

ESP Newsletter – Autumn 2020



Dear EUSAIR colleagues,

We invite you to take a look at the main events that have taken place in Adriatic Ionian region since Autumn 2020 and get inspired with the ideas all countries have contributed to.

Yours,

ESP Facility Point partnership

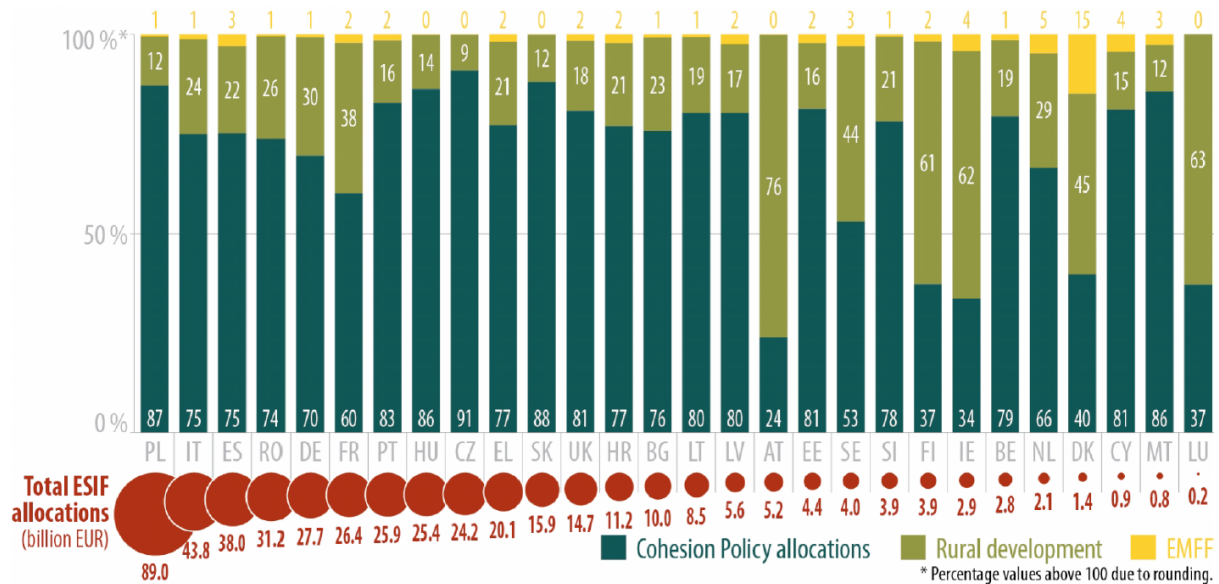
THE EMBEDDING PROCESS: THE NEXT BIG THING

The making of contemporary Europe is based on a method, still valid and trusted, introduced since the very beginning of the journey, namely when the European Coal and Steel Community (ECSC) was created in 1951. For any given issue, member countries harmonize national and common interests to adopt policies, implemented through mechanisms and rules, which can secure benefits to everyone. That was the method inspiring the ECSC; the method that defines the work of the EU institutions; the method that has shaped the Adriatic-Ionian cooperation since it sailed, twenty years ago.

During this period, the countries of the basin have boosted cooperation up. Eventually, this led the EU Commission to adopt the EUSAIR in 2014. The Strategy is still a work in progress, but now the so-called embedding process can turn expectations into tangible programs. «The embedding process means aligning EU funding resources toward macro-regional actions», explained in [our previous newsletter](#) Ambassador Fabio Pigliapoco, Senior Advisor at the Adriatic-Ionian Initiative, the EUSAIR political steering body.

In recent months, the EUSAIR key implementers got together and defined key flagships for the four pillars of the Strategy, to be embedded into existing EU financial programmes (worth noting that a macro-region cannot be funded by ad hoc financial patterns). The [European structural and investment funds \(ESIF\)](#), the widest EU financial programme, tops the list of potential funding schemes. The ESIF budget, made of EU State members' individual contributions (the richest States are net contributors), ensures that Europe's poorer regions get most of the financial support, although each European region is eligible to receive funds. Based on the principle of solidarity, the ESIF aims at reducing economic and social gaps in the EU.

Figure 1: Total ESIF allocations 2014-20 (€ billion, current prices)



Note: Cohesion Policy allocations include: ERDF, ESF, CF and YEI (Youth Employment Initiative)

Source: [European Commission](#)

ESIF allocations in 2013-2020 (European Parliamentary Research Service)

The next budget will span from 2021 to 2027. Europe's member states and institutions are still negotiating the ESIF. Talks are tough, more than usual, but hopefully a final agreement will come out. The 2021-2027 cycle, to which the Recovery Fund is tied, is expected to be larger than that of the previous period (2014-2020), which totaled 640 billion Euro.

Only EU members can access the ESIF. Thus, since the EUSAIR is participated by non-EU members too (Serbia, Bosnia and Herzegovina, Montenegro, Albania and North Macedonia), the embedding process must also seek other EU funding sources, namely the Instrument for Pre-Accession Assistance (IPA), which follows the ESIF cycle. The whole amount could reach up to 15 billion Euro.

While waiting for the end of the ESIF and IPA budgetary procedures, the aim of the current newsletter is telling the process that has led to the definition of the flagships tailored to achieve the EUSAIR goals. It is the fundamental step to activate the embedding process. Let's report basic facts that pillar coordinators told us.



Blue Growth

Flagships

Coordinators:

Greece, Montenegro

F1 - Fostering quadruple helix ties in the fields of marine technologies and blue biotechnologies for advancing innovation in blue bio-economy.

F2 - Promoting sustainability, diversification and competitiveness in the fisheries and aquaculture sectors through education, research & development, administrative, technological and marketing actions.

F3 - Bolstering capacity building and efficient coordination of planning and local development activities for improving marine and maritime governance and blue growth services.

[See more here](#)

Defining flagships has been an opportunity to assess common challenges in the AI Region, Irene Tzouramani says.

«The definition of the flagships is a process that has gradually developed since the Strategy has been adopted. In 2016, the Thematic Steering Group for Pillar 1 (TSG 1) outlined, according to the participating countries' inputs, the priorities for Blue Growth based on the EUSAIR Action Plan», Irene Tzouramani, the recently appointed Greek pillar coordinator, tells after having consulted with her predecessor, Sofia Loukmidou, and the EU Funds National coordinator, Ioannis Firbas.

In 2019, the priorities set in 2016 had to be updated ahead of the 2021-2027 ESIF cycle and all other possible funding sources. «In April 2019, the TSG 1 unveiled the revised priorities, yet the Governing Board, due to disagreements, asked us for elaborating further on the priorities and to define up to two specific flagships», Irene Tzouramani explains. Three flagships were agreed in the end. Tzouramani points out that «the flagships reflect “overarching” priorities that are the result of proposals deriving from ministries, regions, research institutes and universities, but also from issues discussed during conferences and round tables». The whole process represented «an opportunity to assess advantages, weaknesses, opportunities, threats and needs in the Adriatic-Ionian region, on any specific topic», the pillar coordinator stresses.

Each country of the EUSAIR used its own method to consult with national stakeholders, yet flagships are a final, shared agreement mediated in the Strategy. What's more, «the fact that some of the TSG members also participate to the EU Strategy for the Alpine Region (EUSALP) and the EU

Strategy for the Danube Region (EUSDR) gives them the opportunity to use already tried and tested methods», Irene Tzouramani notes.

As for the funding process, the main two sources will be ESIF and IPA, but other opportunities can be investigated. The overall aim is developing «a coherent synergetic/complementary implementation of specific types of projects in each country, leading to a larger transnational project with a visible multiplier effect in the Adriatic-Ionian Region», Irene Tzouramani states.



Connecting the Region

Flagships

Coordinators:

Italy, Serbia, North Macedonia

F1 - Developing an interconnected and integrated transportation system in the Adriatic-Ionian region aligning with EU objectives of more connected, greener and low-carbon Europe.

F2 - Developing an integrated power system and electricity market in the Adriatic-Ionian Region, complying with the abovementioned European goals.

F3 - Developing an integrated natural gas system and market in the Adriatic-Ionian Region, complying with the abovementioned European goals.

F4 - Developing a small-scale direct LNG use to contribute to a more secure, competitive and sustainable energy system through the Adriatic-Ionian Region.

[See more here](#)

We need a mix of hard and soft investments for our projects, Pierluigi Coppola argues.

Professor Pierluigi Coppola, EUSAIR coordinator for Pillar 2 (Transport sub-group) is not going to unveil, at this stage, the flagship projects that the nine EUSAIR countries have agreed upon, although they have already been defined and put down on paper. Rather, he is willing to explain the process involved in reaching what has been an unanimous decision. «It wasn't difficult, we haven't had that many discussions or disagreements, it was quite a smooth process», he confides.

«First we focused on strategic priorities for connecting the Adriatic-Ionian Region to develop competitive, seamless, intermodal connections for freight and passenger transport and to develop the maritime connections among the ports of the Adriatic and Ionian seas – he explains – Secondly we identified the

multimodal corridors alongside the TEN-T network extension to South East Europe, aiming at strengthening North-South and East-West relations in the region».

This is a challenge, consistent with national priorities and with EU objectives of a more connected, greener and low carbon Europe, Policy Objective 3.

«Our contribution to the embedding process – Coppola adds – distinguishes between macro-regional priorities and flagship pilot projects, in the attempt to contribute both to mainstream and ETC (European Territorial Cooperation) 2021-2027 programmes. In fact, we have considered big infrastructures, both physical and digital, that require ‘hard’ investments, that could be funded, for instance, by ESIF, IPA and or National Funds, but also ‘soft’ measures that include lean projects (e.g. cycling routes), innovative and digital solutions (e.g. to streamline cross-border connections) and other actions that could be of interest of ETC programmes to promote environmental-friendly transport, increase capacity and cooperation among countries within the Region».

This approach would allow to combine structural investment funds available to EU countries, Italy, Greece, Slovenia and Croatia, with pre-accession financial instruments for candidate countries or potential candidate countries, like Serbia, Montenegro, Bosnia and Herzegovina, Albania and North Macedonia.

To Sergio Garribba, the EU’s financial institutions could fund the priorities of the Energy sub-group.

The Energy Networks sub-group of Pillar 2 sailed more troubled waters than the Transport sub-group in finding a common course to streamline the flagship projects. Two of the coordinators, Serbia’s Energy Deputy Minister Mirjana Filipovic and Professor Sergio Garribba, tried at first to mostly align EUSAIR priorities in the energy field with the European Green Deal, namely decarbonization, recycling, renewables and hydrogen. But some of the non-EU countries, one in particular, raised objections, arguing that these topics were politically sensitive and needed to be discussed at a different level, that is by the governments involved.

«So we sought a compromise and went back to the three main issues the sub-group is committed to, which constitute the backbone of a carbon-neutral Europe – professor Garribba explains –. The first is the development of an integrated energy network in the Adriatic-Ionic Region, including and expanding existing local projects. The second is to implement the construction throughout the Region of a network of natural gas pipelines, East-West and North-South, with flows going both ways. Gas is the best available alternative to oil to take us through the transition to cleaner energies. The third issue, largely shared by the nine countries, is the creation of the distribution infrastructures of natural liquid gas, both for heating and transport purposes, for port and terrestrial logistics».

On these goals, the nine countries have found a common understanding and have reunited. Of course, as professor Garribba underlines, these projects require an enormous amount of investments, in the range of the tens of billions rather than the tens of millions. «In order to be able to finance both EU and non-EU countries networks, we have an ongoing dialogue with the

European Investment Bank and with the European Reconstruction and Development Bank to be able to financially sustain these plans», he concludes.

These issues do have a strategic significance for the Region, but we must keep in mind that the EU is going to finance only de-carbonizing infrastructures and projects and that natural gas is a fossil fuel so at the end the gas pipeline network will not be embedded in the 2021-2027 budget.



Environmental Quality

Flagships

Coordinators:

Slovenia, Bosnia and Herzegovina

1 - Implementation of the Adriatic-Ionian Sub/regional Oil spill contingency plan

2 - Protection and enhancement of natural terrestrial habitats and ecosystems.

3 - Promotion of sustainable growth of the Adriatic-Ionian region by implementing Integrated Coastal Zone Management (ICZM) and Marine Spatial Planning (MSP) as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area.

[See more here](#)

Mitja Bricelj recalls a series of trips that were crucial to shape the flagships.

«First consensus about priority issues/actions/ideas was reached in the sixth meeting of the Thematic Steering Group for Pillar 3 (TSG 3) under the EU Strategy for the Adriatic and Ionian Region, held on 23-24 March 2017 in Zagreb», the Slovenian pillar coordinator, Mitja Bricelj, tells. Subsequently, the priorities have been reviewed, updated and refined throughout workshops and other meetings, until it was reached an agreement on the three flagships recently approved.

In 2019, in order to shape the three flagships with accuracy, Mr. Bricelj embarked with Iztok Škerlič, a representative of the EUSAIR Facility Point, in a series of visits to important institutions. On February 5, they went to Split to meet with representatives of the Priority Actions Programme Regional Activity Centre in Split, which assists the implementation of the Integrated Planning Component of the Mediterranean Action Plan adopted in Barcelona in 1975. Talks focused on the Integrated Coastal Zone Management (ICZM) and the Marine Spatial

Planning (MSP). Just few days later, Bricelj and Škerlić went to Malta to meet representatives of the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea, a structure advising Mediterranean coastal States to enforce actions aimed at preventing or responding scenarios marked by pollution from ships. «The meeting was crucial to outline the Adriatic-Ionian Sub/regional Oil spill contingency plan», Bricelj stresses, adding that the third flagship, Protection and enhancement of natural terrestrial habitats and ecosystems, was further developed during the All roundtable held in Belgrade on December 17, 2019.

The pillar coordinator clarifies that national interests and macro-regional priorities were harmonized through «a special matrix method, welcomed by the EU Commission, the EUSAIR Governing Board and Italian representatives, for coordinating content priorities with other sectors, TSGs and among countries». Furthermore, «during this process we cooperated and exchanged experiences with other European macro-regions, especially with representatives of the EU Strategy for the Baltic Sea Region». Adopted by the Commission in 2009, it is the first macro-regional strategy in the EU.

Business operators and civil society have been involved in the process, too. «They were asked for outlining proposals during the preparatory phase. For each flagship, there have been several events organized with the purpose to raise awareness of relevant stakeholders and to identify and present project ideas», Bricelj reports. He strongly emphasizes that the way to the adoption of the flagships has been key to «build trust and unified sense of ownership, to learning from each other and create synergies» that can boost the sense of common challenges and shared identity between the Adriatic-Ionian countries.

As for the embedding process, Bricelj argues that «it could ensure that the higher percentage of approved projects have macro-regional value», thus surmounting the gap between countries that can get the ESIF and countries that can receive the IPA only. In connection with this, he notices that the ESIF draft regulatory framework for the period 2021-2027 «allows EU member states to extend to non-EU member states plans and activities in the context of macro-regional strategies».



Sustainable Tourism

Flagships

Coordinators:

Croatia, Albania

F1 – Cultural Routes: creating innovative and diversified tourism products; supporting the development of cycling, walking/hiking and sailing routes.

F2 – CulTourAir: establishment of a unified and harmonized methodological framework to monitor cultural tourism demand characteristics.

F3 – Des_Air: establishing a Master program on tourism management, hospitality and services, sharing the same

methodologies and approaches.

F4 – Crusair: promotion and support to the development of special interest tourism connected with cruising, both seaside and continental (rivers, lakes), and other niche tourism forms (MICE, rural, alternative tourism, etc.); expanding the tourist season to all-year round

F5 – Green Mapping for the Adriatic-Ionian Region: creating a measuring, mapping, managing, marketing and monitoring system that should be implemented for all the EUSAIR countries through a unique ICT system.

[See more here](#)

The Catania Declaration gave the impetus, then we stepped in. Blanka Belošević speaks.

We start the discussion with Blanka Belošević, the Croat coordinator of Pillar 4, from the embedding process, namely on how to balance the gap between the EUSAIR countries that benefit from the ESIF and those that can absorb only the IPA. «This is something we tried to signal every time we had a meeting of the Governing Board with the involvement of the Directorate-General for Neighborhood and Enlargement Negotiations (DG NEAR). Pre-accession funds are rather small as compared with funds available to EU Member states», Blanka Belošević notices. However, «if projects will be first developed as macro-regional projects, using European territorial Cooperation funding, the knowledge produced that way could be implemented later on nationally or in some cross-border cooperation projects».

Concerning the road to the definition of the flagships, Blanka Belošević recalls the importance of the [Catania Declaration](#), adopted by the Adriatic and Ionian Council/EUSAIR Ministerial Meeting on May 24, 2018. The document sustained a strong EU Cohesion Policy and a reinforced support in the new programming period 2021-2027 to the EUSAIR, as well as called national authorities for mapping coherence frameworks of public investment and all ESIF and IPA co-funded programmes with the EUSAIR priorities and objectives. «Since the Catania Declaration, the process that led to the proposed embedding of the flagships projects lasted approximately two years, but the actual involvement of TSG4 members took about a year and was intensely discussed during our 10th, 11th and 12th TSG 4 meetings», the pillar coordinator says.

With regard to the method through which ideas stimulating the flagships have emerged, she says that each country has followed its own scheme, thus the TSG 4 «has always stressed the importance of engaging in a dialogue with their national coordinators and all the managing authorities in their respective countries».

As for the five projects picked up in the end, Blanka Belošević refers to Flagship 2, called CulTourAir, as a good example of how a brilliant idea has been turned into a flagship. «This idea, aimed at developing a methodology for analyzing and monitoring cultural tourism, was proposed as a flagship after it was presented by the Institute for Tourism (Zagreb) at the Adriatic and Ionian

ESP Marche Region

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