparing the proposed monitoring system in each Pillar, a first fundamental difference that has been observed concerns the scope. The scope of monitoring in Pillar 1 is “to monitor the implementation of EUSAIR”, while in Pillar 3 and 4 the scope is set “for monitoring the implementation of the Pillar’s projects”. The different approach set different level of indicators and monitoring procedures (Strategic Vs. Operational).

In pillar 1 monitoring is measuring “relevant projects” identified in annual reports of (most of) ERDF Operational Programmes and EMFF programmes, and partial data of other relevant financial mechanisms (Horizon projects but only from one region). In Pillar 2 the monitoring is recording only the annual progress of the status of the labelled projects list. Monitoring consultant in Pillar 2 was also recently hired so until now the data are limited. In pillar 3 the monitoring is following only cooperation projects (Interreg, Horizon) using programme platforms as the primary source. In Pillar 4 the monitoring is also limited to Territorial Cooperation Programmes (thus ignoring the tourism development activities of mainstream national and regional programmes). Inevitably, the differences are reflected in the indicators system. Pillar 1 follows the 2014-2020 CPR common indicators defining output, results, impact and government indicators. Pillar 3 measures only the number of relevant projects (output – result indicators are proposed). In pillar 4 output indicators are mostly related with the number of Interreg projects (number, budget) while general national tourism statistics are included as impact indicators. A common understanding is missing even in Strategy’s Governance Indicators where the same sizes are measured with different ways in each pillar (for example “Average attendance of TSG meetings” expressed in % in pillar 1, “Attendance of TSG4 Meetings” expressed as countries participated in Pillar 4).

Despite the effort to use common guidelines for monitoring indicators in each pillar, this has not yet been achieved. The set of indicators of each Pillar was developed independently by each monitoring expert. In general, the “examples” of monitoring indicators provided in the EUSAIR Action Plan weren’t utilized and the

development of the monitoring system was relied on the availability of data and the perspective of each Pillar. This perspective mainly determined the width for data gathering and more specifically whether the indicators (and the monitoring) will include data from National and Regional Programmes and Projects without transnational dimension, but contributing to the Topics of the strategy or will be limited only to Crossborder and Transnational actions.

Pillar 1

In Pillar 1 the indicators are divided in Output, Result, Impact and Governance indicators. The selection of Output/Results indicators is based on the Programmes that contain “relevant projects”. As most of the Programmes are financed by ERDF, most of the indicators in the fields of Innovation, R&D and Entrepreneurship are Common Indicators of the Regulation 1301/2013. The same applies to Indicators related to actions of (the National) EMFF 2014-2020 Programmes. The Programmes Annual Implementation Reports are the main data source for valuing the indicators in Pillar 1. As the projects, related to EUSAIR in each ERDF action, are in most cases a cluster the use of origin indicators targets cannot be accounted. On the contrary, EMFF actions are fully contributing to EUSAIR target values for 2023 and therefore the target values are reported. Indicators (Output and Result) are divided in the Three Topics of Pillar 1. The indicators system of Pillar 1 contains:

- Topic 1: 10 output (8 Common) and 3 result (all Special)
- Topic 2: 21 output (all EMFF) and 24 result indicators (all EMFF)
- Topic 3: 4 output (1 Common) and 4 Results (all Special).
- 2 Impact and 4 Governance Indicators.

Impact indicators measure the relative change in general socio-economic data in the area. Governance indicators are related with TSG activities (meetings, attendances etc.).

Pillar 2

Currently there is no indicators system functioning in Pillar 2. The monitoring reports are mostly following the annual progress (state of play) of the labelled projects without providing any statistical analysis or summarising the overall progress. A report of TSG yearly activities is also included.

Pillar 3

The 2nd Annual Monitoring Report of Pillar 3 (2020) added some more indicators in order to reflect the incorporation of new projects in those identified as relevant to the Pillar topics. Currently, there is no estimation of the achievement values of the indicators proposed by the M&E Consultant of Pillar 3 “Environmental Quality”. There is no marking of the type of indicator (output / result / impact). The only measured indicator refers to “relevant projects per topic and per year” which reflects the identification of relevant projects investigation. However, the indicators cannot provide yearly comparable results as new data sources are added each year.

Pillar 4

In Pillar 4 the proposed output indicators relate to the number and the budget of projects that are related to the strategy. There are three indicators:

- **Interregional investments in EUSAIR Pillar 4 related projects**” measures the total budget of the Pillar 4 related projects implemented under each programme.
- **“Supported transnational cooperation networks”** counts supported transnational cooperation networks, which represent systematic establishment and management of internal and external links.

- **“Innovation”** measures the innovative services and products in the touristic sector, for specific forms of tourism, like cultural tourism, thematic tourism, elder citizens’ services, etc. The indicator measures the number of projects implemented that include innovation.

Result and Impact indicators are also defined. Those are mostly relied on general socio-economic statistical indicators such as arrivals, nights spend in tourist establishments, employment in touristic sectors etc.

Two governance indicators are also set. Although conceptually the indicators are like those defined in Pillar 1, the measurement methodology is different.

2.1.5 Reporting and findings from monitoring procedures

Annual monitoring reports are produced per pillar, as well as one synthesis (overall) report. As mentioned above, there are significant deviations in relation to the structure, content, focus and depth of the analysis in each pillar. These differences are reflected also in the Synthetic report in terms of size¹⁷ and make it difficult to provide a uniform and overall picture of the implementation progress.

The synthesis report consists of three sections. The first part assesses the broader context of the implementation of the EUSAIR and focuses on the assessment of the trends of general socio-economic data (context indicators) of the region and specific data related to the fields of intervention of the strategy (pillar-related context indicators).

The first chapter presents the wider framework of the EUSAIR implementation, based on the Context Indicators defined in the Deliverable 2.3 for the description of the socio-economic framework in the EUSAIR area, as well the Pillar-related indicators.

The second chapter “Implementation” provides an overview of the progress of the Pillars achieved in 2020. For Pillar 2 “Connecting the Region” the main source of information is the TSG2 Annual Progress Report for the year 2020, taking into account that the Pillar 2 Monitoring and Evaluation Consultant was hired in late 2020. For the remaining Pillars the report is based on the input received by the Pillar M&E Consultants.

The third chapter “Coordination, Cooperation and Networking” presents the relevant activities of all TSGs, as well as information on other horizontal activities of the EUSAIR governance bodies during 2020.

There are overall 9 context indicators providing an integrated view of the economy and social conditions in the area covering all the participating countries with 2019 and 2020 data. The data are provided by credible sources (Eurostat, World Economic Forum) and are presented in Country Level (including all the regions of Italy).

The second part involves the implementation of the strategy. Initially, the implementation of the strategy is presented, as it results from the monitoring of the relevant projects implemented by various programmes and funding instruments in the region. In detail, the following are mentioned for each Pillar:

Pillar 1 systematically records projects relating to:

1. ETC programmes.
2. ESIF programmes (few projects in IPA countries are also included). EMMF projects in three countries are approved by the end of 2019.
3. Other EU programmes and calls.

A total of 2,715 projects were recorded in 2021 with a budget of € 899.95 million (compared to 2,374 projects, with a budget of € 684.35 million in 2020). The report includes a brief description of the projects approved during the monitoring year by Programme (for Territorial Cooperation) and by country and by Programme (for the

¹⁷ e.g., chapter on the implementation of Pillar 1 is 20 pages while all other Pillars combined are presented in 17 pages

National/Regional Programmes). In total, 94.4% of the projects monitored (67.2% in financial terms) concern EMFF projects. The projects are further broken down by country and Measure (EMFF Articles). Specifically, 1,189 projects are from Croatia, 861 from Greece, 180 from Italy, while no projects are recorded for Slovenia.

In relation to the Territorial Cooperation Programmes, the relevant projects are recorded from INTERREG VB MEDITERRANEAN 2014-2020 (INTERREG MED), INTERREG VB ADRIATIC – IONIAN (ADRION) 2014-2020 and the INTERREG VA ITALY – CROATIA 2014-2020 (of which the majority of the projects are included) and all the cross-border Programmes in which countries of the Strategy participate (but not the cross-border countries that participate outside the Strategy, such as the Slovenia -Austria Programmes, Greece – Bulgaria and so on). Another relevant project is recorded in URBACT.

In non-Member States, projects are recorded only for Montenegro that are funded either by the IPA or by international donors (EU countries, FAO, World Bank, etc.). The report mentions that there are no EMFF projects in Serbia and there is a lack of updated information on the possible implementation of EMFF projects in Albania, and Bosnia & Herzegovina.

Additionally, monitoring of Pillar 1 implementation tries to map relevant projects under EU directly managed calls and programmes. Those include:

- DG MARE managed by EASME (7 projects with participation of EUSAIR Countries among other countries),
- HORIZON 2020 projects (25 projects)
- LIFE programme (7 relevant projects)
- COSME (general information regarding possible relative projects is provided without data for the participation of actors from EUSAIR).

Pillar 1 monitoring, based on the monitoring of programmes and projects, is fairly detailed and wide-ranging. It provides important information on the development of projects in the area by presenting quantitative and qualitative data. It is based on reliable sources and a particularly important element of it is that it includes (common) output, result and impact indicators (for EMFF Programmes only). This element is important as the data can be related to context indicators and provide insights regarding the evolution and the spatial differences of Blue growth in the macro-region. As it was expected the data quality differentiates between EU and non-EU states where less volume of funding instruments are recorded. One weakness of the Pillar 1 monitoring procedure is the availability of data. This is reflected in cases such as Horizon, where 23 of the 25 projects refer to Emilia -Romagna, the non-recording of up-to-date data by EMFF in Italy, etc. The circumstantial data collection regardless of the range of information collected makes the comparative analysis weak, as any temporal or spatial fluctuation may be due to the quantity of the information to be measured. This problem seems to exist in other Pillars as well.

Another issue in relation to the Pillar 1 monitoring system is that it does not capture the added value of the Strategy. The majority (99%+) of the projects are not the product of TSGs cooperation and are implemented independently of the EUSAIR framework. With the exception (perhaps) of ADRION, the other funding instruments and Programmes are implemented independently of EUSAIR and would have existed even without it. The question therefore arises: "Which of the projects monitored is a product of the Strategy and are not simply conceptually or thematically related to it?". On the other hand, despite the existence of categorised data, there is no correspondence of the projects - measures with the topics and the actions of the EUSAIR Action Plan. Such a connection would have been useful in order to monitor the progress regarding specific objectives of the Strategy.

There is no monitoring report for Pillar 2 as the set-up of monitoring procedure was in progress during 2021 and both sub-TSGs were working to establish it.

Monitoring of Pillar 3 is mostly containing reference data (catalog) regarding projects funded by EU managed programmes. The projects are divided in each topic providing an idea regarding what is going on in each one of them recently. The data are not uniform, and several data sources are not counted (ETC and National/Regional Programmes). As it is mentioned on the Pillar 3 monitoring report, each year different information sources have been used and so the time analysis is weak.

The monitoring of Pillar 3 is focusing on 3 aspects: i) The presentation of the Flagships and cross-pillar ideas developed (both without implementation yet), ii) recording of the number and the budget of the identified relevant projects in ETC Programmes, iii) the identification of relevant projects implemented under EU directly managed calls (HORIZON and LIFE).

The third part of the synthetic monitoring report is presenting a comprehensive overview of the annual governance, coordination and networking activities. It includes data regarding governing board meetings, the TSG's Meetings, the annual forum, the capacity building and other coordination and cooperation events that took place over 2021. The report is presenting data regarding the venues, the agenda and the representation and summarizes the main results, conclusion and/or decisions of the events. Monitoring is capturing and presents thoroughly the coordination and cooperation activities and provides a clear and analytical image of the process. This image is crucial to understand the works and the progress of the Strategy.

Monitoring report does not include findings and conclusions. Short notes are provided by each TSG in order to summarize separately the annual activities in the Pillar. The notes have the form of Progress Statement describing mostly what happened at the TSG meetings.

2.2 Suitability of project development and prioritization mechanisms

2.2.1 The labelling Process

The labelling process was developed to help identify projects of macro-regional importance during the Programming Period 2014-2020. The process was adopted finally in 2018, (in the actual middle of 2014-2020 Programming Period) and unavoidably had to be adjusted to the already shaped context of the Operational Programmes.

The application of labelling is oriented by a '5 non-exhaustive guiding principles' for what ought to remain a flexible process. The selection of labeled projects was designed in two consecutive steps:

- a) the pre-screening of candidate projects against the six broad criteria in EUSAIR Action Plan and
- b) the assessment of the screened projects according to criteria set by each TSG.

The assignment of a EUSAIR label is the prerogative of the TSGs, based on the strategic guidelines issued by the Governing Board. Labelled projects receive special attention and support by the Facility Point, with a view to being further developed, and by EU funded programmes - including ADRION – should financing be appropriate. The monitoring of labeled projects is assigned to TSG.

In practice the labeling process applies with two main patterns, ex ante and ex post. Ex ante labelling (as initially designed to be applied) concerns the application of labelling in the identification of Projects or Project Ideas in the area and the monitoring of all the stages of their life circle, from idea to implementation. This pattern has been used by the 2 sub-TSGs of Pillar 2. Ex post labelling was practiced mainly in Pillar 1, 3 and 4. The ex-post labelling was made by developing "project ideas" (mono or cross Pillar) from the TSGs. Those project ideas were assigned to Facility Point Plus for further development and to obtain recommendation letters to be further submitted for financing to ADRION. The term "labeled project" disappears in monitoring reports of Pillar 1 and 3 and there is no reference regarding the progress of the proposed by the TSGs "project ideas". Instead

monitoring report is identifying “relevant projects” which are included in several Operational Programmes or direct EU funding Programmes. In Pillar 4 the ‘project ideas’ developed by the TSG during 2019-2020 are awarded as Flagships for the 2021-2027 period.

In general, the application of labelling can be evaluated by the examination of the monitoring reports of Pillars/TSGs. It is characterized as fragmented and uneven. The main cause for this was the lack of clear procedure for labelling (also for post labelling) (Nekrasova, 2021) (European Commission, 2020). As a result, “labelling” (either as a practice or as a reference term) disappears completely in pillars 1 and 3 and is limited only to projects approved by Interreg V-B “Adriatic - Ionian” 2014-2020 in Pillar 4.

A detailed analysis in the monitoring reports on labeling, shows the following diversities:

Pillar 1

The monitoring in Pillar 1 is based on being identified as “relevant” to the Blue Growth topics. The term label is not included in the monitoring reports of Pillar 1. The identification of relevant projects was based on data provided by MA (annual implementation reports) or additional information gathered by Facility Points. The 2021 Monitoring Report presents 2.715 projects (2.374 projects in the previous Annual Monitoring Report 2020), identified as relevant to the EUSAIR Pillar 1 with a total budget of € 899,95 million. Funding sources are divided in 3 types: i. CBC/TC programmes, ii. (national/regional) ESIF programmes and IPA II, iii. Direct EU programmes and Calls (EASME, HORIZON2020, Life etc.).

As stated in the monitoring report, the data are partial as several Programmes do not have (or have outdated) data. The most severe outdate (in terms of project numbers and budget) refers to the Italian EMFF 2014-2020. Apart from that, several other programmes (regional, national) are not mentioned in the analysis, with no clarification regarding whether no relevant project was identified, or no data have been provided for those Programmes. As for Direct EU Programmes, there is reference regarding relevant approved in HORIZON2000 Projects only for one Region, while it is certain that numerous other projects are also implemented in several other Regions of the EUSAIR countries.

Pillar 2a

Transportation has a wider range of financial sources (ERDF, Cohesion Fund, CEF/EIB, international donors in non-EU Countries). **Pillar 2** has a definite and closed set of labeled Projects. The 2021 monitoring report follows the status and reports on the progress of 46 labeled projects and adds 4 new ones. The key variant of monitoring is the “status” of each project. For each project the status is described and suitable – targeted funding sources are identified.

No quantitative or statistical analysis is provided and there are no targets set. In contrast to all other pillars there is no identification and analysis of “relevant projects” that probably exist in the geographically eligible Programmes (national, regionals, ETC and direct funded by EU).

Pillar 2b

Pillar 2b follows the same methodology of Pillar 2a. The TSG2 Sub-Group on Energy Networks has adopted an Open List of EUSAIR-labelled projects and measures related to energy networks. The Sub-Group also agreed on an Open List of measures and projects for cross-cutting issues.

Pillar 3

Similar to Pillar 1, labelling was replaced by identification of relevant projects. Data gathering relied mostly in data mining from Programmes platforms and databases, such as the CBC and Transnational Programmes websites, the msp-platform (DG MARE), the life projects database (DG ENV), CORDIS and ESPON. As described at the report, the monitoring is focused (limited) to 3 “priorities of importance”:

- The sustainable growth of the Adriatic-Ionian region, by implementing Integrated Coastal Zone Management (ICZM) and Marine Spatial Planning (MSP), should be promoted, also to contribute to the Common Regional Framework (CRF) on ICZM of the Barcelona convention and the monitoring and management of marine protected areas.
- Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan is needed.
- Natural terrestrial habitats and ecosystems should be protected.

The monitoring report is summarized, by counting the number of projects per topic and per year, in order to present the annual progress (see also Indicators below). 52 Projects are identified in Topic 1, 6 in Topic 2, 4 in Topic 3 and 12 in Topic 4 (74 overall). Although progress has been mentioned (according to the statement in the report), each year new sources for projects are added and thus no comparison can be made. It is also unclear how the selection of relevant projects has been made as in the lists there are projects that seem to not connect with the Strategy (for example projects of Interreg Atlantic Sea).

Pillar 4

Labelling process in Pillar 4 follows the pattern of Pillar 4. Since the monitoring expert for Pillar 4 was appointed later, the identification of 'relevant projects' was carried out only in CBC/TC Programmes in Life+. and HORIZON2020. Identification of relevant projects under the operational programmes of the EU Members and Regions, or projects financed by the IPA II mechanisms are not reported. Despite the identification of 135 projects approved under 10 Interreg CBC/TC Programmes, all projects labelled by the TSG 4 are implemented solely under Interreg V-B "Adriatic – Ionian" 2014-2020 (ADRION Programme).

2.2.2 The embedding Process

Embedding is a process aiming on the (optimal) use of existing financial sources (EU, national, regional, private, etc.) and the alignment with and of relevant programmes with macro-regional priorities and targets. Embedding was used in 2014-2020 period by EUSDSR and EUSBSR and is currently applied for the 2021-2027 programming period in EUSAIR.

The Evaluation Consultant identified the following possibilities in implementing the embedding process:

1. award of bonus selection criteria to proposals with high relevance with EUSAIR;
2. targeted calls focusing on EUSAIR priorities;
3. application of Article 63 point 4 of the CPR (1060/2021)¹⁸ for projects;
4. coordinated implementation of projects, in which partners receive funding from the programmes of their respective country or region (except Territorial Cooperation Programmes);
5. the provision of Technical Assistance for the adaptation of projects to the EUSAIR context;
6. exchanges of information and coordination at the project design stage.

Catania Declaration (2018), called on the national and regional authorities *"to jointly work to identify at the earliest convenience pilot macro-regional actions and projects which require, for their implementation, a coordinated planning and programming of national/regional ESI and IPA funds across the Region."* In order to implement this task, the TSGs were assigned to identify Flagships to be embedded in 2021-2027 Programmes. The flagships were adopted by the GB by the mid of 2020. Flagships were proposed as solutions for the main

¹⁸ "All or part of an operation may be implemented outside of a Member State, including outside the Union, provided that the operation contributes to the objectives of the programme".

challenges of macro-regional importance consistent with national needs as well as with the EU policy objectives for a greener, low-carbon and more connected Europe. Countries will meet concrete actions at national level to follow common goal/solutions for the region.

Not all the above options are suitable for embedding all flagships. Options 1,5 and 6 are more suitable for flagships that are more general and describe typologies of actions/ activities (Pillar 1 and partially in Pillar 3). The 2nd option is more suitable in more specialized (project- type) Flagships (Pillar 4). A combination of the above options can be used for complex Pillar2 Flagships. Option 3 can be feasible only regarding Networks investments (covering missing links in one country that affecting connectivity of another country). The use of action 4 (along with 6) can be mostly useful for embedding coordinated activities regarding environmental management in the context of national/ regional plans.

EUSAIR flagships were defined mostly as “common priorities” rather than “strategic projects”. The analysis of the flagships supports that the application of the above principal was subjective in each pillar.

Pillar 1 - Blue Growth is proposing 3 flagships, in line with the 3 topics of the Pillar. The three Flagships are:

- F1.1 Fostering quadruple helix ties in the fields of marine technologies and blue biotechnologies for advancing innovation, business development and business adaptation in blue bioeconomy, covers the priority 1 - Blue technologies.
- F1.2 Promoting Sustainability, Diversification and Competitiveness in the fishery and aquaculture sectors through education, research & development, administrative, technological, and marketing actions, including the promotion of initiatives on marketing standards and healthy nutritional habits, following priorities 2a - Fisheries and 2b - Aquaculture.
- F1.3 Bolstering capacity building and efficient coordination of planning and local development activities for improving marine and maritime governance and blue growth services, tackling priority 3 - Maritime and marine governance and services.

The flagships of Pillar 1 are rather a typology of actions/ activities which a priori are recognized to promote the objectives of Blue Growth and corresponding to the description of the Proposed actions of the EUSAIR Action Plan. Most of the proposed activities are identical with the titles of the proposed actions of the EUSAIR action plan, for example “*Encouragement & creation of clustering, especially of quadruple helix.*” (Flagship proposed type of action), “*Macro-regional cluster development*” (Action Plan). In F1.3. actions are organized under 3 sub-titles which can be interpreted as project ideas for Transnational Cooperation Programme. On the contrary F1.2 and F1.1 are “targeting” embedding in EMFF 2021-2027 national programmes without any indication for coordination or interregional / transnational coordination. Similarly with the approach in labeling process in Pillar 1, the general principal is that the EUSAIR objectives at the topics of Blue Growth (at least at commonly agreed priorities) will be achieved mainly by summing the outputs and results that will be produced nationally.

Pillar 2 has 4 Flagships 1 for Transport and 3 for Energy.

Pillar 2 – Connecting the Region/subgroup Transport is proposing a flagship F2(a).1.: The Adriatic-Ionian multi-modal corridors. The Flagship addresses the challenge/need of macro-regional relevance to develop an interconnected and integrated transportation system in the Adriatic-Ionian region, aiming at strengthening North-South and East-West relations by means of the identification of multi-modal corridors alongside the TEN-T network including maritime connections between the coasts of the Adriatic and Ionian Seas and intermodal connections between the seaports and the hinterland of the region

The flagship has the form of a common priority that is further specified in two projects proposals that are reasonable to be implemented during the 2021-2027 Programming Period. For the application of the embedding

the flagship proposing those two projects to be implemented by ESIF, IPA III and Cohesion Fund in 2021-2027 period: i) The AI cycle route, ii) The AI Green/smart ports hub concept.

Pillar 2 - Connecting the Region/subgroup Energy Networks is proposing 3 flagships as solutions for 3 challenges of macro-regional importance consistent with national needs as well as with the EU policy objectives no. 2 and no. 3 for a greener, low-carbon and more connected Europe. The three Flagships are:

- F2.2(b) Power networks and market for a green Adriatic-Ionian region: The goal is to expand and interconnect national power systems, creating power market coupling while exploring opportunities for large-scale deployment of low-carbon energy sources and grid digitalization
- F2.3(b) Integrated natural gas corridors and market for a green Adriatic-Ionian region: The goal is to expand and interconnect national gas systems promoting security of gas supplies while exploiting opportunities for gas storage and counterflows towards an efficient gas trading hub.
- F2.4(b) Development and operation of logistics for direct LNG use as a clean fuel for the Adriatic-Ionian region

Flagships F2.2(b) and F2.3(b) of Pillar 2 (energy networks) are mostly prioritizing proposed or in progress energy networks, some of which have bilateral connections. F2.4(b) is focusing on the promotion LNG in EUSAIR maritime in compliance with the COM (2021) 562 final /14.7.2021. An open list of Projects is presented in the flagship description eligible for Funding.

Embedding process on Energy market and gas network is more complex due to the exclusion of eligibility from ESIF. This might require a clearer identification of funding targets and appropriate adjustments.

Pillar 3 - Environmental Quality, is proposing 3 flagships:

- F3.1 Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan: The flagship addresses need of examination and extension of the Contingency plan for Northern Adriatic to other Adriatic-Ionian countries, so that possible risks and future events or circumstances, which could damage the Adriatic-Ionian macro-region environment can be prevented or at least the damage can be minimized.
- F3.2 Protection and enhancement of natural terrestrial habitats and ecosystems: The flagship will try to establish protection and enhancement of natural terrestrial habitats and ecosystems, with particular attention to the ecological connectivity of blue and green corridors/infrastructure. Connecting all EUSAIR countries protected areas, including Natura 2000 areas and other networks with tourism will have strong impact on the Adriatic-Ionian region with their joint managements and research.
- F3.3 Promotion of sustainable growth of the Adriatic-Ionian region by implementing ICZM and MSP as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area: The extension of MSP/ICZM to the whole Adriatic-Ionian region will help strengthen and develop sustainable growth (economic and touristic), decrease pollution, protect unique biodiversity, and increase quality of life.

The Flagships in Pillar 3 are covering the 3 topics and focusing on some of the proposed actions of the Action Plan. The description of Flagships is rather general and does not specialize specific types of actions. It mostly identifies and sets priority issues (MSP, ICZM, ecological corridors, harmonization of contingency plans). The proposed issues are mostly included in Priorities and Special objectives of Interreg Programmes and National / Regional Programmes with Priorities under Policy Objective 2.

Pillar 4 - Sustainable Tourism is proposing 5 flagships with concrete actions countries will meet at national level to follow common goal/solutions for the region. The first 2 being divided in the topic of diversified tourism offer and the last 3 into the topic of sustainable and responsible tourism management.

- F4.1 AIR Cultural Routes: Flagships follows the EUSAIR Thematic Priority to develop sustainable and thematic cultural routes/connect Cultural Routes in EUSAIR, meaning it addresses the need for harmonized distribution of tourism flows through macro-regional territories using Cultural Routes as tool for the creation of innovative diversified tourism products; supporting the development of cycling, walking/hiking, and sailing routes that would better connect all EUSAIR Cultural routes. The challenge is to address regional connectivity of locally micro-managed routes.
- F4.2 CulTourAir: Flagship addresses the need for structured and harmonized data on cultural tourism demand in Adriatic-Ionian Region and need for the establishment of a unified and harmonized methodological framework to monitor cultural tourism demand characteristics. The challenge is to enable joint regional and transnational entrepreneurial projects and research, that could adequately track the so called “cultural” tourists, their size and impact on the local communities and economy leading to new business opportunities, increased number of total tourist arrivals and overnights, increase of tourism income. It is hereby provided as an answer to the EUSAIR Thematic Priority of Research & Development for improvement of SME’s performance and growth-diversification.
- F4.3 DES_AIR: In respect of EUSAIR Thematic Priority on Training and skills in the field of tourism businesses (vocational and entrepreneurial skills), flagship addresses the need for harmonized training and educational programmes for responsible integrated tourism management, establishing a Master program on tourism management, hospitality and services, sharing the same methodologies and approaches, within EUSAIR countries as well as establishing new programmes for training and new projects in the field of education; the aim: provide in-service trainings for education professionals, flexible and continuous education of SME employees and to raise the knowledge and competence of unemployed; target: increased number of highly educated employees and entrepreneurs in the field of tourism.
- F4.4 CRUISAIR: Expanding the tourist season to all-year round has been the EUSAIR Thematic Priority and the flagship addresses this need for better management of cruise destinations, both seaside and continental ones (rivers, lakes), diversification of tourism product, promotion and support to the development of special interest tourism connected with cruising, and other niche tourism forms (MICE, rural, alternative tourism, etc.); exchange of good practices; targeting increased number of tourist arrivals and overnights; increased number of events, performances, entrepreneurship and SMEs in connection with cruise tourism.
- F4.5 Green Mapping for the Adriatic-Ionian Region - Supporting Development and Market Access for Responsible and Sustainable Tourism Destinations and Micro/SME Operations in the EUSAIR Region: The flagship addresses the needs for macro-regional coherence in the field of single sustainable & responsible tourism measuring, mapping, managing, marketing and monitoring system, that should be implemented for all 8 countries through the unique ICT system defining its deepest level of impact. Thus, the whole region will be able to act coherently in key areas of common interest. Supporting the EUSAIR Thematic Priority to development of the network of sustainable tourism businesses and clusters including networks of creative industries, networks promoting and sharing best practices in environmental quality management and tourism clusters for the implementation/adoption of the EU Eco-Management and Audit Scheme (EMAS), ETIS and other Green (sustainable) Certification Schemes.

Flagships in Pillar 4 are connected directly with proposed by the action plan actions. As cooperation in tourism development is a very frequent priority in Cross Border Cooperation Programmes the flagships are simulating the form of Cooperation project ideas. The description of most Flagships of Pillar 4 is difficult to be used for embedding in national/ regional ESIF Programmes, however it is certain that several national/regional actions (including ITIs, SUDs strategies and CLLDs) will address needs and take actions.

The following table summarizes the information reported on documents presenting flagships and their targeted sources of funding, as derived from the same texts, or discussed during the evaluation discussion groups. In order to analyze the Flagships two dimensions are used. This division is necessary as flagships perception is not similar in all pillars.

The column “Proposed as Priority for Embedding in Flagships” contains the Flagships that are orientated as “strategic priorities” they are types of activities / actions that might be an integrated project or part of a project, can be replicated in multiple Programmes and the Action Plan is their reference framework. This practice is used in Pillar 1 and 3

The column “Proposed as Emblematic Project for embedding” is containing all the flagships that are actually emblematic Projects. This case is applied in Pillar 4, in which each flagship has an integrated project (idea) structure that can be implemented by one TN or multiple coordinated (spread to various CBC Programmes that cover the area) Programmes.

The Column “Targeted Funding Sources” presents the relevant funding source, as identified from the Flagships presentation documents. This does not mean the activities cannot be supported by other Programmes.

Actions Proposed by Action Plan	Proposed as Priority for Embedding in Flagships	Proposed as Emblematic Project for embedding	Targeted Funding Sources* <i>* Embedding does not apply to direct EU funding initiatives.</i>
1. BLUE GROWTH			
1.1 Blue technologies			
R&D&I platforms on green sea mobility, deep sea resources, biosecurity, and biotechnologies	F.1.1		EMMF 21-27
Macro-regional cluster development	F.1.1		EMMF 21-27
Researchers' mobility	F.1.1		EMMF 21-27
Improving access to finance and promoting start-ups	F.1.1		EMMF 21-27
1.2. Fisheries and aquaculture			
Scientific cooperation on fisheries and fish stocks	F1.1		EMMF 21-27
Sustainable management of fisheries	F1.1 + F1.2		EMMF 21-27
EU compliance and common standards and practices	F1.2.		EMMF 21-27
Diversification and profitability of fisheries and aquaculture			
R&D platform for seafood	F1.2		EMMF 21-27
Developing skills	F1.2		EMMF 21-27
Marketing of seafood products	F1.2		EMMF 21-27
1.3. Maritime and marine governance and services			
Governance of maritime space	F.1.3		ETC, National/Regional Programmes
Institutional capacity to harmonise standards and regulations			
Data and knowledge sharing			
Maritime skills	F1.3		National/Regional Programmes ESF
Citizen and business awareness and involvement	F1.3		

Actions Proposed by Action Plan	Proposed as Priority for Embedding in Flagships	Proposed as Emblematic Project for embedding	Targeted Funding Sources* <i>* Embedding does not apply to direct EU funding initiatives.</i>
2. CONNECTING THE REGION			
2.1. Maritime transport			
Clustering port activities/services throughout the region			
Improving and harmonising traffic monitoring and management			
Developing ports, optimising port interfaces, infrastructures, and procedures/operations	F.2.1	GREEN/SMART PORT HUB	National/Regional/ETC Programmes (ERDF + CF). IPA
2.2. Intermodal connections to the hinterland			
Developing the Western Balkans comprehensive network	F.2.1	AIR Cycling Route	ETC (mostly CBC) - TN or Regional Programmes, IPA
Improving the accessibility of the coastal areas and islands			
Developing motorways of the sea			
Railway reform			
Development of air transport			
Cross-border facilitation			
2.3. Energy networks			
Cross-border electricity interconnections		Transbalkan Electricity Corridor	
Gas pipelines		Transbalkan Gas Ring, IAP, EastMed, NM interconnectors.	
Support the establishment of a well-functioning electricity market		Power market coupling and integration.	
Remove barriers for cross-border investments			
3. ENVIRONMENTAL QUALITY			
3.1. The marine environment			
a) Threat to coastal and marine biodiversity			
Increasing marine knowledge			
Enhancing the network of Marine Protected Areas	F 3.3		CBC (mostly TN)
Exchanging best practices among managing authorities of Marine	F 3.3		CBC (mostly TN)
Protected Areas	F 3.3		National/ Regional Programmes
Implementing Maritime Spatial Planning and Integrated Coastal Management	F 3.3		National Programmes, EMMF
b) Pollution of the sea			
Implementing a life cycle approach to marine litter			
Supporting clean-up programmes			
Drafting and implementation of a joint contingency plan	F 3.1		ETC (TN),

Actions Proposed by Action Plan	Proposed as Priority for Embedding in Flagships	Proposed as Emblematic Project for embedding	Targeted Funding Sources* <i>* Embedding does not apply to direct EU funding initiatives.</i>
Identifying hotspots			
Ensure prioritisation of investments to reflect the contribution to reducing pollution of the sea			
Address diffuse sources			
3.2. Transnational terrestrial habitats and biodiversity			
Development of joint management plans for cross-border habitats and ecosystems	F3.2		ETC (both TN and CBC)
Joint population level management plans for large carnivores and awareness-raising activities	F3.2		ETC (CBC)
Harmonisation and enforcement of national laws			
Protection and restoration of coastal wetland areas and karst fields			
Awareness-raising activities on implementation and financial aspects of environmentally friendly farming			
	4. SUSTAINABLE TOURISM		
4.1. Diversified tourism offer (products and services)			
Brand-building of the Adriatic Ionian tourist products/services			
Initiative to improve quality for sustainable tourism offer		DES_AIR	ETC (both TN and CBC)
Diversification of the cruise and nautical sectors and enhancement of the yachting sector		CruiseAIR	ETC (both TN and CBC)
Sustainable tourism R&D platform on new products and services		CilTourAIR	ETC (both TN and CBC)
Sustainable and thematic tourist routes		AIR Cultural Routes	ETC (both TN and CBC)
Fostering Adriatic-Ionian cultural heritage			
Improving accessibility for Adriatic-Ionian tourism products and Services			
Upgrade of Adriatic-Ionian tourism products			
4.2. Sustainable and responsible tourism management (innovation and quality)			
Network of Sustainable Tourism businesses and clusters		GREEN MAPPING FOR THE AI REGION	ETC (both TN and CBC)
Facilitating access to finance for new innovative tourism start-ups			
Promoting the Region in world markets			
Expanding the tourist season to all year-round			
Training in vocational and entrepreneurial skills in tourism			
Adriatic Ionian cooperation for facilitating			

Actions Proposed by Action Plan	Proposed as Priority for Embedding in Flagships	Proposed as Emblematic Project for embedding	Targeted Funding Sources* <i>* Embedding does not apply to direct EU funding initiatives.</i>
tourist circulation			
Adriatic-Ionian action for more sustainable and responsible tourism			

2.2.3 The Funding issue

There is a multitude of funding opportunities in the area, mainly consisting of ESIF/IPA programmes, comprising a total of 68 for the 2014-2021, of which 11 for Cross-border cooperation and 6 for interregional and transnational cooperation. The following table shows the participations of the EUSAIR countries in those programmes.

Programmes 2014-2020	IT	EL	SI	HR	AL	MK	RS	BIH	ME
Mainstream									
National	9	5	2	2	1	1	1	1	1
Regional	15	13							
Cross-border									
IT		1	1	1	1				
EL					1	1			
SI				1					
HR							1	1	1
Interregional and Transnational									
ADRION	1	1	1	1	1	1	1	1	1
BALKANMED		1			1	1			
MED	1	1	1	1	1			1	1
INTERREG EUROPE	1	1	1	1					
URBACT	1	1	1	1					

Source: DG Regio

Furthermore, funds from other programmes and sources, i.e., HORIZON, LIFE, EASME, Connecting Europe Facility, are also available to facilitate the delivery of the Action Plan. However, according to the results of the survey to TSGs, there is no evidence of projects coming out from the EUSAIR pipeline being funded by any of the above programmes. The lacking link of the ESIF programmes with the EUSAIR is mainly attributed to time lag, as the programmes of the 2014-2020 had been approved before the adoption of EUSAIR. Ad-hoc efforts provided for targeted calls or the incorporation of bonus award criteria for EUSAIR relevant proposals in a few NSRF Programmes but mostly in ETC ones. The EC Report (COM (2020) 578 final) provides the following data:

- 9 programmes opened their monitoring committees to EUSAIR key implementers;
- 14 ESI Funds programmes attributed extra points to EUSAIR labelled projects;
- 7 ESI Funds programmes and one IPA II programme invested funds in actions contributing to the implementation of the EUSAIR.

In retrospect, the analysis of the EUSAIR monitoring reports¹⁹ shows that around 3.000 projects amounting to more than €1 billion, relevant to EUSAIR are being implemented under EU Programmes, mainly mainstream NSRF and European Territorial Cooperation ones²⁰. For the 2021-2027 programming period there was a timely response with the Catania Declaration to incorporate EUSAIR priorities already from the preparation and drafting stage of the programmes facilitating the coordination of the EUSAIR key implementers and stakeholders and signaling the access to the respective funds.

2.3 Assessing the implementation of the Action Plan

2.3.1 Findings from the Survey to EUSAIR key implementers regarding the Action Plan

The surveys of the Evaluation Consultant included interviews with the National Coordinators and also group-discussions with Pillar Coordinators and TSG members. Regarding the Action Plan implementation and its delivery mechanisms, three (3) main discussion points were elaborated: the structure and break-down of the action plan, the application of the “labelling” and “embedding” procedures, the effectiveness in identifying actions and issues of following-up their implementation. The main findings of those discussions are synthesized as follows:

- Regarding the Organization of the Action Plan in Pillars/Topics/Actions/Projects there is a general consensus from the field survey to NCs and TSGs that it poses some problems of specificity and overlays, lacking in focus. There are some views that would consider better suited a structure similar to or reflecting the ESIF Programmes, i.e., broken down in Policy Objectives, Specific Objectives and Interventions, which could accommodate an easier match to the main funding sources as well as bolster a more programme-oriented perception by the TSG members. The streamlining of the Action Plan could also be supported with an explicit correspondence to Chapters of the EU acquis, where relevant, making it easier for stakeholders and services in IPA countries to follow it. Moreover, having “projects” as the endpoint of the Action Plan makes it difficult to think in more strategic terms, “beyond projects”, in order to encompass other outcomes pertaining a strategy, such as processes, coordination, dialogue forums etc. For some interviewees, the current structure of the Action Plan and the eminence of projects poses also some logical questions as the connection to funding seems to be done only as a final step in the EUSAIR project life-cycle through a trial and error approach, which consumes scarce resources of the key implementers. These logical inconsistencies of the Action Plan can also be seen in the identification of Flagships, the typology of which ranges from projects to actions and priorities. The incorporation of Flagships into the Action Plan and the clarification of the relationship between them, actions and priorities are also brought up as an issue. However, the current structure of the Action Plan is seen also as having worked well so far by providing room to address issues as they arise, whereas better coordination could compensate the shortcomings identified from the survey.
- The interviews analyses show also a majority view on the need for the revision of the Action Plan, which is regarded having too many actions/projects and/or them being rather generic and lacking a clear focus. The decision on fewer priorities with a strategic character, clear expectations, added value and multiplier effects is seen as one remedy, while even some Flagships are considered lacking those characteristics and differences in their typology and approach is evident between the four Pillars. Furthermore, the need to update maybe the topics, actions, the terminology, and cross-cutting issues has also emerged. In particular,

¹⁹ Monitoring and Evaluation Consultant for the EU Strategy for the Adriatic-Ionian Region (EUSAIR), Deliverable 10, EUSAIR Synthetic Monitoring Report 2021

²⁰ It should be noted that for topic 2.3 Energy Networks funding opportunities for relevant projects are limited, as investments in natural gas infrastructure are not eligible under the mainstream programmes

the incorporation of the priorities of the EU Green Deal, Digital Decade and Skills Agenda seem suitable to the Action Plan level, mostly as cross-cutting issues.

On the issue of the type of actions that require stronger cooperation and can bring about multiplier effects, those in the thematic of transport, energy and environment were seen as more suitable, as well as actions that address Chapters of the accession process.

- Labelling of projects was mainly introduced to the EUSAIR by the Governing Board as a mechanism to facilitate the implementation of the Action Plan by introducing targeted projects for funding in EU co-funded programmes of the 2014-2020 programming period. Due to the international and cross-border nature of the EUSAIR, European Territorial Cooperation Programmes were the go-to funding sources, and most notably ADRION. As it was highlighted by the field survey results, there were different perceptions regarding the application of the labelling procedure among the TSGs, that can be attributed to the lack of clear, common, and homogeneous guidelines. TSGs dedicated significant effort to come up with labelling criteria and to apply them to project ideas. In this first period of implementation TSGs have identified numerous project ideas by applying their labelling processes and then called experts to develop project proposals for funding, utilizing the resources of the Facility Point and Facility Point Plus. TSGs have offered proposals to ADRION calls, as well as to the respective MA in order to be taken into account in its pipeline of calls and even the drafting of the new Programme. Furthermore, TSGs promoted their project ideas and proposals to other MAs mainly through informal channels such as participation in workshops, presentations in conferences whereas some TSGs also invited MAs to their meetings for that purpose.

Analysis (see 2.2.1 above) highlighted the different approaches of labelling in each pillar. Several participants suggested that despite the effort for the standardization of the procedure (positioning paper) this affected the strategy implementation as in some cases the TSGs understood their mandate in labelling as a pre-selection process of projects to be included mainly for ADRION Interreg Programme. This minimized the effectiveness of labeling as this pre-selection according to the CPR conflicts with the responsibilities of managing authorities, which have the exclusive jurisdiction for the selection of projects.

- The overall success of the labelling projects received a rather negative assessment from most NC. The main argument for that was that the absence of a regulatory 'bonus' provision for labelled projects (in the CPR). Thus MAs tend to avoid this measure, as due to the cooperative nature EUSAIR projects are more complicated in management and implementation and thus are posing higher risks to the Programmes. The Survey to the Managing Authorities is inconclusive regarding this opinion. On the one hand the majority of Territorial Cooperation Programmes confirmed the application of bonus to labeled projects, on the other hand the non-participation of national and regional programmes seems to relate to a minimum possible interaction with macro-regional strategy.
- For TSGs this first period of implementation of the Action Plan and the labelling procedure can be now seen as a starting point for useful and structured discussions on ideas and projects that benefited the common understanding of the issues of each Pillar and the communication and cooperation among its members, which couldn't have been taken as granted from the beginning given the different starting points, background and experiences, more so in a fragmented region with EU member states and non-member countries. However, the general feedback on the labelling procedure from the TSGs was mostly negative and that can be attributed mainly to the following factors:
 - ✓ Lack of expertise on all the issues of the Pillar topics
 - ✓ Lack of skills to analyze funding Programmes' requirements
 - ✓ Lack of concentration and focus of the project ideas

- For some TSGs there is an awareness that their job should not be limited in project identification. Their full role and capabilities should be put in the service of developing cooperation frameworks (i.e. masterplans) to provide added-value and strategic coordination of projects from a macro-regional perspective. In this aspect the enhancement of inter-Pillar cooperation has significant value for them.
- The second period of implementation of the Action Plan was marked by the approach of embedding EUSAIR priorities in the ESIF Partnership Agreements and IPA Strategy Papers, as well as the relevant subsequent programming documents, called for in the Catania Declaration of the Adriatic and Ionian Council/EUSAIR Ministerial Meeting (24.5.2018). The identification process of macro-regional actions and projects to be embedded in ESI and IPA Programmes was carried out by the TSG of each Pillar and culminated in the adoption of a list of fifteen (15) EUSAIR Flagships by the Governing Board on 10.06.2020.

The overall process of the 'Flagships discovery' regardless the different approach, scale and scope in each TSG was considered by most NC/FC as a positive step that is promoting the bottom-up planning process of EUSAIR and can enhance added value of the Strategy.

- Overall, the application of the three possible approaches to support EUSAIR projects by ESIF/IPA programmes was rather limited and fragmented so far. The process of labelling of EUSAIR projects remained incomplete so long as the programme authorities of relevant programmes didn't take part in the process of their ex-ante identification with the TSGs, notably for aspects of relevance, eligibility etc. The design of targeted calls for proposals for EUSAIR project wasn't explicit in any programme. However, in the 3rd call for proposals of ADRION the topics were defined in cooperation with the pillars, which was a small step to implement identified actions but not adequate to support EUSAIR as a strategy.
- There are some views that the follow-up of the embedding should be done by the Commission services who can access and gather the feedback from all the ESIF/IPA programmes in a faster, more reliable, and structured way. Overall, there is the need to improve collaboration between TSGs and Programmes to better communicate EUSAIR Pillars' priorities and how each programme could contribute, provided that the independence of Programme is preserved. The proposal for a knowledge management system that can monitor the embedding process, by analyzing projects' and their results can also be further explored in this direction.
- The funding issue of the action plan and identified projects seems to be one of the main concerns of the National Coordinators and the TSGs and mainly due to missing links with the ESIF/IPA programmes. Especially in the IPA countries the issue is magnified due to two main factors, less available public funds in relation to EU-member states and not direct control over IPA funds. Improvement on this issue can be based on the utilization of the provisions of Article 63 par. 4 of the CPR (1060/2021) for implementing Programmes' operations outside EU. The use of this capability could facilitate funding transfers for strategic projects in non-EU countries. Moreover, the multi-country multiannual action plan in support of the Western Balkans Investment Framework can provide relevant funding opportunities of a macro-regional perspective.

2.3.2 Findings from the Survey to Managing Authorities

The Evaluation Consultant run a questionnaire survey to Managing Authorities of ESIF Programmes in member states of the EUSAIR, specifically for the issues of labelling projects and embedding priorities.

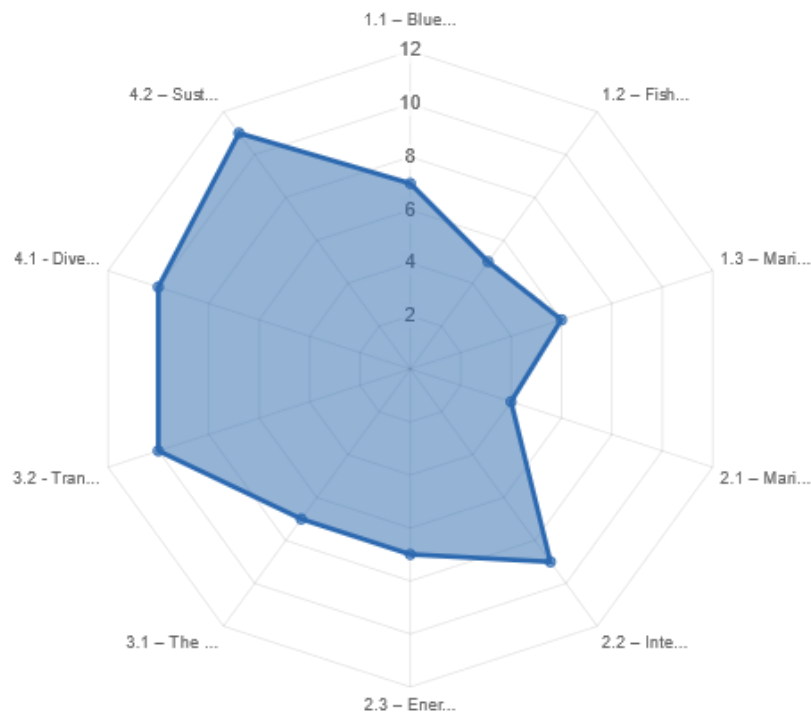
The survey was conducted on-line through the EU Survey platform during January 2021. The participation invitation was sent by the Greek Facility Point at 10 of January and a second reminder was sent a week later. The invitations were distributed also to other national FP for further forwarding. Overall MAs from 15 2014-2020 Programmes responded to the survey. 13 of them were representing European Territorial Cooperation Programmes, 1 a Regional Programme and 1 an EMFF programme. The absence of responses of National/Regional Programmes (even in cases that the same stakeholder manages them both, case of Slovenia and

Italian regions) is characteristic. A possible explanation for that, (as unofficial contacts with Greek regional/national MA's shows) is that Authorities are rating the participation in the strategy as a minor priority and the synergies between Programme and EUSAIR implementation will be mostly circumstantial in areas that the Macroregional Strategy intersects the Regional/ Sectoral needs. Interpreting this attitude further, it is quite safe to say that in the context of the design of the National/ Regional Programmes for the Period 2021-2027, the priorities and objectives of the EUSAIR did not affect the design of the Programme Strategy, but simply (as an obligation of the regulation) possible synergies that arise passively were identified.

The results of the replies elaboration are given below:

- Even though during the recent process of planning of the 2021-2027 Programmes it was asked from all Managing Authorities to link the choices of each Specific Objective to the priorities of the MRS and the flagships, the responders of the survey are almost exclusively Territorial Cooperation Actors. The little interest of National/ regional MAs indicates that the link between these Programmes and the MRS is weak. As the planning must align the Programmes with several Community, National and Regional policies, and strategies, it seems that the connection with EUSAIR is considered to be of secondary importance for “mainstream” Programmes. The fact that, unlike other Community strategies and National priorities, the contribution to MRS is neither binding nor predetermined, is diminishing the whole process. It is therefore more likely that especially the ERDF/CF/ESF+ Programmes do not know how their (declared) contribution to EUSAIR will be made and possibly are waiting for support and guidance from the competent national authorities before act. The opinion that the CPR Regulation should be more binding for embedding procedures has been expressed also by several PC in interviews.
- Regarding the contribution on EUSAIR Topics in OP 2014-2020 the survey shows that the Topics of Pillar 4 and those concerning terrestrial environment of Pillar 3 were included by most of the Programmes, while Pillars 1 and 2 seem to have been supported by less Programmes. This is caused by several reasons. First, many Programmes (especially CBC Programmes with land borders) are supporting terrestrial connectivity as CB mobility is made mainly by car/train. Many of the Programmes that participated in the survey do not apply to sea areas (ex. Greece – North Macedonia), therefore Topics directly connected with maritime, and sea are out of the Programme's scope. Maritime infrastructure / large transport infrastructures and energy are beyond the financial capabilities and the eligibility of the surveyed Programmes. On the other hand, cooperation in environmental management and in touristic development is a “traditional” topic of co-operation in Interreg Programmes (independently of the MRS).

FIGURE 7: Contribution of OPs 2014-2020 in EUSAIR Topics

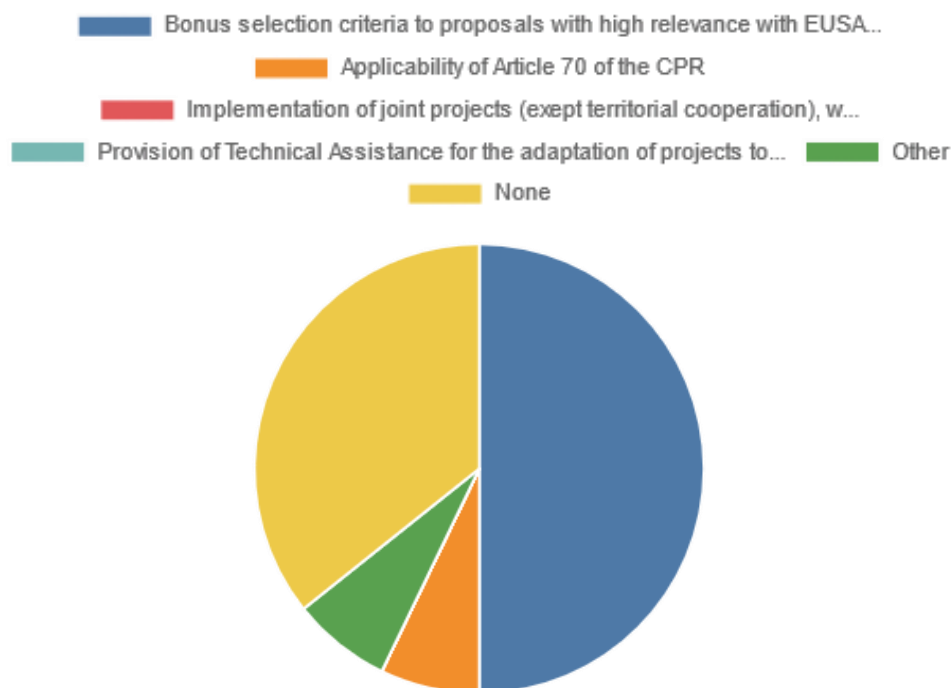


- Regarding the 2021-2027 Programming Period, the survey asks the MAs to choose which indicative actions are relevant/ compatible with the Intervention Logic of each programme. The results show that in general most of the indicative actions are included in the Programmes. Those which no Programme has addressed are:
 - ✓ Actions of Pillar 2 out of scope or eligibility of the surveyed Programmes (Developing motorways of the sea, Railway reform, Gas pipelines, Support the establishment of a well-functioning electricity market).
 - ✓ legislation reforms and enforcement of national laws and direct pollution sources confrontation (Pillar3)
- In addition, limited relevance is shown in Projects that need an overall macroregional coordination and participation. It is not clear whether avoiding the selection of projects that will have to be tuned with similar ones from other Programmes is done because the MAs are considering that this is difficult to be achieved, or if it will be dealt with ad hoc if it occurs. For that matter, an initiative to overcome this issue has been taken in the EUSAIR Action Labs organized by the ESP and Italian National Authorities. A concrete laboratory for supporting coordination of Programmes in flagship implementation has been drafted. This process will continue through the network of ETC MAs. From the Programmes perspective (according to MA's participated in the survey), synergies and connections are expected to be achieved mostly in the Specific Objectives²¹:
 - ✓ 2(vii)Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution.
 - ✓ 4(vi) Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation,2 (iv) Promoting climate change adaptation and disaster risk prevention, and resilience, taking into account eco-system-based approaches,

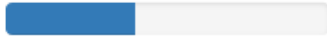
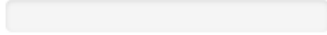
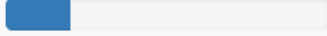
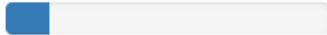
²¹ This does not necessary reflect the prioritization of the programmes that will be imprinted later in 2022 when the 2021-2027 Programmes will be officially submitted and approved by the EC.

- ✓ 1 (i) Developing and enhancing research and innovation capacities and the uptake of advanced technologies.
- In 2014-2020 period the most relevant Topics – Actions to the Logical Framework of most programmes are referring to Tourism (sustainable and thematic tourism), joint management plans of CB ecosystems and support of RDI activities.
- Embedding procedure in 2014-2020 period was developed mainly by the award of extra bonuses to project proposals that were related to EUSAIR and was applied by the most CBC Operational Programmes and the EMMF. One Programme reported the use of art. 70 (application of funding outside the eligible territory).

FIGURE 8: Embedding procedures in OPs 2014-2020



- For the new 2021-2027 Period more Programmes have declared willingness to integrate embedding process (77.3%,) are willing to award of extra bonuses to project proposals that are related to EUSAIR and an additional 40% is examining the possibility to use the flexibility of point 4 of Article 63 of the CPR regarding placement outside the eligible region. Other forms of embedding reported, is the support of ISO1 for MRS coordination and the implementation of Common targeted activities on communication and transferring of results, the funding of Operation(s) of Strategic Importance in relation to the topics proposed in the EUSAIR Flagship themes.

		Answers	Ratio
Bonus selection criteria to proposals with high relevance with EUSAIR		11	73.33 %
Applicability of Article 63 of the CPR (1060/2021)		6	40.00 %
Implementation of joint projects (except territorial cooperation), where each partner is financed by the respective national/regional instruments		0	0.00 %
Provision of Technical Assistance for the adaptation of projects to the EUSAIR context		0	0.00 %
Other		3	20.00 %
No Answer		2	13.33 %

- The provision of bonus to "labeled" EUSAIR projects can be seen from two perspectives. It is initially the simplest practice regarding the evaluation of proposals and the coordination actions for the management of projects. But it is also a practice that retains all the decision-making responsibilities within the programme's structures (MA, monitoring committee).

2.3.3 Findings from Studies and Reports

Nekrasova (2019) argues that there is a disconnect between the purpose/mission/value/"volume" of the EUSAIR and its Strategy/modus operandi, which is based on the implementation of projects, the results of which can be considered to be "appropriated" by the Strategy. This disconnect is further reinforced by the absence of "own" financial resources and/or influence of the available sources. Ultimately, the two country groups (Member States and IPA) have different development goals and agendas, which are difficult to combine into 'joint projects'.

A possible redesign of the operational structure, consistent with the purpose/mission and value of the EUSAIR, would lead to a "beyond-project" strategy and action plan, focused on processes that "remove obstacles to policy alignment and create the prerequisites for collaborative action in the field". Indicative actions for such an approach, which may have a greater impact on political and macro-regional cooperation, in relation to individual projects, would be the following according to Nekrasova (2019):

- Targeted intergovernmental, multi-level consultations leading to macro-regional agreements
- Thematic, multi-stakeholder "collaborations for policy and action on the ground"
- Continuation of the proactive structural dialogue with the ESI Funds, with the aim of exploring integrated territorial investment strategies and tools in 2021-2027
- Creation of MA networks and facilitation of their work
- Regular consultations and joint workshops on model new financing solutions to be fully integrated in the future

The trend towards the development and implementation of targeted initiatives "beyond projects" is linked to the maturation and added value of macro-regional strategies is also highlighted in the Non-paper "EU MACRO-REGIONAL STRATEGIES: LABORATORIES FOR A NEW EUROPE" (2019). Such "co-creation" practices can

involve and engage broader stakeholders and raise more resources. EUSBSR uses a mechanism "beyond projects" which it calls "flagships". The characteristics of the flagships in EUSBSR are that they are guided by a vision of political impact on the region, bringing together all possible stakeholders (reaching 200), in long-term processes of co-creation of policy and actions. «Flagships» become the vehicles of all actions, both projects and Thematic Working Groups, policy dialogue, policy workshops, consultations, and alignment of funding. The new EUSBSR Action Plan will largely now consist of flagships, with the aim of having three per policy area.

The study *OECD Multi-level Governance and Cross-Sector Practices Supporting EUSAIR (2019)* considers the labelling process as a challenging one, both at technical and political level. Politically, labelling is good for visibility, and technically it can help overcome some of the programming and financing challenges. However, it does not help in promoting the design or implementation of EUSAIR-specific actions. It has been proposed that a few guiding principles be established, setting out milestones in the process of identifying projects of macro-regional importance, i.e., those that contribute to the objectives articulated in the EUSAIR action plan. One of the challenges a potential labelling process confronts is that it is currently difficult to argue that these interventions add value to the macro-region or to point to concrete evidence that EUSAIR projects have materialized thanks to the macro-regional strategy.

Building strategic synergies around a common topic is an interesting suggestion. The study provides the example in the Baltic Sea macro-region, where flexible approach to cooperation for transnational research & innovation (R&I) was introduced which supports open and flexible cooperation schemes facilitating R&I cooperation between transnational partners and permitting the addition of new partners to projects already underway.

Regarding the various themes and types of projects that can be implemented through EUSAIR in support of its thematic objectives vary from large, costly infrastructure projects (for example in Pillar 2) to softer infrastructure projects (particularly the case of Pillars 3 and 4), or a combination of these (especially Pillar 1). Thus, the study suggests, they may require different methodological inputs, so for cross-sector coordination to work there needs to be alignment as to how objectives are best achieved.

The EC Report (COM (2020) 578 final) considers the embedding process and the identification of flagships as a positive experience so far, while the labelling process had more shortcoming, and makes the following remarks regarding the Action Plan of EUSAIR:

- There is a need to establish an indicator system for monitoring and evaluation of the strategy
- Follow-up mechanisms are needed for the implementation of the embedded EUSAIR priorities after the approval of the ESIF/IPA programmes.
- Focus on IPA priorities that are common to the EUSAIR's objectives and the EU acquis.
- Strengthen the horizontal objective for climate change mitigation to contribute to the Green Deal and the Green Agenda for WB.
- Incorporate Green Deal targets to make Europe a climate-neutral continent by 2050, as well as targets for pollution, circular economy, and biodiversity.
- EU directly managed funds (HORIZON, LIFE, etc.) and their commission representatives should be more actively involved with the EUSAIR to open up more funding opportunities.

2.4 Conclusions and Recommendations

Regarding the Action Plan:

- The EUSAIR's Action Plan includes an extensive list of indicative actions with also indicative objectives and examples of appropriate indicators are given. There is no prioritization of actions within the topics neither a time schedule, the number of resources required or a definite identification of funding sources. In this sense, the Action Plan partially specifies the strategy, and it has difficulties to provide an operational character.
- In contrast to the Strategy which, as said above, should be general, the definition of a more specific Action Plan will enhance the coherence of the strategy, forming a clearer mandate to the TSG and other actors. It is necessary for this to formulate Programming Periods with clear prioritization and focus of actions.
- The broad scope of the action per pillar, affects the effectiveness of the Strategy as the implementation mechanism (STGs & FP) have limited resources and capacity.

Regarding Labelling:

- The standardization of labeling process was applied late (in relation to the Programming Period), at a time when most of the funding Programmes were concluding the selection of projects. This has weakened its efficiency of the measure as labelling utility had disappeared in some pillars.
- In some pillars labelling processes was equated to the development of project ideas in order to promote them to the ADRION 2014-2020 Programme, while in other pillars was applied to identify and connect relevant (planned or implementing regardless the Strategy) projects.
- The absence of a clear and uniform procedure for labeling led to different patterns (for labelling and monitoring) on each pillar, making it very difficult to produce an overall picture for the Strategy and the Action Plan. This to a point is caused by the differences at the type of actions (and eligibility) but also arises from the absence of a uniform procedure.
- Labelling is mostly ineffective to be applied in 'voluntary' base by National and Regional Programmes as the risk of macro-regional project management and coordination is considered as high by managing authorities.

Regarding Monitoring:

- The monitoring of relevant projects is highlighting the progress and the dynamics in sectors / thematic areas on topics of high importance but cannot express achievements and effects of the Strategy. Even more, as can be obtained in the monitoring reports is occasional (includes only sources which reported back) and uneven between Pillars.
- The indicators system does not reflect the Action Plan, it is set in a more operational level and in many cases may fail to link the implementation of the Strategy with monitoring data. The monitoring system is diverging both in the selection of indicators and the data gathering.
- The indicators conceptually and technically are very indifferent to the pillars and thus the overall indicator system lacks coherence and consistency. This makes it difficult to capture the tangible progress of the Strategy and the real impact on its Action Plan, as well as the actual involvement of multi-level governance actors. Even in common themes such as Governance, indicators that are measuring the same effects are defined differently in each pillar.

- One possible reason for the noted differences in the monitoring procedures is that the system (following the structure of the action plan) is very broad. It has to monitor very different functions from multiple sources without having the means (capacity, financing) to achieve that.

Regarding embedding in 2021-2027 period:

- The total of the Topics and indicative actions can be related with financing sources of the 2021-2027 periods. In most cases this can be done by a variety of sources. Less flexible is the sector of energy where certain types of interventions are not eligible. This limited eligibility is associated with the focus on fossil fuels and traditional energy networks of the EUSAIR.
- The survey on Managing Authorities (indicative only for Interreg Programmes of 2021-2027) shows a better willingness to embed projects to their programme, mostly by giving bonus to EUSAIR “labelled” project proposals.
- The introduction of SO 1 ‘a better cooperation governance’ seems essential for Cooperation and coordination actions, as it supports the enhancement of institutional capacity, and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, sustainable democracy and supports civil society.

Regarding Flagships:

- The application of Flagships was also not standardised. There is a range on the perspective regarding of flagships in each pillar from “commonly agreed priorities” to “strategic projects”.
- In the case of “Strategic Projects”, the Flagships cover a minimum set of indicative actions. This is caused because the TSGs are considering a more active role in the implementation and coordination of the Flagships. In the cases of “priorities” the flagships set “indicative activities” to be embedded.

Taking into account the above it is proposed to reshape the Action Plan with a more operational structure that will include the definition of the implementation period. Prioritization of actions will be also useful in order to focus the activities of implementation structures to address their capacity. Overall, it is suggested that the revision of the Action Plan should consider the key ideas of the flagships as a basis for commonly agreed priorities. In this respect flagships can be used as an efficient tool to focus the action plan to more concrete and targeted actions. In this context, it is recommended to introduce at the level of the Action Plan a coherent system of indicators based on the Common Indicators of the ESIF and including a common methodology for all Pillars. Indicators should be aligned with clear strategy objectives serving the Intervention Logic. The use of a common indicator system could be supported by being approved by the Governing Board for all Pillars. The standardization of the monitoring system will also assist the visibility and will promote the common vision of the Strategy.

In the Evaluation Consultant's view, it is necessary to review the cross-cutting issues, so that they do not overlap with distinct actions (i.e., innovation) and to cover, without an ineffective broadening of the strategy's agenda, particularly important issues that are currently insufficiently covered by it. As most significant crosscutting in all pillars issues should be considered the enhancement of institutional capacity, the adaptation to Climate Change, the promotion of digital agenda and the promotion of social progress.

The labelling process has to be reformed. In order to be more effective should be more uniform and more specialised. The analysis and the interviews showed that labelling by itself cannot “bridge” the action plan with the implementation mechanisms (funding). To find an effective and sustainable way to do so is to concentrate on coordination. The adoption of flagships provide this opportunity to work more focused and to promote a productive financing dialogue between TSGs and MAs that will (have to) lead to the implementation of pilot coordinated calls during the 2021-2027 period.

3 The Operating and Governance system

3.1 MRS and Governance system

3.1.1 Stakeholders and partnership

The governance and management system of the EUSAIR was outlined in the 18.11.2014 Joint Statement of the participating countries, comprising three interrelated levels:

- ✓ Political level, represented by Ministers of Foreign Affairs and Ministers in charge of EU Funds, providing leadership and assuming the ownership of the Strategy.
- ✓ Coordination level, represented by the Governing Board, providing strategic guidance, and coordinating the work of the Thematic Steering Groups. It acts as an interface between the political and the operational/implementation level. Its main driving force are the National Coordinators - Government officials of the participating countries, duly empowered, coming from Foreign Affairs and EU funds departments. Other participants in the GB are Pillar Coordinators, Commission Services, European Parliament, the Adriatic-Ionian Initiative, the Committee of the Regions, the Economic and Social Committee, the ADRION Managing Authority.
- ✓ Implementation level, represented by the TSGs, with the role of bringing the Strategy to the ground, identifying priorities, actions/projects for each Pillar and Topic of the Action Plan and relevant funding sources and facilitating their follow-up monitoring. There is one TSG per Pillar of the Strategy apart from Pillar 2 which is supported by 2 TSGs (Transport and Energy). Each TSG is led by two Pillar Coordinators acting also as liaisons to the coordination level. Members of the TSG usually represent the relevant line ministries of the participating countries.

The implementation level is supported by the strategic project EUSAIR Facility Point, funded by the ADRION Programme, mainly for administrative, management and communication functions in each country. FP also facilitates the development of project ideas into project proposals and the liaison with the Managing Authorities of ESIF Programmes in national/regional level. In addition, the FP Plus project, funded by the European Commission, was planned to support the development of cross-pillar projects. The EUSAIR has also at its disposal a Stakeholder Platform, aiming to facilitate the involvement of the different stakeholders.

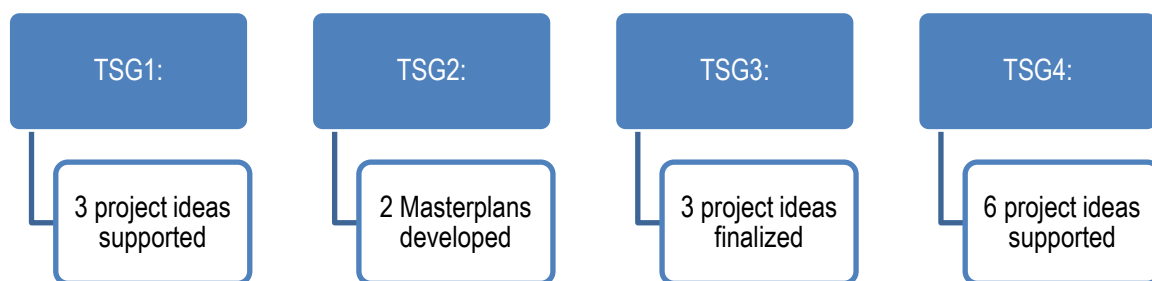
Overall, the governance of the EUSAIR falls on the key implementers that is the National Coordinators, Pillar Coordinators, and members of the TSGs. The degree of the empowerment and ownership vested in the key implementers is based on the administrative capacities and settings of each participating country and not on a legally institutionalized framework. Thus, issues regarding clear mandate, accountability and decision-making arise, more frequently in the work of TSG, that lead to different perceptions of roles in the implementation level among countries. Those issues were recorded in detail in the OECD report (2019²²), however it is argued that since the inception of the EUSAIR and its initial phase the capacity of the EUSAIR key implementers have improved, most notably in their cooperation and common understanding. Governance challenges still remain and room for improvement still exist, in relation to the more mature macroregional strategies, and as it is evident from the input and considerations gathered from the survey to the key implementers. Several other reports indicate that the management and governance structure started to mature after 2018. At that point (2018) EC stepped back from the co-sharing of the GB presidency. Today (early 2022) the governance structure of EUSAIR can be characterized as fully operational according to COWI 2017 classification (COWI, M&E Factory, Institute for advanced studies, 2017), showing continuous and stable progress over the past recent years. This progress is reflected both in GB and TSG levels.

²² OECD (2019), Synthesis Report, Multi-level Governance and Cross-sector practices supporting EUSAIR, OECD.

3.1.2 Facility Point

The EUSAIR Facility Point is a strategic project of the ADRION Programme 2014-2020 designed to provide operational support to the governance structures of the EUSAIR. The Facility Point funded by 11.5 million EUR is being implemented for the period from May 2016 to December 2022 in six Work Packages responding to specific functions: M-Management, T2-Facilitating strategic project development and financial dialogue, T3-Building capacities for monitoring and evaluation of EUSAIR, T4-Developing and managing the EUSAIR Stakeholder platform, C- Communication. Of crucial importance is Work Package T2, which supports the development of project ideas submitted by the TSGs into mature strategic project concepts/proposals embedded in transnational and cross sectoral contexts. Specifically, FP provides project partners with external experts, through public procurement, on project development. The results per TSG are shown in the following figure.

FIGURE 7: Supported project ideas by the FP
Source: TSGs Annual Progress Reports 2020



Also, FP provides each Pillar Coordinator based on Member States, with one Thematic Expert for supporting tasks such as implementation of TSG Rules of Procedure, workshops, presentations, drafting thematic papers, preparation of the annual report. In complement, the EC provides direct grants to IPA partners for engagement of Experts for PC located there.

Delays that burdened the FP project before its actual start and delays in the administrative procedures of public procurements in the different project partners, limited the FP to reach its full capacity to provide the expected support to TSGs, mainly for the development of projects and pooling of financial resources.

3.1.3 Information, Publicity, Visibility

The FP is responsible for the communication strategy and prepared its communication plan and a communication manual to be used by key implementers. Promotion of the EUSAIR to the civil society, stakeholders and other key implementers is implemented through the website, a newsletter reaching over 4.500 subscribers²³, social media accounts on Twitter, Facebook and YouTube, publications, capacity building activities and events. The most important event is the EUSAIR annual Forum dedicated mainly to civil society and stakeholders with opportunities to participate in sessions, workshops, business-to-business meetings, and other side events to get updates on the EUSAIR implementation, exchanging knowledge and creating cooperation possibilities. Attendance by high level politicians attracts media coverage while participants in the 4th EUSAIR

²³ European Commission (2020), Working document – Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies, COM(2020) 578 final

annual forum i.e., were estimated more than 600²⁴. Ministerial meetings and ministerial declarations, alongside the fora, provide added political visibility and raise awareness of the macro-regional strategy.

Communication activities were relevant to the maturity phase of EUSAIR during its first period of implementation which is considered as internal, gradually building the operation of its implementation structure, and not producing external outcomes yet. In this period high-level support was crucial to raise the visibility of the strategy, across citizens, stakeholders, and administrations as well. Political declarations from the participant countries Ministers set a useful precedence also for other MRSs. By gradually traversing to phase II maturity level, communication needs of the EUSAIR are shifting towards the engagement of more stakeholders (institutions, academia, business sector) and civil society, highlighting outcomes and results. The development of the Stakeholders platform will further facilitate the engagement and interaction between them.

Moreover, the visibility of the benefits that accrue from the participation in the EUSAIR can be justified by the attraction of applications from more countries to partake in its structure. The North Macedonia joined the EUSAIR as the ninth country in 2020 and San Marino in 2021.

3.2 Assessing Governance, Workflows and Processes

3.2.1 Monitoring of the Progress

Monitoring of the Strategy was established as a procedure in 2019 and so far, 3 reports have been produced. The monitoring system has been presented and evaluated in chapter 2. As has already been emphasized, its major weakness is that it is heterogeneous (between the Pillars) and shows gaps in the completeness of the information.

The 3rd EUSAIR Annual Synthetic Monitoring Report (2021) is based on the information presented in the Pillar 1 Annual Monitoring Report 2021, as well as input received by the M&E Monitoring Consultants of Pillar 3 “Environmental Quality” and 4 “Sustainable Tourism”. Data for Pillar 2 are from the 2020 2nd Annual Synthetic Monitoring Report.

According to the collected information, presented in the table below, in 2020-2021 period 3,056 projects²⁵ relevant to EUSAIR strategy were identified in the area (89% of them referred to Pillar 1). The overall budget of those projects in Pillar 1 & 4, where financial data are collected, exceeds 1,1 billion euros. This amount is a fragment of the total budget under monitoring as for the most expensive infrastructure projects limited financial data are provided (a budget of total 2.25 billion euros is provided only for 3 out 58 projects in Pillar 2).

Pillar	Ref. year	No of Projects in monitoring	Budget (m euro)	Monitoring Deliverable Source
1	2020	2,715	899.95	D_10 Nov_21
2a	2020	46	2,250	D_8 Feb 2021
2b	2020	12		D_8 Feb 2021
3	2021	148	N/P	Pillar 3 yearly condensed report 2020 Nov_21
4	2021	135	204.84	D_10 Nov_21

²⁴ ibid

²⁵ List of Pillar 1,3 and 4 projects under monitoring are on-going or approved. Projects in Pillar 3 are referred mostly in project under development and without financial allocations.

According to the report of 2020 the coordination and networking activities and events planned at the beginning of the year were undermined by the current COVID-19 pandemic. Due to the health emergency many events scheduled in the programme of the Facility Point's work for the year 2020 were postponed. The meetings of the EUSAIR Governing Board and of TSGs were held virtually after February 2020. A series of monitoring and evaluation capacity building events which were planned by the Facility Point in all EUSAIR countries in 2020 were postponed and have also to be rescheduled for the next year according to the evolution of the pandemic.

The EUSAIR Flagships for 2021-2027 were adopted on the 12th extraordinary EUSAIR Governing Board meeting on 10th June 2020. Flagships were proposed as solutions for the main challenges of macro-regional importance consistent with national needs as well as with the EU policy objectives for a greener, low-carbon and more connected Europe. Countries will need concrete actions at national level to follow common goal/solutions for the macro-region.

TSGs meetings are held at least twice a year. All four TSGs have continued to identify priority actions and projects having a distinct macro-regional value and contributing to the implementation of the Action Plan, with the support of the EUSAIR FP and FP Plus. Actions and projects are at different stages; from project ideas to be further developed, to project concepts that have already been presented to call for proposals, and projects that have already received funding under various funding sources, including the ADRION programme.

The most important events under this category are as follows:

- Mediterranean Coastal Week (14-25 September 2020, Slovenian coast)
- Two-day workshop on the opportunities of the Green Deal for the MRS (21-22 September 2020, online)
- Workshop "Cycling Tourism and Cultural Routes" (2 October 2020, online)
- Smart Specialisation Strategy TRATEGY (S3) in the Adriatic – Ionian Macro-regional Strategy (EUSAIR) (27 October 2020, online)
- SEALOGY® Digital Preview: BLUE WEBINARS, B2BLUE & BLUE SHOW (19-21 November 2020, online)
- Webinar: The Adriatic-Ionian Region and the Western Balkans at the heart of the world geo-policy: The EUSAIR Strategy for the infrastructure (15 November 2020, online)
- Webinar: Connectivity and COVID-19: The crisis as a factor of digital transformation and innovative accelerator (17 December 2020, online)
- 5th working group meeting on common capacity building support environment for macro-regional strategies
- The Interact Capacity Building working group meeting

The follow-up of the annual cycle of meetings, networking and events indicates a strong engagement of all relevant parties to the management of the strategy throughout the year.

3.2.2 Findings from the Survey to EUSAIR key implementers on Governance issues

The Evaluation Consultant conducted interviews with the National Coordinators and group-discussions with Pillar Coordinators and TSG members regarding the value -added of EUSAIR governance system and shortcomings in its operation. Four (4) main issues were discussed: roles, ownership and understanding, cooperation and work in and across TSGs, cooperation with stakeholders and Managing Authorities and added value of multi-level and transnational governance. The main findings are summarized as follows:

- The interviewees acknowledge that the EUSAIR has established an additional governance and management system working in parallel with the EU funds programming and management system of the participating countries with the main difference being that the former is not institutionalized. Thus, there were some views considering ways to merge the two systems.

- The survey highlighted specific shortcomings in the implementation level in relation to the coordination with the ESIF/IPA funds in the countries and regions. In IPA countries, there were considerations regarding the direct management of IPA by EU Delegations which are not fully engaged with the EUSAIR actions and projects. The role of DG NEAR and their units is seen as crucial to the implementation level, and there are views that DG Units responsible for different countries should participate, as well as Units responsible for the multi-country action plan.
- Better liaison with Managing Authorities of ESIF programmes in EU member-states is also desired by establishing a more formal mode of participation. Thus, the issue of the composition of the TSGs also arises where improvements could be seen by setting some criteria regarding i.e. competencies and role in strategic guidance, policy formulation and implementation, financing issues, in the selection of its members.
- The funding issue is seen also as a governance issue by interviewees. There were proposals for some dedicated budget lines from the EC, and the establishment of a supportive mechanism for funding monitoring.
- TSGs are seen as the backbone of the EUSAIR and the main delivering mechanism. However, there are no homogenous methodologies applied in the work of the TSGs, nor the same perceptions about their role and the added value of the EUSAIR per se. Some of them are focused on developing single project ideas, similar to those for ETC proposals, whereas others develop a more strategic approach and coordination role of existing projects.
- A common issue for the TSGs was the workload of its members coming from the administrations, taking into account the tasks of their main duties. Some interviewees stressed the reliance on the efforts of individuals in the main bodies of the EUSAIR to deliver its results so far, instead on more robust mechanisms and procedures that will support delivery beyond personal engagement. In the sub-national level, the governance structure seems to be based in work groups with the line ministries and other relevant organizations.

Frequent changes in representatives by some countries was also indicated as a weakness. These changes are reported to weaken the understanding process and to reduce the pace of work. Although in a theoretical approach change of persons should not affect the operation of an institution, this is difficult to achieve if the changes in a certain period of time are frequent or numerous. This is mainly caused because:

- ✓ there is an 'adaptation time window' for persons to be informed and therefore to be effectively operational in their new tasks, understand their role and duties.
- ✓ despite the important opportunity that EUSAIR provides to non-Member State Countries for capacity building, many of those countries have a limited pool of officials or experts that can participate effectively in the GB or TSG processes.

Furthermore, there were reports of no or low participation in the TSGs from some countries, which can be attributed either to delays in the appointment of NCs and TSGs members or to their lack of interest and commitment, which either way poses problems in the decision making and the internal works of the respective groups.

- The FP is generally considered as helpful to the operation of the EUSAIR, with some concerns raised regarding its complex structure and dispersed responsibilities in many countries, that affect fast response to the TSG's needs. The FP Plus performance seems low, maybe also attributed to not have been fully fledged to be utilized by the TSGs until now.
- The enhancement of the partnership with the stakeholders as well as decision-makers can be based on a better communication of the EUSAIR benefits and a visible connection to funding opportunities. The

activation of local stakeholders is considered of utmost importance as most of the interviewees regarding them as the driving force for the application of the strategy.

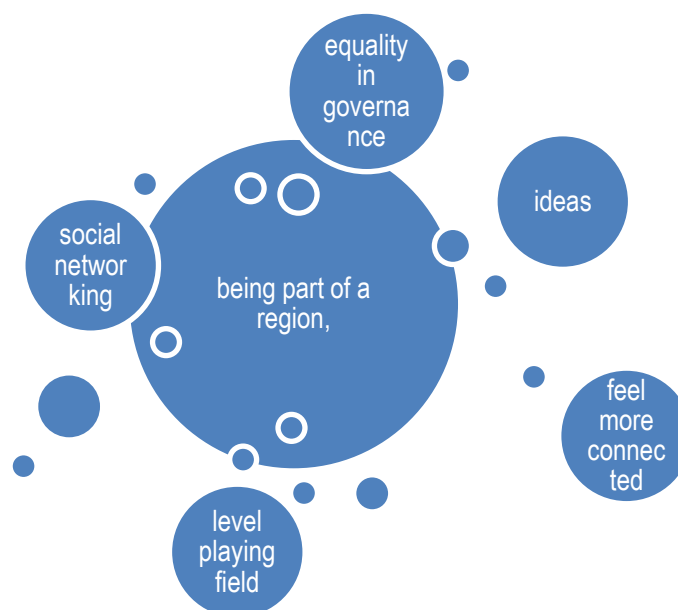
- A very important achievement of the EUSAIR governance practice is considered the establishment of a common understanding, interaction, and dialogue. An area where good practices are exchanged and where it is easier to find common solutions to issues that might arise. From this point of view, the EUSAIR offers an important opportunity for capacity building that could be better exploited through the continuity and stability of the national representatives that participate in the meetings. The EUSAIR governance system is particularly appreciated by WB members for its horizontal dynamics between member and non-member states, therefore the priorities and initiatives set up in the EUSAIR should be perceived as relevant in their accession path by WB.
- Specifically highlighted is the value of participation in the Strategy's governance and implementation instruments, which provides the opportunity to WB countries to familiarize (simulate) with the processes of decision-making and action of EU. Through this process enlargement countries have benefited and learned from working on an equal footing with EU Member States, as well as liaising and connecting with DG services.

The participation in EUSAIR governance provides also the opportunity to be more active in Trans-national Programmes and therefore to learn and experience more in EU level.

- The learning process, from which several good practices from EU members are transmitted to the accession countries is considered very helpful especially for the compliance and the application of the *acquis communautaire* in relevant sectors (chapters) such as Environment, Energy, Fisheries, Trans-European Networks etc.

Furthermore, bringing enlargement countries closer to EU values and policies cultivates the productive dialogue and the sense of cooperation between countries. This is particularly important in Western Balkans where conflicts and tensions between countries existed until recently.

- It was also noted that participation in the governance system enables the cultivation of informal channels of communication and cooperation in TSGs, that can be used to resolve issues much faster than the formal procedures.
- In some of the interviewees words the added value is:



- All the above are also considered to be proven by the interest of countries to join the EUSAIR, as the North Macedonia and San Marino did.
- However, there were some views that the added value of EUSAIR is still not visible to the stakeholders and to decision-makers in the administrations of countries, and that it is hard to be explained, especially when the motive of funding is missing, thus the low level of participation, involvement and problems of coordination arise.

3.2.3 Findings from the Survey to Managing Authorities of ESIF Programmes.

The Evaluation Consultant questionnaire survey to Managing Authorities of ESIF Programmes revealed some important findings regarding the multi-lever governance system that is needed for EUSAIR to deliver actual results:

- The limited (almost zero) participation of Managing Authorities of Regional/ National Programmes raises questions regarding the visibility and the ownership of the Strategy by regional and sectoral agencies and actors.
- Regarding channels of cooperation and communication the Managing Authorities provide diverse answers. Most of them (10 out of 15) declare that they had at least one meeting with National Coordinator and Other MAs (9 out of 15). Few declare (3 out of 15) that they had cooperated with TSGs. All participants are expecting that the new embedding procedure will be improved in the 2021-2027 period.

3.2.4 Findings from Studies and Reports

The OECD²⁶ report on the EUSAIR identifies as important issues of governance the difficulties in communicating and understanding the added-value of the strategy, the limited links with EU programmes' managing authorities, and the different capacity level within its structure and across countries. Therefore, the main recommendations for improvement can be summarized in the following:

- Enhancing the strategy ownership by identifying large scale and commonly important projects
- Raising awareness by utilizing the Stakeholders Platform and other strategic communication to stakeholders.
- Clarify the responsibilities of EUSAIR bodies, especially at the implementation level and the expectations from MAs.
- Promote greater involvement of the relevant EU institutions in the support of the implementation level.
- Improve cross-pilar cooperation at the TSG level and cross-sector cooperation in country level.
- Improve cooperation with other MRS especially those with overlapping territories.
- Ensure the provision of the necessary resources for the continuing operation of the FP.
- Build capacity of key implementers in understanding the different available funding sources.
- Draw inspiration from the Managing Authorities Network in the Baltic Sea Region.
- Reinforce political commitment, and EU support, for the provision of the necessary human and financial resources for the EUSAIR governance needs in national level.

²⁶ OECD (2019), Synthesis Report, Multi-level Governance and Cross-sector practices supporting EUSAIR, OECD.

The EC Report (COM (2020) 578 final) identifies gaps between commitment in the political level of the EUSAIR and the subsequent capacity of the administrations to adhere and deliver, and between the governance structure and the civil society of the area. The complex structure and the lack of an engaging narrative for the EUSAIR added value and vision as well as targeted communication to stakeholders requires more effort in developing relevant communication activities and attracting the media. The main recommendations stemming from the report are as follows:

- Invest in a systematic approach to increase ownership and understanding of the EUSAIR in the national and subnational multi-level governance.
- Ensure regular participation in the governing structures and most prominently in the TSGs
- Intensify and streamline communication effort by all key implementers to engage more stakeholders.

In the field of communication of MRSs, the shift towards flagships and “beyond projects” is considered to be more attractive to stakeholders, citizens and institutions, giving them the feeling and the actual opportunity of co-creating European policies. Flagship’s communication can thus be structured around the added value of EUSAIR on top of other territorial and international cooperation, demonstrated by their results, the innovation of co-creation to deliver those results with citizens and stakeholders’ involvement, the stories of co-creating.

Furthermore, the experience of EUSBSR with flagships, shows that although the initial effort put into developing them from Pillar Coordinators, they can be then assigned to Flagship leaders, freeing-up the resources of the Coordinators to focus on alignment and coordination²⁷. Expanding on that approach, in the case of EUSAIR, Nekrasova (2019) argues that each Pillar can accommodate 2-3 “collaboratives”, defined as strategic actions to achieve targets of the Strategy “through a particular way of collaboration”. In each “collaborative” a Collaborative Leader emerges, with the distinction that is an institution and not one individual, relevant to the theme of the “collaborative”.

3.3 Conclusions and Recommendations

The establishment of the governance system for various reasons that have been analyzed in previous sections was not a typical and simple procedure. It had an important but necessary maturation time, that corresponds to the particular importance of the Strategy and the added value it produces. The EUSAIR is undergoing a “coming-of-age” phase, and it is on the brink of delivering more tangible results and outcomes. The governing structure seems adequate to accommodate the needs of this new phase on the condition of careful improvements based on the work done so far and the accumulated experience. Country level improvements are key to unlock the full potential of its multi-level governance. The key implementers need a stronger political backing in their respective administrations to enable effective delivery of outcomes from their work. Commitment and ownership at the country level is dependent on political empowerment in line ministries and regions due to the restrictions of the 3 “NO” principle, more so in this phase where the Strategy spins out of its initial building circle into broader involvement and stakeholders. The lack of *de jure* legitimacy for action, cooperation and coordination has to be compensated by communication and capacity building efforts in each country.

The momentum of the TSGs work needs to be capitalized in the 2021-2027 period into actual effect on the implementation of ESIF/IPA funds. This can be based on improving the robustness of the TSGs with a homogenous mode of operation, clarified reach and responsibilities, explicit expectations from membership by the home institutions of its members and criteria-based appointment of members. Support to TSGs in checking project ideas vis-à-vis relevance to ESIF programmes priorities and eligibility would be helpful. In parallel, realistic ways of mobilizing the Managing Authorities of mainstream ESIF programmes should be explored. The

²⁷ Bergstrom et al (2019), Non-paper “EU MACRO-REGIONAL STRATEGIES: LABORATORIES FOR A NEW EUROPE”

Network of MAs, recently approved by the Governing Board could be one alternative solution. Any solution however would be incomplete without the active involvement of the EC as long as the IPA programmes of the non-member countries are under direct management. For them political backing at country level won't be enough if it is not accompanied by a higher level backing of the respective DG Services. The governance structure and especially the arrangements of the TSGs should go hand-in-hand and reflect the logic behind the revision of the Action Plan. Here, the continuation and utilization of the Facility Point is expected to play a crucial role, at least in the first period after the revision.

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Annexes

A. Survey to EUSAIR key implementers

The field surveys of the Evaluation Consultant were conducted between November 2021 and January 2022 targeting three (3) groups of key implementers of the EUSAIR:

- ✓ National Coordinators of each participating country, received and informative e-mail along with a) a short memo reflecting the Evaluation Consultant's view on certain significant issues, that can serve as a basis for our discussion, and b) an indicative list of questions/discussion points, in order to organize an on-line interview for each country.
- ✓ Pillar Coordinators and members of each TSG, received and informative e-mail along with an indicative list of discussion topics, in order to organize an on-line group discussion with each TSG.
- ✓ Managing Authorities of select national, regional, and territorial cooperation programmes co-funded by the EU, received and informative e-mail with a link to an on-line questionnaire.

The following table summarizes the timeline of the on-line meetings and inputs from the key implementers.

Key Implementer	Input	Date
Albania NC	no response	-
BIH NC	On-line interview	6.12.2021
Croatia NC	On-line interview	8.12.2021
Greece NC	On-line interview On-line interview	3.12.2021 23.12.2021
Italia NC	Written response	29.12.2021
Montenegro NC	On-line interview	16.12.2021
Serbia NC	Written response	
Slovenia NC	On-line interview	16.12.2021
North Macedonia NC	On-line interview	17.12.2021
TSG1	On-line group discussion with the Coordinators	16.12.2021
TSG2 - Transport	On-line group discussion	20.12.2021
TSG2 – Energy	Written proposal by the Coordinators On-line group discussion (as an Extraordinary meeting of the TSG)	20.12.2021 22.12.2021
TSG3	On-line discussion with the Coordinator	24.1.2021

Key Implementer	Input	Date
TSG4	On-line group discussion (as an informal meeting of the TSG)	17.12.2021

The questionnaire for Managing Authorities was open from 10.1.2022 to 21.01.2022 and was addressed to the MAs of the following Programmes, 49 in total.

GREECE	ITALIA
1. COMPETITIVENESS, ENTREPRENEURSHIP, AND INNOVATION OP	2. National Operational Programme on Research and Innovation
3. TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEV. OP	4. National Operational Programme on Infrastructures and Networks
5. EMFF OP 2014-2020	6. EMFF OP 2014-2020
7. ATTICA OP	8. ROP Abruzzo ERDF
9. CONTINENTAL GREECE OP	10. ROP Basilicata ERDF
11. CRETE OP	12. ROP Calabria ERDF ESF
13. EASTERN MACEDONIA-THRACE OP	14. ROP Emilia Romagna ERDF
15. IONIAN ISLANDS OP	16. ROP Friuli Venezia Giulia ERDF
17. NORTH AEGEAN OP	18. ROP Lombardia ERDF
19. PELOPONNESUS OP	20. ROP Marche ERDF
21. SOUTH AEGEAN OP	22. ROP Molise ERDF ESF
23. THESSALY OP	24. ROP PA Bolzano ERDF
25. WESTERN GREECE OP	26. ROP PA Trento ERDF
27. WESTERN MACEDONIA OP	28. ROP Piemonte ERDF
29. CENTRAL MACEDONIA OP	30. ROP Puglia ERDF ESF
31. EPIRUS OP	32. ROP Sicilia ERDF
INTERREG	33. ROP Veneto ERDF
34. Interreg V-B Adriatic-Ionian	35. ROP Umbria ERDF
36. Interreg V-B MEDITERANEAN	CROATIA
37. Interreg V-A ITALY – CROATIA	38. Competitiveness and Cohesion OP
39. Interreg V-A Greece-Italy	40. EMFF OP 2014-2020
41. Interreg V-A ITALY – SLOVENIA	SLOVENIA
42. Interreg V-A Slovenia-Croatia	43. Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020
44. Interreg IPA CBC Croatia-Bosnia and Herzegovina-Montenegro	45. EMFF OP 2014-2020
46. Interreg IPA CBC ITALY - ALBANIA – MONTENEGRO	
47. Interreg IPA CBC GREECE – ALBANIA	
48. Interreg IPA CBC Greece-North Macedonia	
49. Interreg IPA CBC Croatia-Serbia	

15 Managing Authorities responded to the questionnaire:

- 12 Interreg CBC Programmes
- 1 Interreg TN Programme
- 1 Regional Programme (Greece)
- 1 EMFF (national) Programme

Survey Templates

Indicative list of questions/discussion points with National Coordinators

(duration 45-60 minutes)

Strategic orientation and action plan

- To which extent do you consider that the existing structure of EUSAIR reflects a common vision for the Macro-Region? How, in your view, can the common understanding be strengthened? How does the inclusion of new members affects the Strategy?
- Do you consider that the Strategy is timely in relation to the current socio-economic situation? (Especially in relation to the COVID19 pandemic, the increase in migration flows and the recent energy crisis)
- How relevant/ compatible is EUSAIR and the Action Plan with the current Priorities /Strategies of the EU such as:
 - Green Deal
 - 2030 Climate Target Plan
 - 2030 Digital Decade
 - European Skills Agenda
 - Strategy for sustainable and smart mobility
 - 2021 Enlargement package (western Balkans)
- Which of the above Priorities do you consider that should be strengthened within the framework of the EUSAIR?
- How effective do you consider the structure of the Strategy in Pillars/Topics/ Actions / Projects?
- Which of the Actions of the "revised EUSAIR Action Plan" do you consider requiring stronger cooperation and coordination and bring added value to the strategy (multiplier effects over national planning)?

Governance

- How do you assess the governance system of the Strategy? What improvements could you suggest?
- Is the support (in terms of resources and capacity) to the national coordination structures sufficient? Do you want to propose actions to improve their functioning?
- How satisfactory are the cooperation with stakeholders and the communication/ flow of information at national and sub-national levels?
- Which procedure do you think that would be most effective for future amendments/changes to the Strategy and/or the Action Plan?

Mechanism for implementation and monitoring

- How do you rate the application of "labeling" and "embedding" procedures in the ESIF/IPA Programmes or other sources of funding implemented in your country in the period 2014-2020? Are there any novelties / new practices proposed for the 2021-2027 Programming Period?
- How do you rate the coordination processes between Managing Authorities during the implementation after the "labeling" and "embedding" process?

TSG Group Discussion

(duration 60 -90 minutes)

Introductions

Presentation of discussion topics by the Evaluation Consultant

(3 -5 minutes)

Discussion Topics:

(For each topic, each participant gives an initial short reflection)

- Completeness of strategy and action plan:
Discussion on timeliness and prioritization of actions
- Embedding and labeling procedures, specific selection criteria:
Discussion on the practices followed, their uniformity and the effectiveness of their implementation.
- Cooperation with national authorities and funding bodies (managing authorities):
Discussion on the effectiveness of the mode of cooperation.

Conclusions - Proposals for improvement and modifications

Questionnaire for Managing Authorities

Evaluation of the European Union Strategy for the Adriatic and Ionian Region (EUSAIR)

Disclaimer

The European Commission is not responsible for the content of questionnaires created using the EUSurvey service - it remains the sole responsibility of the form creator and manager. The use of EUSurvey service does not imply a recommendation or endorsement, by the European Commission, of the views expressed within them.



Name of the Organisation:

100 character(s) maximum

0 out of 100 characters used.

Name:

30 character(s) maximum

0 out of 30 characters used.

Position:

50 character(s) maximum

0 out of 50 characters used.

e-mail, contact info:

50 character(s) maximum

0 out of 50 characters used.

Title of the 2014- 2020 Programme(s)*

** ETC MAs with multiple programmes should refer all relevant programmes in a single survey.*

200 character(s) maximum

0 out of 200 characters used.

Title of the 2021- 2027 Programme(s)*

** ETC MAs with multiple programmes should refer all relevant programmes in a single survey.*

200 character(s) maximum

0 out of 200 characters used.

2014 - 2021 Programming Period

Please, select the EUSAIR Topics in which the OP 2014-2020 funded relevant projects (regardless intensification by EUSAIR through labeling proc

- ☐ 1.1 – Blue technologies
- ☐ 1.2 – Fisheries and aquaculture
- ☐ 1.3 – Maritime and marine governance and services
- ☐ 2.1 – Maritime transport
- ☐ 2.2 – Intermodal connections to the hinterland
- ☐ 2.3 – Energy networks
- ☐ 3.1 – The marine environment
- ☐ 3.2 – Transnational terrestrial habitats and biodiversity
- ☐ 4.1 – Diversified tourism offer (products and services)
- ☐ 4.2 – Sustainable and responsible tourism management (innovation and quality)

Were there Priority Axes / Actions / (Trageted) Calls in the OP 2014-2020 exclusively related to EUSAIR?

- ☐ Yes
- ☐ No

If yes, please provide the title(s) and Budget(s).

	Title	Budget
1		//
2		//
3		//
4		//
5		//
6		//

Have you applied any of the following actions in favor of the EUSAIR during the implementation of the 2021-2020 Programme?

- ☐ Bonus selection criteria to proposals with high relevance with EUSAIR
- ☐ Applicability of Article 70 of the CPR
- ☐ Implementation of joint projects (except territorial cooperation), where each partner is financed by the respective national/regional instruments
- ☐ Provision of Technical Assistance for the adaptation of projects to the EUSAIR context
- ☐ Other
- ☐ None

If other, please specify:

200 character(s) maximum

0 out of 200 characters used.

Did your agency participated in any formal meeting / event regarding the implementation of EUSAIR (seminar/ webinar, workgroup etc.)? With which the following 'actors' you cooperated during those meetings?

	Never	Once or twice	Regularly
National Coordinators	☐	☐	☐
Thematic Steering Group(s)	☐	☐	☐
Facility Points	☐	☐	☐
Managing Authorities of relevant Programmes from other Countries (including IPA facilities)	☐	☐	☐
Managing Authorities of other Programmes that applied in the country (including ETC)	☐	☐	☐

Did the outcome of those meetings, influenced the implementation processes of the 2014-2020 Programme (example: launching a new call, define award criteria

- ☐ Yes
- ☐ No
- ☐ I do not Know

2021 - 2027 Programming Period

In which Specific Objectives of the (draft) 2021-2027 Programme do you recognise clear connections and synergies with Topics of EUSAIR?

- ☐ 1.i ☐ 2.ii ☐ 2.viii ☐ 4.iv
☐ 1.ii ☐ 2.iii ☐ 3.i ☐ 4.v
☐ 1.iii ☐ 2.iv ☐ 3.ii ☐ 4.vi
☐ 1.iv ☐ 2.v ☐ 4.i
☐ 1.v ☐ 2.vi ☐ 4.ii
☐ 2.i ☐ 2.vii ☐ 4.iii

The EUSAIR Action Plan contains Pillars, Topics and Actions. Which of the following are relevant to 2021-2027 Programme's Intervention Logic?

- ☐ **1. BLUE GROWTH**
☐ **1.1 Blue technologies**
☐ R&D&I platforms on green sea mobility, deep sea resources, biosecurity and bio-technologies
☐ Macro-regional cluster development
☐ Researchers mobility
☐ Improving access to finance and promoting start-ups
☐ **1.2. Fisheries and aquaculture**
☐ Scientific cooperation on fisheries and fish stocks
☐ Sustainable management of fisheries
☐ EU compliance and common standards and practices
☐ Diversification and profitability of fisheries and aquaculture
☐ R&D platform for seafood
☐ Developing skills
☐ Marketing of seafood products
☐ **1.3. Maritime and marine governance and services**
☐ Governance of maritime space
☐ Institutional capacity to harmonise standards and regulations
☐ Data and knowledge sharing
☐ Maritime skills
☐ Citizen and business awareness and involvement
☐ **2. CONNECTING THE REGION**
☐ **2.1. Maritime transport**
☐ Clustering port activities/services throughout the region
☐ Improving and harmonising traffic monitoring and management
☐ Developing ports, optimising port interfaces, infrastructures and procedures/operations
☐ **2.2. Intermodal connections to the hinterland**
☐ Developing the Western Balkans comprehensive network
☐ Improving the accessibility of the coastal areas and islands
☐ Developing motorways of the sea
☐ Railway reform
☐ Development of air transport
☐ Cross-border facilitation

- ☐ 2.3. Energy networks
 - ☐ Cross-border electricity interconnections
 - ☐ Gas pipelines
 - ☐ Support the establishment of a well-functioning electricity market
 - ☐ Remove barriers for cross-border investments
- ☐ 3. ENVIRONMENTAL QUALITY
 - ☐ 3.1. The marine environment
 - ☐ a) Threat to coastal and marine biodiversity
 - ☐ Increasing marine knowledge
 - ☐ Enhancing the network of Marine Protected Areas
 - ☐ Exchanging best practices among managing authorities of Marine Protected Areas
 - ☐ Implementing Maritime Spatial Planning and Integrated Coastal Management
 - ☐ b) Pollution of the sea
 - ☐ Implementing a life cycle approach to marine litter
 - ☐ Supporting clean-up programmes
 - ☐ Drafting and implementation of a joint contingency plan
 - ☐ Identifying hotspots
 - ☐ Ensure prioritisation of investments to reflect the contribution to reducing pollution of the sea
 - ☐ Address diffuse sources
 - ☐ 3.2. Transnational terrestrial habitats and biodiversity
 - ☐ Development of joint management plans for cross-border habitats and ecosystems
 - ☐ Joint population level management plans for large carnivores and awareness-raising activities
 - ☐ Harmonisation and enforcement of national laws
 - ☐ Protection and restoration of coastal wetland areas and karst fields
 - ☐ Awareness-raising activities on implementation and financial aspects of environmentally-friendly farming practices
- ☐ 4. SUSTAINABLE TOURISM
 - ☐ 4.1. Diversified tourism offer (products and services)
 - ☐ "Brand-building of the Adriatic-Ionian tourist products/services
 - ☐ Initiative to improve quality for sustainable tourism offer
 - ☐ Diversification of the cruise and nautical sectors and enhancement of the yachting sector
 - ☐ Sustainable tourism R&D platform on new products and services
 - ☐ Sustainable and thematic tourist routes
 - ☐ Fostering Adriatic-Ionian cultural heritage
 - ☐ Improving accessibility for Adriatic-Ionian tourism products and Services
 - ☐ Upgrade of Adriatic-Ionian tourism products
 - ☐ 4.2. Sustainable and responsible tourism management (innovation and quality)
 - ☐ Network of Sustainable Tourism businesses and clusters
 - ☐ Facilitating access to finance for new innovative tourism start-ups
 - ☐ Promoting the Region in world markets
 - ☐ Expanding the tourist season to all year-round
 - ☐ Training in vocational and entrepreneurial skills in tourism
 - ☐ Adriatic-Ionian cooperation for facilitating tourist circulation
 - ☐ Adriatic-Ionian action for more sustainable and responsible tourism

Do you expect improved coordination with and embedding of the EUSAIR in the 2021-2027 period?

- ☐ Yes
- ☐ No

If your answer was "yes", please specify how. If your answer was "no", please specify why.

Do you considering to apply any of the following practices for the embedding of the strategy in 2021-2027 period?

- ☐ Bonus selection criteria to proposals with high relevance with EUSAIR
- ☐ Applicability of Article 63 of the CPR (1060/2021)
- ☐ Implementation of joint projects (except territorial cooperation), where each partner is financed by the respective national/regional instruments
- ☐ Provision of Technical Assistance for the adaptation of projects to the EUSAIR context
- ☐ Other

If other, please specify:

200 character(s) maximum

0 out of 200 characters used.

Memo on the Evaluation of EUSAIR

Preliminary findings: issues for focusing at

The work on the Evaluation has begun quite recently; therefore, no definite findings can be put forward to be discussed and assessed for the time being. Nevertheless, certain significant issues arise from the preliminary analysis of the Strategy itself, the Action Plan, and the most relative working documents, reports, and studies. These issues will be further analyzed during the specified evaluation tasks; however they can feed, on a preliminary basis, the discussion about possible useful modifications of the Strategy or its Action Plan, because the new 2021-2027 budgeting period and the recently adopted European Policies both impose an adaptation and integration effort.

1. On the “strategy dimension” of the EUSAIR

While other MRSs are built on long lasting experiences of cooperation and on a sense of belonging, the EUSAIR has to build a shared regional identity. As a strategy, EUSAIR's core goals is to improve coordination among EU policies and programmes in a cross-sector and cross-border basis. As such, these goals cannot always be concrete and thus EUSAIR's awareness and wider acceptance are at stake throughout all its “Phase I” (build up implementation mechanisms, scope responsibilities, ensure commitments, synchronize governance levels) as it is hard to demonstrate its value added. EUSAIR is currently faced with how to successfully pass to “Phase II”, with the Strategy and its Thematic Areas having to produce tangible results and outcomes. But, as it is a “Strategy” and not a “Programme”, it would be advisable to avoid setting up very precise or ambitious objectives and targets who cannot be assured or accredited to the Strategy, due to the lack of own funding and programming tools. This issue leads to the two ensuing alternatives:

- a. How to “imperatively” link the Strategy and the Programmes (and which of them), at this stage and in the context of the provisions for the 2021-2027 budgeting period
- b. Or, to persist in a “gradual” approach and at the same time make outcomes and results clearly visible (for instance through setting interim milestones, customized to each country's or regions' capacities, instead of uniform targets) so as to create a leverage effect on stakeholders' engagement and on Thematic Areas' maturity.

2. On its territorial dimension

The EUSAIR's area is a geographical and not a functional one and is divided into distinct successive zones: coastal, mountainous, lowlands, plus its islands. There is a lack of territorial interconnections, the area is still characterized by strong disparities (institutional, social, and demographic, cultural, economic), the pattern of urbanization is polymorphic and heterogeneous (even if almost all countries have a monocentric settlement system) and there exists a variety of natural and ecological assets, levels of biodiversity, negative externalities of the growing tourism industry, and capital stock gaps. All these contribute to the fact that the internal and external challenges are differently perceived in each zone as they differently affect them, thus tentatively leading to a limited responsiveness to the Strategy so far as concrete results take long to be produced inside every zone. It is therefore advisable to investigate how a more pronounced territorial aspect could be introduced to the Strategy, in order to exploit the particular potentials of NUTS2 and NUTS3 regions and to address the territorially specific challenges. This territorial aspect could take alternative forms:

- d. Give a territorial aspect to each one of the Pillars so as they expressly take account of the heterogeneity of the regions
- e. Promoting a network of urban centers as a developmental “skeleton” and unifying element of the whole area
- f. Using the tool of the Integrated Territorial Investments within the area (ITIs could also be applicable at the level of policy / thematic areas).

3. On its internal structure

Organizing the Strategy by Pillars > Thematic Areas > Priorities > Actions > Projects is the technically sound choice; however, it differs from the internal structure of the ESIF programmes and this does not facilitate aligning with them when coming to the labeling / embedding / funding stage. A Strategy always focusses on long-term impact and short-term awareness and capacity building while a programme must be driven by results produced by outcomes. This problem could be solved by

- a. either matching at a very early stage the Thematic Areas and Priorities of the EUSAIR with the Policy Objectives and Specific Objectives of the mainstream programming
- b. or using, as an additional criterion, from the beginning and while selecting Themes, Priorities and Actions, the availability of appropriate Specific Objectives and Fields of Intervention in those mainstream programmes that are most suitable to embed the Actions and fund the projects (especially when coming to the Flagship projects).

Furthermore, a point of concern may be the numerical imbalance in projects between Pillars and topics. The on-going detailed evaluation analysis (at the level of interventions) may prove that this concern is excessive but, for the moment, the Strategy “perceived” by the local beneficiaries seems to be of one with a very large number of projects concerning the Blue Growth, some large - costly infrastructure projects in the transport and energy sectors, a few specific ones plus many ADRION projects in tourism, and projects eventually to actualize through EU managed calls. This multitude and variety of actions and projects also complicates monitoring and assessing of targets, a task that becomes even harder when targets are ambitious or too general or when having to deal with cross-cutting issues.

4. On funding the EUSAIR and aligning with ESIFs

The effectiveness of the strategy’s implementation is linked to the way EUSAIR member countries secure funding opportunities. Till now, ADRION has been the funding source for the EUSAIR projects but the post-2020 programming cycle represents an important opportunity to reassess and address the funding / implementation challenges identified.

Synergies with ETC and CBC programmes are essential, as both can support coordination of activities across borders, provide compatible frameworks and financing opportunities. However, they are limited in their scope: ADRION funds are usually available for “soft” actions and cannot be applied to more costly projects and CBC programmes in general involve only two or three partner countries with a limited impact on the macro-region overall. Experience from the EUSBSR where synergies were created around a specific topic rather than project, might be of value.

New provisions stipulate that consistency with EUSAIR needs to be ensured in the PAs and the OPs and that projects relevant to EUSAIR’s thematic Pillars should be implemented; however, there is at the moment no explicit guidance as to how to incorporate EUSAIR in the implementation stage. Of great importance are some of the OECD’s recommendations, especially those regarding the identification of large scale and/or significant projects that can address macro-regional challenges and produce multiplier effects by reviewing projects proposed and selecting flagship projects, the establishment of consistent homogeneous criteria for EUSAIR projects in line with the national strategic priorities, the introduction of early funding tools (like in EUSDR), the use of macro-regional transnational criteria into the evaluation of national projects, etc. Need for large scale projects is identified mostly in Pillar 2 in which eligibility issues regarding certain type of investments should be discussed regarding their effect on the Strategy.

5. On its links with the enlargement process and the new European policies

The EUSAIR presents a number of assets in support of the enlargement process (horizontal cooperation, regional dimension, capacity-building approach, inclusive approach) and identifies two cross-cutting issues: (a)

capacity-building for efficient implementation and for raising public awareness and support; (b) research and innovation to boost high-skilled employment, growth, and competitiveness, and cooperation within transnational networks. A list of EUSAIR flagship projects to be embedded into the IPA/ESIF programming documents has been finalized.

Ensuring links and greater alignment between EUSAIR and other EU as well as national and cross-border policies is important. In its current version, the Strategy needs an enrichment with clear and operationally viable links with European policies such as the Green Deal (including Climate targets and new Sustainable Blue Economy approach), the RIS3, the European Skills Agenda, Digital Compass, and funding instruments such as REACT EU, the Just Transition Fund and, of course, the Recovery plan for Europe and its programming arm, the RRF. If the current approach of linking project proposals to other EU programming arrangements for funding and implementation is to work, making the most of such complementarities is fundamental, although it poses additional coordination challenges.

Particularly regarding the dominant Pillar 1, connection between Blue Growth and RIS should be recognized in order to link research, innovation and business opportunities in blue economy with regional capacities and to connect Blue Growth with other dominant sectors of the Macro-Region such as Agri-food, Health and Tourism. European Green Deal also prioritizes the sustainability of the blue economy and fisheries sectors (Environment and Oceans), the secure and affordable EU energy supply, a fully integrated, interconnected, and digitalized energy market, the food security in the face of climate change and biodiversity loss, the promotion of healthy oceans, seas, coastal and inland waters (Green Mission of Horizon). Moreover, Digital Compass prioritizes digital transformation of business, public services, digital infrastructure and digital skills and professionals, with ambitious targets requiring focusing of resources and capacities. There is therefore a question whether and how the above logic of twin transition, “digital” and “energy”, will be integrated in the EUSAIR. In general, it would be advisable to assess the advantages of choosing either cross-cutting policy issues in the Strategy or Topics specific to the parallel policies.

B. Short presentation of the Evaluation main findings



Evaluation of the European Union Strategy for the Adriatic and Ionian Region (EUSAIR)

Governing Board
2 March 2022



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Key information for the Evaluation Contract

Signed on 30th July 2021

Contractor **Project4**
cooperation development

Evaluation questions

1. Evaluation of the EUSAIR as a macro-regional strategy in its 5 years of its existence
 - Is the existing Action Plan appropriate and sufficient to support the EUSAIR's strategic objectives?
 - What is the scope for improvement in terms of its effectiveness and suitability?
2. Evaluation of implementation mechanisms
 - Is the existing labelling system appropriate and sufficient to support the EUSAIR's strategic objectives and implementation?
 - What is the room for improvement towards better integration of EUSAIR priorities into all possible sources of funding?
3. Evaluation of the EUSAIR's operating mechanism and governance system
 - Which workflows and processes among the key players of the Strategy worked well in ensuring the added value of the strategy?
 - What are the success factors or the necessary conditions for effective implementation?
 - Which workflows and processes among the key actors need to be improved or reorganized in order to ensure smooth and efficient implementation processes



2

Evaluation Methodology and limitations

EUSAIR particularities:

- it is a strategy not a programme
- it doesn't have committed funds,
- it doesn't have institutionalized authorities

Mixed approach

1. extensive desk research:

- in-depth review of documents, reports, studies, regulations regarding Macroregional Strategies and relevant EU Policies and Programmes
- quantitative analyses of socioeconomic data of the Adriatic-Ionian Macroregion
- analysis of EUSAIR monitoring data

2. extensive field surveys

- in-depth interviews with EUSAIR Governing Board Members,
- group discussions with Thematic Steering Groups members
- questionnaires to Managing Authorities



3

Evaluation Findings – Strategy level

EUSAIR has yet to build a shared regional identity

Main achievement: the emergence of an environment of dialogue, collaboration and understanding among the countries and their representatives in the EUSAIR bodies

Main common understanding of its role: the preparation and support to the non-EU-member states to adapt to the EU acquis

Main shortcomings:

- not clear and operational links with European policies (Green Deal, Digital Compass, RIS3, European Skills Agenda, REACT EU, Just Transition Fund, RRF)
- absence of Social-oriented topics
- Action plan with extensive list of indicative actions and projects but no prioritization/focus/planning

The strategy orientation and the selection of the main policy areas to be addressed are considered adequate and broad enough to accommodate updates of the strategic priorities and targets of the EU



4

Evaluation Findings – Implementation level

Labelling:

- seen as a starting point for the creation of implementation mechanisms
- different approaches across TSGs/Pillars
- lack of follow-up/actual results, unable to create “inter-programme” coordination

Embedding:

- different perspective in each TSG/Pillar in defining flagships
- different “target groups” for each Pillar (ETC, National, Regional Programmes)
- delivery of results rests on MAs

Monitoring:

- uneven indicators in each pillar, system lacks coherence
- lack of a comprehensive framework to attribute results to Strategy



5

Evaluation Findings – Governance

Structure:

- appropriate to accommodate the needs of the new phase of EUSAIR
- TSGs work and understanding have matured – need to enhance inter-pillar cooperation
- Limited involvement of EU Services – need for improved coordination with DG NEAR

Stakeholders:

- Low participation levels
- Low response / cooperation / interest by MAs (especially from Regional and National Programmes).



6

Evaluation Recommendations – Strategy level

EUSAIR targets and objectives could be linked more cohesively to targets of EU priorities

Aligning the EU programming frameworks and EUSAIR so that (as there are no provisions to incorporate EUSAIR in the implementation stage) objectives should be aligned; this is much so in the case of non-EU member countries with the Indicative Strategy Papers (ISP) and IPA II assistance documents

Enhanced coordination and matching with specific chapters of the acquis

Synergies with ETC and Cross-Border Cooperation to be enhanced, i.e., through coordinated monitoring

Building strategic synergies around common topics.

Stronger incentives to tie in with national planning documents (links between national strategies and macro-regional identified ex post)



7

Evaluation Recommendations – Strategy level

Investigate a more pronounced territorial aspect of the Strategy:

- a. Give a territorial aspect to each one of the Pillars so as they expressly take account of the heterogeneity of the territorial units
- b. Promote a network of urban centers as a developmental "blueprint" and unifying element of the whole area
- c. Use the tool of the Integrated Territorial Investments within the area



8

Evaluation Recommendations – Implementation level

Activate the “rolling” feature of the Action Plan:

- revise in regular intervals, at least in tandem with the Multi-annual Financial Framework of the EU
- reflect the work and progress made in the implementation level by the TSGs

Define a coherent system of indicators based on the Common Indicators of the ESIF with a common methodology for all Pillars and aligned with clear strategy objectives. This will also enable a better link with the financial sources.

Use of a rationale from projects to macro-processes, expanding on the flagships experience and focusing on few priorities/actions with a strategic character, clear expectations, added value and multiplier effects

Coordination of calls for proposals on embedded priorities i.e. through the establishment of the Network of MAs



9

Evaluation Recommendations – Governance

Standardization of the TSGs working methodologies, to support them in delivering “chains of projects” and “project to policy loops”.

Create new roles in the TSGs for smoother implementation.

Criteria-based appointment of TSG members

Clarify TSG mandate and responsibilities

Appropriate arrangements for the active involvement of MAs and DG Services

Political backing of the TSGs and their members from their home institutions.

Clear communication to line ministries (or other participating institutions) of the commitment and expectations from their participation/representation in the TSGs,



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