

# Implementing Multi-Level Governance in the Baltic Sea Region

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*Photo: Centennial Hall in Wrocław/Poland, Stefanie Lange Scherbenske*



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## Preface

This report has been written by Stefanie Lange Scherbenske and Lisa Hörnström at Nordregio commissioned by Region Västerbotten, The Regional Council in Kalmar County and Baltic Sea NGO Network as the Horizontal Action (HA) leaders for HA INVOLVE under the European Strategy for the Baltic Sea Region (EUSBSR) and the Action Plan and has been financed by the Swedish Agency for Economic and Regional Growth.

HA INVOLVE has previously produced three reports:

- Multi-level governance in the European Union Strategy for the Baltic Sea Region - An Actors Mapping Perspective by Sandrine Moretti, Region Västerbotten
- Actors implementing the EUSBSR by Jan Martinsson, The Regional Council in Kalmar County
- Stakeholders in the EUSBSR by Jan Martinsson, The Regional Council in Kalmar County.

The reports can be found at HA INVOLVE website: <http://groupspaces.com/eusbsr-governance/>.

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***The illustrative examples reflect the authors understanding of the project activities.***



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# 1 Introduction

This report is targeted to:

- Actors in the Baltic Sea Region (BSR) interested in Territorial Cooperation projects and multi-level governance (MLG),
- Potential project leaders, project partners and associated partners,
- Priority Area Coordinators and Horizontal Action Leaders and
- Shall be an inspiration to those who have not yet been working in Territorial Cooperation projects and/or with the concept of multi-level governance.

The purpose of this report is to operationalize the concept of multi-level governance, to exemplify how it has been implemented in BSR projects and to inspire future projects under the EU Strategy for the Baltic Sea Region (EUSBSR)<sup>1</sup>.

As one of the Horizontal Actions (HA) under the EUSBSR, HA INVOLVE aims to strengthen multi-level governance. This means deepening the dialogue between actors at all levels of governance in the BSR when tackling future problems and challenges. The HA INVOLVE stresses the need of involvement of relevant actors, namely European Commission, national ministries and authorities, local and regional authorities, macro-regional organisations, civil society, business and academia for the successful implementation of the EUSBSR. Especially projects and measures listed in the Action Plan require involvement across levels and sectors. HA INVOLVE seeks to develop methods that ensure involvement of relevant actors and thus implement multi-level governance in the BSR. The HA INVOLVE is coordinated by Region Västerbotten, the Regional Council in Kalmar County as well as the Baltic Sea NGO Network.

In order to understand how and to what extent multi-level governance has been addressed in the implementation of the EUSBSR, Nordregio has been commissioned by the HA INVOLVE leaders to elaborate on the concept of multi-level governance and study a number of projects under the Baltic Sea Region Programme.

This report presents the outcome of the study and includes 1) a theoretical approach to the concept of MLG; 2) an outline of the formal government structures and recent reforms in the BSR countries; 3) a qualitative study of nine selected projects in the BSR including illustrative examples; 4) some distilled lessons learned from the project analysis and finally 5) recommendations for better integration of MLG in the implementation of the EUSBSR and its Action Plan.

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<sup>1</sup> As the EU's first macro-region in 2009, the BSR strives for closer cooperation between the Member States. The EU Strategy for the Baltic Sea Region (EUSBSR) provides an Action Plan for the BSR addressing issues concerning the marine environment, prosperity, transport and energy, safety and security. As the strategy makes no provisions for new institutions, funding, instruments or regulations, its role is rather as an integrated framework by which to utilize existing structures, institutions and actions – many of these in the form of projects funded by the Baltic Sea Region Programme 2007-2013. The strategy stresses the need for coordinated actions under three overall objectives (save the sea, connect the region and increase prosperity), 17 priority areas and five horizontal actions. The accompanied Action Plan identifies responsibilities of the main implementing actors and encourages cooperation with external partners in the region, in particular Russia (COM 2013).

## 2 Developing a framework for Multi-Level Governance

In 1995, Ostrom stated “...it is almost impossible to imagine a single institutional arrangement sufficiently complex to obtain scientific and local information and respond adaptably to changing ecological systems over time”<sup>2</sup>. Since then multi-level governance has become a key concept in addressing various EU policies. This includes in particular the EU 2020 Strategy<sup>3</sup> as well as, for instance, the implementation of the Action Plan for the EU Strategy for the Baltic Sea Region<sup>4</sup>.

The concept of multi-level governance has been extensively defined and used both in research literature as well as in policy documents. In this section, we will make an attempt to condense a limited selection of research literature and policy documents in order to identify some major characteristics of multi-level governance.

### 2.1 Theoretical background

The concept of (multi-level) governance focuses in particular on the shift from government to governance. In simple terms, government refers to the dominance of State power organised through formal and hierarchical public sector agencies and bureaucratic procedures, while governance refers to the emergence of overlapping and complex relationships, involving ‘new actors’ external to the political arena<sup>5</sup>. In other words, *government* designates the formal political structures, the legislative system and the institutions that make up the organisation of a specific government. *Governance* involves both formal and informal structures and relationships. In this light, *governance* can be defined as the capacity for collective action that involves a broad range of actors and institutions as well as informal and formal activities at different administrative levels<sup>6</sup>.

(Multi-level) governance is a concept that has been used to understand the system of nested relationships among primarily governmental levels within the EU. The initial focus of the concept was to depict the role that supranational EU institutions play together with the national state in policy-making. This was largely entwined in the policy and academic debate of the early 1990s on European integration and inter-governmentalism.

One perspective on multi-level governance frequently referred to is the distinction by Hooghe and Marks<sup>7</sup> between two types of multi-level governance: Multi-level governance Type I refers to general purpose territorial jurisdictions arranged in a hierarchical way with clear boundaries between a limited number of levels and multi-level governance Type II refers to a complex system of overlapping jurisdictions with unclear boundaries between an unlimited number of levels. Multi-level governance Type I is strongly related to territorial borders and jurisdictions linked in a hierarchical way but, it is often claimed, that there is no completely perfect scale to address spatial issues in an increasingly networked society. Under the Type II model, on the

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<sup>2</sup> Ostrom, 1995, p. 43

<sup>3</sup> COM, 2010

<sup>4</sup> COM, 2013

<sup>5</sup> Painter and Goodwin 1995

<sup>6</sup> Marks, 1993

<sup>7</sup> Hooghe and Marks, 2003

other hand, it is not the jurisdictional borders that determine governance arrangements but the problem or issue at stake, which is very much related to the individual characteristics of a specific place.

When looking closely at how the concept of (multi-level) governance is being used, we can easily distinguish two general approaches:

1) As a **conceptual tool** in order to describe and capture essential characteristics of (multi-level) governance: e.g. questions such as who is involved (who is not), who is collaborating with whom, what is actually governed (governance of what and for what?)

2) As a **normative concept**: this includes the expectation that (multi-level) governance can help to improve the achievement of certain political or societal goals (e.g. climate change response). This means a number of expectations are linked to the concept of (multi-level) governance as regards to better involve and engage different actors and institutions at different administrative levels in the policy processes for instance, to better safeguard democratic legitimacy and accountability, to improve transparency and the integration of policy sectors etc. At the EU level, for instance, the 'place-based approach' as defined in the Barca Report<sup>8</sup> strives for 'good' governance through cooperation and dialogue among all stakeholders. A strong adaptive capacity is considered as a critical factor in addressing the EU 2020 Strategy. In the White Paper on Governance<sup>9</sup> five principles for 'good' governance are outlined: openness, participation, accountability, effectiveness and coherence of policymaking. Thus, governance as a normative concept is about increasing openness, participation and effectiveness by policy processes based on dialogue where citizens as well as stakeholders' organisations such as business organisations and NGOs take part in an active way. Governance as a normative concept also includes an increased role of civil society actors.

## 2.2 Elements of Multi-Level Governance

In our analysis we have used the concept of multi-level governance (MLG) predominantly as an analytical tool in order to identify MLG characteristics.

The applied method for studying the projects is rooted in the working definition of territorial governance and guidelines for case studies developed in the ESPON TANGO (Territorial Approaches for New Governance) project<sup>10</sup>. For the purpose of this study we have operationalized the concept of MLG through three major elements (see figure 1).

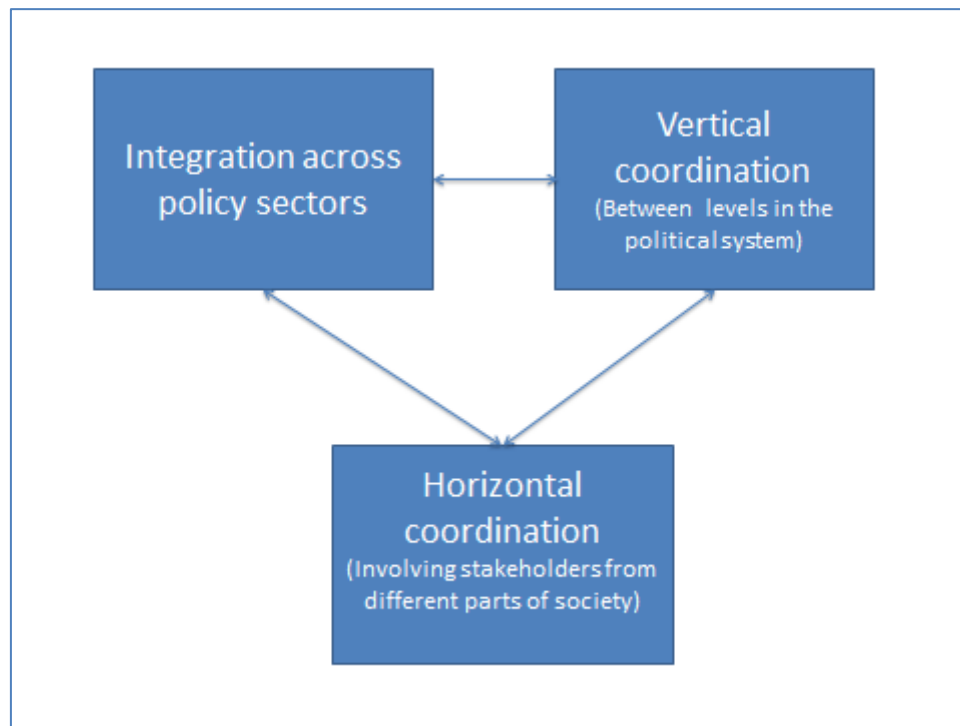
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<sup>8</sup> Barca Report, 2009

<sup>9</sup> COM, 2001

<sup>10</sup> ESPON TANGO, 2013

Figure 1: Elements of multi-level governance



- 1) Integration across different policy sectors: Projects generally address initiatives focusing on different policy sectors. Just to take one example, “innovation projects” may address economic, research and education policy but also other policy fields may be concerned.
- 2) Vertical coordination: Here we look at the relations between the different levels (local, regional, national, European) in the political system represented in the specific project and/or case study.
- 3) Horizontal coordination: It is important to keep in mind that MLG is not only touching upon the vertical relations between actors within the formal political systems but also the *horizontal* relations in society as a whole. It is often crucial for successful preparation and implementation of different policies to involve stakeholders from different parts of society such as business, NGOs etc.

Following the structure of the major elements we have identified a couple of questions that have guided us through the study:

- To what extent and how are different policy sectors integrated in the projects?
- How do actors in the projects deal with potential conflicts between the sectors?
- Which levels are represented in the project/case study? What are their roles in the project/case?
- How do the actors at different levels coordinate their work?
- What organizations (business, NGOs etc.) are involved in the project/case study? What are their roles in the project/case?
- How do the actors representing different interests coordinate their work?



The identification of MLG characteristics has been done by reviewing the projects websites and if available project publications such as project reports and case study reports etc. Based on the projects selected, MLG characteristics are studied both on project level (Did the project address MLG explicitly? If yes, how? If not, to what extent is MLG inherent in the project/theme of the project? Can MLG characteristics be derived from the implementation of the project?), and on case study level (Did the case studies in the project address MLG explicitly? If yes, how? If not, what kinds of MLG characteristics can be seen from the case study implementation?).

In addition to the review of documents available at the project websites we discussed with project partners during the 4<sup>th</sup> Annual Forum of the EU Strategy for the Baltic Sea Region, 11-12 November 2013 in Vilnius and performed complementary telephone interviews with project leaders in November 2013.

### 3 Formal governmental structures in the Baltic Sea Region countries

In order to provide a better understanding of the conditions and dynamics of multi-level governance (MLG) in the implementation of the EUSBSR we need to understand the formal framework (government) within which the stakeholders act. In this chapter, an overview of the formal structures of the Baltic Sea Region countries is given. It also gives a short description on the most recent administrative reforms in the BSR countries (see also Annex 1).

**Denmark** has a three-layer government structure; state, regional and local level but it is important to underline that there is no hierarchical relation between regional and local level. In 2007, an extensive reform of the subnational government was implemented. 271 municipalities were reduced to 98 and the 14 county councils (*amt*) were abolished and replaced by 5 new administrative regions. The new regional units are directly elected, but do not have the right to raise taxes (the old county councils had taxation right). The main responsibility of the new regions is health care but they also have influence over regional development issues through the Growth Fora involving public and private actors to identify the challenges and opportunities for growth within each region. In the reform process, several tasks such as secondary education and environmental issues were transferred from regional level, either to the state or to the municipalities. Thus, there has actually been a *de facto* weakening of the regional level in Denmark<sup>11</sup>.

In **Estonia**, local government consists of 227 municipalities which are directly elected for 4-year periods. The Estonian municipalities are relatively large in comparison to other countries in Eastern and Central Europe, the mean number of inhabitants is 6000. As for the intermediary regional level, the Local Government Act of 1993 abolished the county councils and they were replaced by general purpose regional offices of county governor<sup>12</sup>.

**Finland** has a two-layer government structure, the state level and the local level. There is no formal directly elected intermediary regional level but municipalities are organized in different

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<sup>11</sup> Lindqvist, M. (ed.), 2010

<sup>12</sup> Sootla, G. and Kattai, K., 2011



joint municipal cooperations responsible for education, health care and regional development issues. These joint municipal cooperations do not have taxation right. In recent years, the number of municipalities has been reduced in Finland with the intention to create a larger critical mass of citizens (the goal was a minimum of 20 000 inhabitants per municipality) primarily to be able to provide better welfare services. The state administration on regional level has also been reformed in Finland. In 2010, the 6 provincial offices and other administrative state bodies on regional level were abolished and replaced by two new types of authorities; 15 Centres for Economic Development, Transport and the Environment and six Regional State Administrative Agencies<sup>13</sup>.

Unlike what is the case for all the other BSR countries only a limited area in **Germany** is part of the BSR region. Germany is also different from the other countries when it comes to state form, since it is a federal state. The German *Länder* have their own legislation and the governmental and administrative systems also differ between the *Länder*.

In **Latvia** the subnational government was reformed in 2009 and it resulted in a reduction of the number of municipalities to 118. The municipalities are headed by a directly elected council. In the same reform the district self-governments (intermediary level) were abolished.

**Lithuania** has 60 municipalities varying in size from 2400 to 550 000 inhabitants (Vilnius). The number of functions to the municipalities increased heavily between 2000 and 2008. This meant that the municipalities received additional national funding, but at the same time it also led to reduction of the share of the municipal budget that municipalities could decide upon<sup>14</sup>.

**Norway** has also a three-layer governmental system but as for Denmark it is important to note that there is no hierarchical relation between regional and local level. At regional level, the county councils (*fylkeskommuner*) are directly elected and responsible for dental care, road systems, regional development and international issues. Before a reform in 2002 the county councils were also responsible for health care but it is today organized in a number of state-steered 'health regions'. The left-centre government of 2005 launched a regional reform with the goal to abolish the county councils and replace them by larger administrative regions. This reform failed and there was only a slight change in the responsibilities of the county councils. Norway has more than 400 municipalities and 55% of the municipalities have fewer than 5 000 inhabitants<sup>15</sup>.

**Poland** has three layers of subnational administration: 2 478 municipalities, 315 counties (plus 65 cities with county status) and 16 regions. The municipalities are responsible for primary education, local public transports, communal housing, local spatial planning etc. The counties have functions such as health care, social services, county roads, labour offices, various inspections etc. On the regional level, there is a dual system with directly elected self-governmental institutions and governors appointed on national level. As is the case for most other former communist states, the EU adhesion of 2004 fundamentally changed the

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<sup>13</sup> Lindqvist, M. (ed.), 2010; Hörnström, L., 2010

<sup>14</sup> Vaiciuneien, J. and Nefas, S., 2011

<sup>15</sup> Baldersheim, H. and Rose, L., 2011

environment for Polish subnational government. It implied a new balance of political power between the different layers of government<sup>16</sup>.

**Sweden** has a three-layer governmental system, state level, regional level and local level but just like in Denmark and Norway there is no hierarchical relation between regional and local level. At regional level, the county councils (landsting) are directly elected and in charge of health care public transport and in some cases cultural and regional development issues. A reform was launched in 2007 proposing to replace the county councils by 5-8 larger administrative regions. Partly due to difficulties to agree on the geographical borders of these regions and to the lack of engagement from the national level, this reform has not been realized. In a majority of counties in Sweden, regional development issues have been transferred from the county administration boards (the state representative in the counties) to regional councils that are cooperations between municipalities in the counties. Two counties, Skåne and Västra Götaland, have directly elected regional assemblies responsible for health care, public transport, culture and regional development issues. In just a few counties, the county administration boards are still in charge of regional development issues. Thus, currently, Sweden has a de facto “asymmetrical” system when it comes to the governmental structure on regional level<sup>17</sup>.

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<sup>16</sup> Swianiewicz, P., 2011

<sup>17</sup> Hörnström, L., 2013

Map 1: The countries of the Baltic Sea Region



## 4 Study on Multi-Level Governance in Baltic Sea Region projects

The aim of the study was to identify and analyse examples and characteristics of multi-level governance (MLG) in a selected number of projects funded under the Baltic Sea Region Programme 2007-2013 and others. Specifically it has been investigated *to what extent* and *how* actors at different levels and sectors are involved in these projects or through case studies that have emerged from them. Based on a review initially conducted by Ottoson Consulting, nine projects were selected for the study (see table 1) in order to present a variety in terms of countries, partners, themes and MLG aspects. The following criteria were applied:

- The projects' implementation is finalized or at least in a final stage
- The three objectives of the EUSBSR are thematically represented,
- The lead partners represent different Baltic Sea Region countries,
- The project partners represent both vertical and horizontal actors,
- The projects address multi-level governance and involve pan-Baltic actors.

Thus the study does not necessarily represent the overall situation in BSR projects. As such these projects represent examples of MLG work and can be an inspiration for other projects interested in taking a MLG perspective.

Table 1: Selected projects

| Objectives in EUSBSR | Theme                      | Selected project                               | Lead partner   | Programme (Project duration)            |
|----------------------|----------------------------|--|--|---|
| Save the sea         | Integrated maritime policy | <b>PartiSEApate</b>                            | Maritime Institute Gdansk (Poland)                             | Baltic Sea Region Programme (2012-2014) |
|                      | Water management           | <b>MOMENT</b>                                  | The Regional Council in Kalmar County (Sweden)                 | South Baltic Programme (2009-2012)      |
|                      | Nutrification              | <b>Baltic Deal</b> ( <i>Flagship project</i> ) | Latvian Rural Advisory and Training Centre (Latvia)            | Baltic Sea Region Programme (2010-2013) |
| Connect the region   | Transport                  | <b>BSR Trans Governance</b>                    | Region Blekinge (Sweden)                                       | Baltic Sea Region Programme (2009-2012) |
|                      | Regional development       | <b>NEW BRIDGES</b>                             | Union of the Baltic Cities Commission on Environment (Finland) | Baltic Sea Region Programme (2009-2012) |
|                      | Sustainable development    | <b>Ecovillages</b> ( <i>Flagship project</i> ) | Lithuanian Institute of Agrarian Economics (Lithuania)         | Baltic Sea Region Programme (2010-2013) |
| Increase prosperity  | Innovation                 | <b>StarDust</b> ( <i>Flagship project</i> )    | VINNOVA (Sweden)   | Baltic Sea Region Programme (2010-2013) |
|                      | Climate change adaptation  | <b>Baltadapt</b> ( <i>Flagship project</i> )   | Danish Meteorological Institute (Denmark)                      | Baltic Sea Region Programme (2010-2013) |
|                      | Demography                 | <b>Best Agers</b>                              | Academy of Economics Schleswig-Holstein (Germany)              | Baltic Sea Region Programme (2009-2012) |

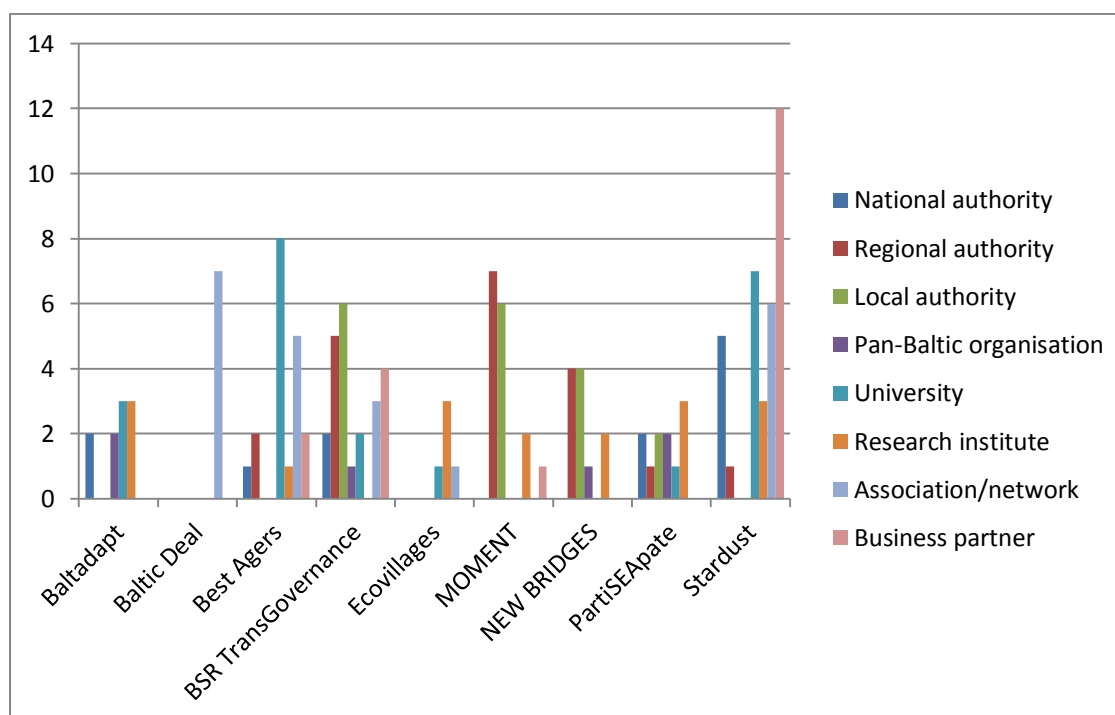
## 4.1 Multi-Level Governance

The report depicts illustrative examples from the projects in order to illustrate how MLG as such or its elements (policy integration, vertical coordination and horizontal coordination) have been addressed. We have chosen to concentrate on describing *how* it has been done rather than to identify good or best practice examples (however one does not rule out the other). This reflects the fact that MLG is case and context sensitive, i.e. MLG characteristics need to respond to the theme, aim and scope of the project at hand and might only be transferable to a limited extent<sup>18</sup>.

Eight projects receive funding from the Baltic Sea Region Programme 2007-2013. The MOMENT project is funded under the South Baltic Region Programme 2007-2013. The lead partner organisations represent: Sweden, Denmark, Lithuania, Germany, Finland, Latvia and Poland. The partner consortia are diverse in terms of number of partners (ranging from 5 to 34 partners), partner institutions and countries involved.

Generally, there is a variety of actors involved in the projects representing multi levels of government and governance; e.g. pan-Baltic organisations, research and education, associations and business (see figure 2). All BSR member states are represented in the partner consortia. Even partners from Norway and United Kingdom are involved whereas Russia is not represented. Swedish local and regional authorities are the biggest group of project partners involved in the selected projects.

Figure 2: Partner institutions per project



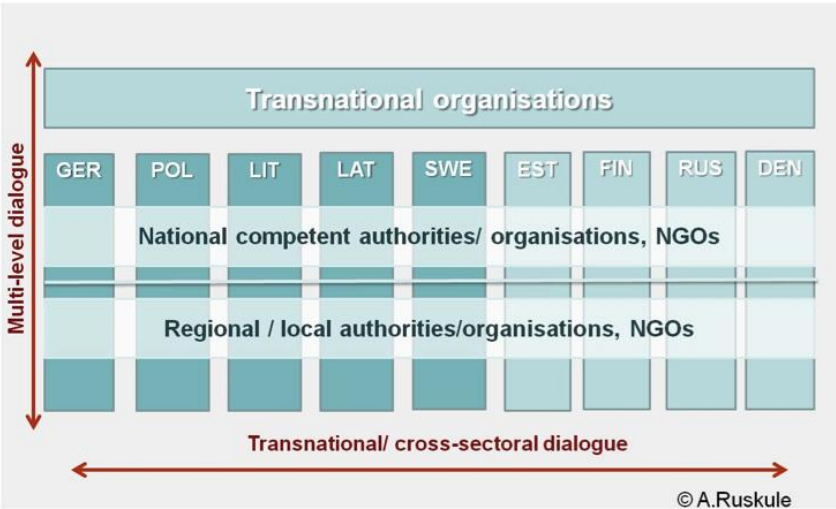
<sup>18</sup> ESPON TANGO, forthcoming

The projects differ substantially in number of partners, budget, institutions involved and objectives. The knowledge about MLG among lead partners differs as well. This fact leads to different preconditions as to how and to what extent the concept of multi-level governance (MLG) can be and has been addressed. Two projects (PartiSEApate, BSR TransGovernance) address MLG explicitly, i.e. (multi-level) governance is part of the title and/or appears in connection with the aim and theme of the project and/or is used as a tool in the project (see box 1). Seven projects address MLG implicitly, i.e. MLG as such is not in the focus of the project but has been tackled either on project or case study level when working towards the actual aim of the project/case study.

Box 1: Illustrative example for multi-level governance

The PartiSEApate project (Multi-level governance in Maritime Spatial Planning throughout the Baltic Sea Region) aims “to develop a pan-Baltic approach to topics whose spatial dimension transcends national borders”. In this regard, PartiSEApate focuses on a **multi-level stakeholder involvement approach** and involves actors vertically (transnational, national and regional level) and horizontally (sector representatives, researchers) from all BSR countries including Norway and Russia. Figure 3 indicates the stakeholder involvement approach in PartiSEApate that is implemented through stakeholder workshops.

Figure 3: Pan-Baltic Stakeholder Engagement for Maritime Spatial Planning<sup>19</sup>



## 4.2 Policy integration

While all projects focus on at least one policy sector (e.g. transport, agriculture, water management) a number of projects aim at policy integration, however in different ways. Some projects focus on integration *between levels* within one policy sector. For instance, the BSR TransGovernance project aims at aligning transport policies adopted at different administrative levels. Another example is the MOMENT project which helps to integrate the EU Water

<sup>19</sup> Retrieved from <http://www.partiseapate.eu>

Framework Directive and the HELCOM Baltic Sea Action Plan into water management at local and regional level.

A few projects are aiming at policy integration *between sectors*. The NEW BRIDGES project for instance looked at the concept of quality of life in city-regions and tried to integrate urban and rural planning policies. A number of projects (e.g. BSR TransGovernance, Stardust and Best Agers) try to integrate the business perspective into project activities that focus on e.g. transport, innovation and demography. Meetings play an important role not only in dealing with potential conflicts between sectors but also in recognizing potential mutual interests and synergies. Cross-sectoral working group meetings were organized e.g. in the NEW BRIDGES project in order to involve stakeholders representing different sectors and to find integrated solutions.

Another example is the PartiSEApate project that applies Maritime Spatial Planning as a tool that can help to integrate *sector specific interests* on transnational level. The BSR TransGovernance project initiated demonstration showcases testing transport policy integration between (e.g. national, regional) and implementation at different levels (macro, meso, micro) as well as transnationally (corridor). Sector specific workshops (e.g. tourism and agriculture) were organized e.g. in the Baltadapt project in order to integrate *sectors specific perspectives* on impacts of climate change into the BSR Climate Change Adaptation Strategy rather than integration between sectors.

The project Best Agers *recognizes differences* in labour market policies between countries by making country-specific recommendations. The need of policy integration in order to successfully tackle the challenges ahead is often an outcome of the projects (e.g. policy recommendations in NEW BRIDGES and Best Agers). All projects contribute to the implementation of EU policy, especially the EU Strategy for the Baltic Sea Region.

Box 2 describes *how* policy integration has been done in different projects and provides examples of possible methods and tools that can be applied.

#### Box 2: Illustrative examples for policy integration

A **matrix approach** was chosen in the Ecovillages project in order to identify synergies between different policy sectors such as environment, agriculture, education and business. The matrix also supported project partners in identifying actors/institutions who are relevant when it comes to sustainable rural development. Besides, the project formulated policy recommendations that were presented at EU level when the Rural Development Plan 2014-2020 was designed. The project also developed policy recommendations adapted to national circumstances.

In order to integrate different sectorial interests, the PartiSEApate project organized **workshops** for stakeholders representing eight sectors: shipping/port development, offshore wind energy, cultural heritage/tourism, mariculture/new uses of marine resources, research/environmental protection, climate change and data network building. Here stakeholders from all levels and all BSR countries, scientists and practitioners were invited. At



the workshops stakeholders were asked to indicate to which sector(s) they want to talk to. According to that and observations made by the project partners concerning gaps and synergies, cross-sectoral workshops will be organized. Besides sectoral stakeholders even national authorities and NGOs participate. The project established and uses a database collecting contact details of relevant stakeholders to be able to invite them accordingly. The final product of the project is a proposal for a governance model for Maritime Spatial Planning (MSP) which will be presented by VASAB<sup>20</sup> to national authorities responsible for planning/MSP.

Integrating sector specific interests into the BSR Climate Change Adaptation Strategy was the approach chosen in the Baltadapt project. That was done by organizing separate stakeholder dialogues with stakeholders from the tourism and agriculture sector and by elaborating **impact assessment reports** concerning climate change impacts on e.g. fisheries, infrastructure and coastal tourism<sup>21</sup>. By applying different involvement methods such as focus group and feedback rounds by questionnaire, sector specific interests influenced the content of strategy.

### 4.3 Vertical coordination

On project level (formal project consortium), the involvement of institutions representing the national, regional and local levels is rather diverse and depending on the theme, aim and scope of the respective project. Also the availability of partners when establishing the partner consortium plays an important role. Figure 4 gives a simple overview of the institutions representing the national, regional, local and pan-Baltic level per project.

Projects with a clear focus on MLG (BSR TransGovernance and PartiSEApate) involve institutions representing the national, regional and local level. Transport as such is a multi-level governance issue. Transport in the BSR is a multi-level governance/transnational/cross-border issue addressing not only EU Member States but also Russia and Norway. The BSR TransGovernance project responds to this fact by involving partners from BSR countries representing the local, regional and national level in its project consortium. The project furthermore builds upon previous projects (e.g. TransBaltic project), initiatives (e.g. Baltic Transport Outlook 2030) and existing networks (e.g. Northern dimension partnership on transport and logistics). Concrete showcases<sup>22</sup> are initiated to trigger involvement from *national* state organizations responsible for transport.

Two projects (Baltic Deal and Ecovillages) focus on sector specific actors in the first place and involve representatives from the formal political system as associated partners or through dissemination activities. Pan-Baltic organisations are represented in four out of nine projects. They play an important role for vertical coordination as link between local/regional levels and the national level (e.g. CBSS/Baltic 21 in Baltadapt and VASAB in PartiSEApate). As intergovernmental organisations their networks consist of national authorities – a group that is generally only to limited extent involved at project and case study level in projects activities.

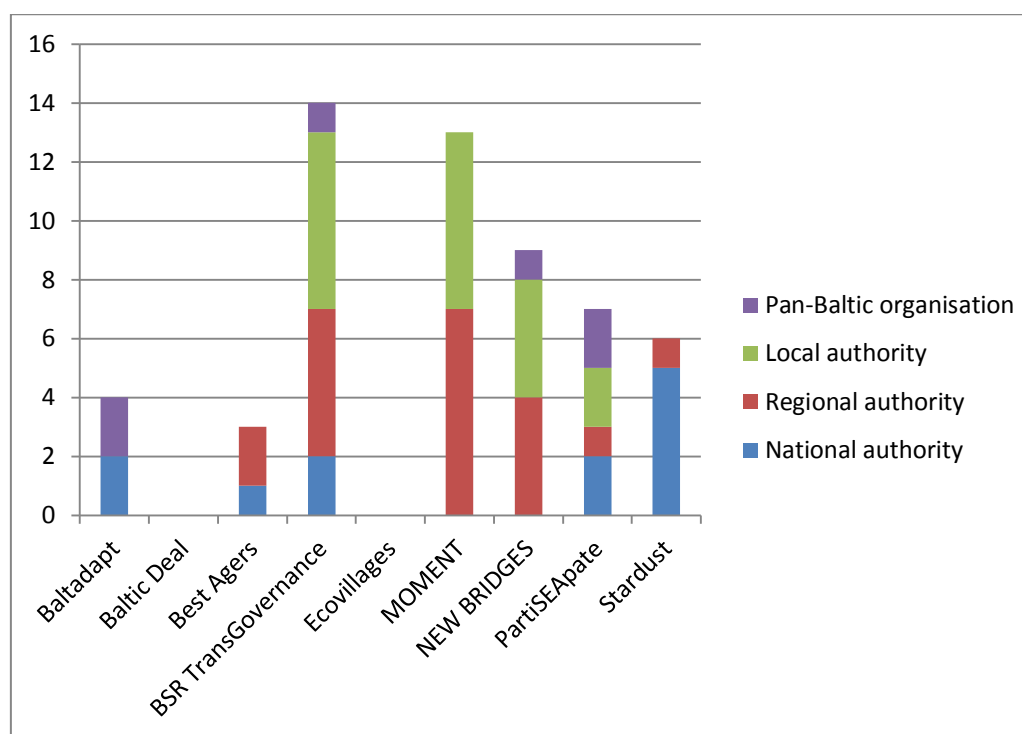
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<sup>20</sup> VASAB is an intergovernmental multilateral co-operation of 11 countries of the Baltic Sea Region in spatial planning and development.

<sup>21</sup> Baltadapt Report, 2012: The report are available at: <http://www.baltadapt.eu>

<sup>22</sup> Work in progress.

Figure 4: Institutions representing national, regional, local and pan-Baltic levels per project



Box 3 introduces some more examples on how vertical coordination can be facilitated.

### Box 3: Illustrative examples for vertical coordination

A **transnational network of local and regional stakeholders** has been suggested a possible way of uniting interests and powers in order to influence decision-making within transport at higher levels (national and EU). According to a study done during the BSR TransGovernance project, the network creates a platform for exchange and learning among its members. It facilitates coordination of interests along transport corridors (across administrative borders) which enables local and regional stakeholders to get involved in decision processes taking place at national and EU levels e.g. concerning long distance infrastructure investments. A formalized structure of the network ensures commitment and sustainability (e.g. in the form of an association, European Grouping of Territorial Cooperation, EGTC<sup>23</sup>)<sup>24</sup>.

The MOMENT project pursues a **bottom-up approach** to the implementation of the EU Water Framework Directive. In pilot areas (e.g. along a river basin), project partners (e.g. local and regional actors such as municipalities) initiate, coordinate and facilitate Water User Partnerships (WUPs). Depending on the respective circumstances in the countries, different actors e.g. authorities, NGOs, companies, land users and universities got involved in the pilot areas (horizontal coordination). Based on the pilot areas, WUPs are established and locally anchored. A detailed description of the pilot area (e.g. concerning water quality) leads to a local

<sup>23</sup> Further reading on EGTC: <https://portal.cor.europa.eu/egtc>

<sup>24</sup> Szydarowski & Tallberg, 2013

programme of measures. Throughout this process, project partners work closely together with politicians and public authorities at regional and national level as well as with HELCOM<sup>25</sup> (vertical coordination).

Farmer advisory organizations and farmer unions are the main partner in the Baltic Deal project. Depending on the country, there are either private or public institutions working at national or regional level. In any way they play an important role in terms of both setting the agenda and informing and teaching farmers. The Baltic Deal project was initiated by the private sector (farmers) through the **advisory organisations** in order to tackle the issue of nutrient losses from agriculture and eutrophication in the Baltic Sea. In this respect the farmer advisory organizations fulfill various functions. They are e.g. the voice for the farmers towards the national level (e.g. ministries) and knowledge provider (e.g. concerning tools and measures) for the farmers. In that way, the project reached ca. 2500 farmers in the BSR and raised awareness for measures such as soil analysis (very important tool when working efficiently with nutrients). The Baltic Deal project illustrates as well how to involve actors from different parts of society (horizontal coordination), in this case the private sector: farmers.

#### 4.4 Horizontal coordination

All projects have partners representing other parts of society (see figure 5). Four projects formally involve a Non-Governmental Organization (NGO) or a non-profit networking organization (Baltadapt, Best Agers, BSR TransGovernance and PartiSEApate). In most cases, their task is to mobilize members to get involved in the activities of the respective project. Associations are mainly involved in projects that aim at a specific target group and/or sector and function as a kind of interest group, advisor, knowledge provider and/or moderator.

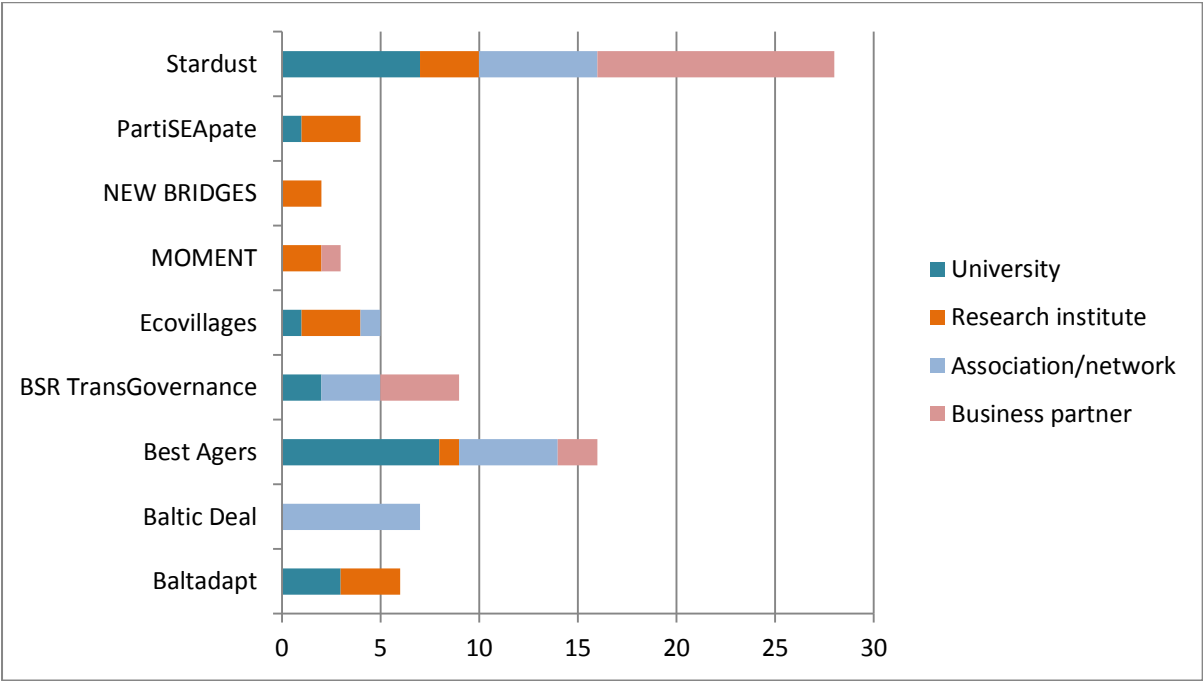
Four projects (Stardust, MOMENT, BSR TransGovernance and Best Agers) involve project partners representing the business sector. Universities and research institutes are partners in six projects. Their role is to provide research input and education on the topic discussed (e.g. on impacts of climate change in Baltadapt, agriculture and rural development in Ecovillages). Universities and research institutes also play an important role in projects with Triple Helix approach, i.e. a collaboration of partners from public, business and research (Stardust, MOMENT and Best Agers).

Case studies are an important part of the projects in order to reach beyond the project consortium and involve actors from other parts of society. Stakeholder involvement processes as inherent in almost all projects provide a platform for involving actors from outside the project consortium. Meetings (of all kinds) seem to be important in this respect and allow project partners to facilitate coordination between actors representing different interests. Some projects (e.g. NEW BRIDGES, Best Agers and MOMENT) involve the general public in order to integrate their perspectives, expertise and local knowledge into project activities. Box 4 gives some examples on how this has been done.

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<sup>25</sup> Baltic Marine Environment Protection Commission – Helsinki Commission

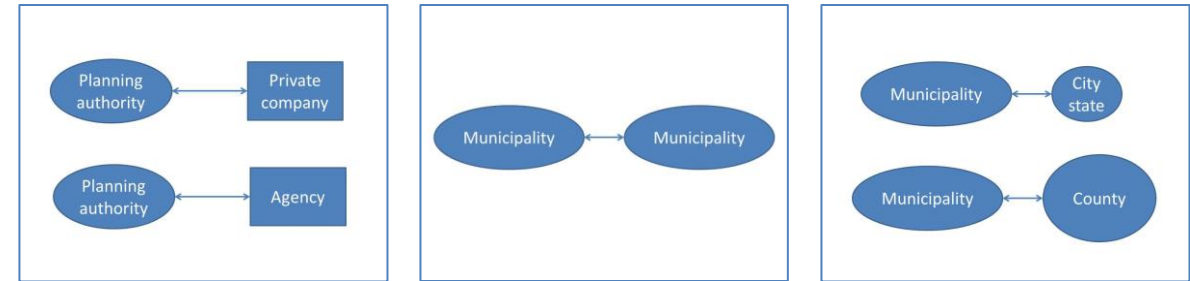
Figure 5: Institutions representing research, association/network and business per project.



Box 4: Illustrative examples for horizontal coordination

The collaboration with other municipalities and private companies was established through **pilot actions** as developed in the NEW BRIDGES project. An example for such a pilot action is the development of a cycling network covering the area of Kaunas city *and* Kaunas district municipality. Based on the concept of quality of life and its three key elements: residential preferences, mobility and accessibility as well as provision of services, project partners identified pilot actions to be implemented in city-regions. By identifying, organizing and implementing the pilot actions, local and regional planning authorities (as project partners) reached out to e.g. private companies (across sectors), inhabitants and actors from other municipalities (beyond administrative borders) (see figure 5).

Figure 5: Horizontal cooperation in NEW BRIDGES<sup>26</sup>



<sup>26</sup> Lange & Kahila, 2012

Through **pilot seminars and initiatives** concerning e.g. labour market and employment in the light of demographic change, the Best Agers project involved small- and medium sized enterprises (SMEs) in project activities. In this respect it was essential to have project partners onboard who have good contact to business partners such as e.g. Academy of Economics and Chamber of Commerce. Also the themes of the seminars being close to SME's daily business and challenges such as succession and human resource management were an important factor. Having the focus on people aged 55 and older ("Best Agers"), the Best Agers project also reached individuals who got involved in project activities by working as e.g. business consultant. The project also established networks (matching portals) in which "Best Agers" and SME's can meet.

A tool for the development of **partnerships within and between clusters and networks** has been developed within and published by the Stardust project. The guidelines for partner search and matchmaking<sup>27</sup> are built upon a model that involves partner search, initial meetings, first phase of collaboration and provides information on cooperation platforms, tools and services used.

## 4.5 Conclusions

The study shows that the three major elements and numerous further characteristics of multi-level governance (MLG) have been integrated in BSR projects. There are a number of examples (see chapters 4.1-4.4) illustrating how projects address MLG as such and its elements, namely policy integration, vertical and horizontal coordination.

Looking at policy integration, projects address this quite differently. Some projects focus on policy integration between levels, whereas others work towards policy integration between sectors. However, projects do often not explicitly describe how they do policy integration. This might have different reasons, e.g.: policy integration is not prioritized in the project implementation, other policies/policy sectors are not considered or deemed relevant, policies are contradictory ("zero sum game") which makes it difficult or impossible to integrate policies and/or project partners lack knowledge and tools on why and how to do policy integration.

Vertical coordination depends to a large extent on the governmental structure in the respective country whereas horizontal coordination is influenced by local, political and cultural circumstances. Formal responsibilities might be distributed differently and there might be differences in the political culture. Projects take this into account.

Usually project partners know quite well who is formally responsible on local, regional or national level in the respective country and concerning the respective theme. However in some cases there is lack of interest among actors representing the governmental system (e.g. politicians/authorities). This might have different reasons, e.g. limited resources, other priorities at the political agenda or it lies within the history of transnational cooperation projects being invented for regional actors to meet without the national level necessarily involved. Since -

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<sup>27</sup> Available at: <http://www.bsrstars.se/wp-content/uploads/2012/10/Stardust-guidelines-partner-search-and-collaboration-development1.pdf>

sooner or later - political commitment and support (legally, financially) by public authorities is required, it can hamper the implementation of project activities and results.

Pan-Baltic organisations function as important link between the local/regional levels and the national level. As intergovernmental organisations they have good contacts to national authorities and provide a communication channel. On the other hand, the projects deliver important results that can be presented to respective authorities at national level by the pan-Baltic organisations. Also associations and networks gather common interests and powers and try to influence decision- and policy-making processes at national and EU level.

Pilot actions, initiatives, showcases and partnerships etc. are practical examples where actors cooperate vertically and horizontally. Thus projects provide an important platform for discussions, exchange, learning and creation of partnerships involving actors from the formal political systems as well as from other parts of society.

## 5 Recommendations

There is not one MLG-model that fits all. MLG is case and context sensitive, i.e. depending on the theme, aim and scope of each particular project. Thus elements and characteristics of MLG need to be considered in an early stage of project development and adapted to the project setting. As shown in this analysis, elements and characteristics of MLG are already being addressed in the projects, but their further implementation could be addressed more explicitly and undertaken in a more structured way by:

- Getting to know the concept of MLG (see chapter 2.1).
- Paying more attention to the concept of MLG and specifically its elements: policy integration, vertical and horizontal coordination (see chapter 2.2).
- Becoming acquainted with the various handbooks and guides on 'good' multi-level or territorial governance in order to learn more about qualitative aspects of governance (e.g. ESPON TANGO handbook<sup>28</sup>). These resources might help to better identify: What are promoters (or even inhibitors) of 'good' (multi-level) governance?
- Taking MLG into account already during the application phase and from the very beginning of the project.
- Being aware of the fact that there is no MLG-model for all as MLG is depending on theme, aim and scope of the project at hand.
- Allocating more resources (time, awareness) to MLG.
- Contacting HALs INVOLVE and/or an institution with MLG experience.
- Getting inspired by others (see chapters 4.1-4.4).
- Mainstreaming MLG into the structure of the project (in partner consortium, associated partners, case study activities target group, etc.).
- Applying MLG in order to find the "right" partners at the "right" levels (see table 3).

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<sup>28</sup> ESPON TANGO forthcoming (will be made available at [espon.eu](http://espon.eu))

Table 3: How to find the “right” partners at the “right” levels? Four steps towards MLG in BSR projects

|   |
|---|
| <b>1. Theme of the project (Governance for what?)</b>   |
| <ul style="list-style-type: none"> <li>• What is the problem/issue/theme of the project?</li> <li>• Get to know the formal governmental structure in the respective country/ies concerning the theme (see chapter 2).</li> <li>• Who is responsible for the theme and taking decisions?</li> <li>• Which policies are involved?</li> <li>• Which sectors are involved?</li> </ul>   |
| <b>2. Aim of the project (Governance with whom?)</b>  |
| <ul style="list-style-type: none"> <li>• Whose input is needed?</li> <li>• Who has the knowledge needed?</li> <li>• Who is able to discuss the topic? Who has a stake in this?</li> <li>• Who is representing the different policy sectors?</li> <li>• Who is responsible for management?</li> <li>• Who is needed for implementation?</li> <li>• Who is legitimated to take decisions?</li> </ul>  |
| <b>3. Target group of the project (Governance for whom?)</b>  |
| <ul style="list-style-type: none"> <li>• General public (e.g. inhabitants, citizens, interest groups)</li> <li>• Policy makers (e.g. authority members at local, regional, national and EU level)</li> <li>• Practitioners (e.g. authority members, regional planners)</li> <li>• Decision makers (e.g. politicians)</li> <li>• Scientists and researchers</li> <li>• Associations</li> <li>• Non-governmental organizations, pan-Baltic organizations</li> <li>• Sector specific actors</li> <li>• Others</li> </ul> |
| <b>4. Practicalities (Governance in practice!)</b>  |
| <ul style="list-style-type: none"> <li>• Who is eligible?</li> <li>• Who should become partner (own budget in the project)?</li> <li>• Who should become associated partner?</li> <li>• Who should be involved through case studies, sub-projects, pilot areas or show cases (e.g. practice)?</li> <li>• Who should be involved in meetings and conferences (e.g. dissemination)?</li> </ul>  |
| <i>NB: Step 2 and 3 can address the same persons.</i>   |



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### Project websites

|                     |  |   |
|---------------------|--|---|
| Baltadapt           | Baltic Sea Region Climate Change Adaptation Strategy   | <a href="http://www.baltadapt.eu/">http://www.baltadapt.eu/</a>                   |
| Baltic Deal         | Putting best agricultural practices into practice  | <a href="http://www.balticdeal.eu/">http://www.balticdeal.eu/</a>                 |
| Best Agers          | Using the knowledge and experience of professionals in their primes to foster business and skills development in the Baltic Sea Region | <a href="http://www.best-agers-project.eu/">http://www.best-agers-project.eu/</a> |
| BSR TransGovernance | MLG support to the implementation of PA 11 in the EU Baltic Sea Strategy   | <a href="http://www.transgovernance.eu/">http://www.transgovernance.eu/</a>       |
| Ecovillages         | For sustainable rural development  | <a href="http://www.balticecovillages.eu/">http://www.balticecovillages.eu/</a>   |
| MOMENT              | Modern water management  | <a href="http://www.momentproject.eu/">http://www.momentproject.eu/</a>           |
| NEW BRIDGES         | Strengthening of Quality of Life through Improved Management of Urban Rural Interaction  | <a href="http://www.urbanrural.net">http://www.urbanrural.net</a>                 |
| PartiSEApate        | Multi-level governance in Maritime Spatial Planning throughout the Baltic Sea Region   | <a href="http://www.partiseapate.eu/">http://www.partiseapate.eu/</a>             |
| Stardust            | The Strategic Project on Trans-national Commercial Activities in Research & Innovation, Clusters and in SME-Networks                   | <a href="http://www.bsrstars.se/stardust/">http://www.bsrstars.se/stardust/</a>   |

*All websites have been accessed between September and November 2013.*

### Other links

|                                       |   |
|---------------------------------------|---|
| Baltic Sea Region Programme 2007-2013 | <a href="http://eu.baltic.net/">http://eu.baltic.net/</a>   |
| ESPN                                  | <a href="http://www.espon.eu">http://www.espon.eu</a>   |
| ESPN TANGO                            | <a href="http://www.espon.eu/tango.html">http://www.espon.eu/tango.html</a>                       |
| EUSBSR                                | <a href="http://groupspaces.com/EUSBSR/">http://groupspaces.com/EUSBSR/</a>                       |
| HA INVOLVE                            | <a href="http://groupspaces.com/eusbsr-governance/">http://groupspaces.com/eusbsr-governance/</a> |

## Annex 1

Matrix on formal government structures

| Country        | State form    | Subnational level  |   | Association of local and regional authorities on national level       | Recent reforms of subnational government   |
|----------------|---------------|--|---|---|--|
|                |               | Regional/county  | Local   |   |  |
| <b>Denmark</b> | unitary state | <b>5 regions</b> (directly elected)                            | <b>98 municipalities</b>  | Association of Danish Regions<br><br>Association of Local Authorities | In the reform of 2007 14 county councils were replaced by 5 regions and the number of municipalities was reduced from 271 to 98. |
| <b>Estonia</b> | unitary state | Management of services are concentrated to 4 regional centres. | <b>227 municipalities</b> , mean number of inhabitants: 6005. Local councils elected on a proportional basis for a 4-year period. Mayor appointed by the council. Local Government Act defines in detail rights and responsibilities of local councils. | Local Government Association's Cooperation Council                    | In 1993 the county councils were abolished and replaced by general purpose regional offices of county governor                   |

|                  |               |  |  |  |  |
|------------------|---------------|--|--|--|--|
| <b>Finland</b>   | unitary state | <b>19 regional councils</b> (indirectly elected), and other joint municipal authorities.<br>Åland has a special status as “autonomous region” within Finland.  | <b>320 municipalities</b> (reduced from 415 to 320 from 2008 to 2013)  | Association of Local Authorities   | In 2010, the administrative state bodies on regional level were abolished and replaced by two new types of authorities |
| <b>Germany</b>   | federal state | <b>16 Länder (States): 323 counties</b>  | <b>12 312 municipalities</b>   |  |  |
| <b>Latvia</b>    | unitary state | District self-governments were abolished in the reform of 2009   | <b>118 municipalities</b> (after a reform in 2009), headed by a directly elected council   |  |  |
| <b>Lithuania</b> | unitary state |  | <b>60 municipalities</b> ; vary in size from 2400 to 550 000 inhabitants   | Association of Local Authorities   |  |
| <b>Norway</b>    | unitary state | <b>19 county councils</b> , directly elected: upper secondary schools, regional physical planning, county roads. <b>Subregional councils (regionråd)</b> : intermunicipal organisations. <b>19 county governors</b> (state office at regional level) | <b>431 municipalities</b>  | Kommunenes Sentralforbund (KS) -   |  |
| <b>Poland</b>    | unitary state | <b>315 counties</b> ; county government functions: secondary education, health care, county roads, social services, labour offices, natural disasters protection, land surveying, various inspections such as sanitary, building. <b>16 regions</b>  | <b>2 478 municipalities</b> (including 65 cities of powiat status), mean number of inhabitants: 16 000 Local government functions: primary education, water, waste collection, local parks, local public transports, communal housing, fire brigades, social services, local | Association of Polish Regions; Association of Polish Counties ; Union of Polish Metropolises; Association of Polish Cities; Union of Small |  |

|               |               |   |                           |   |  |
|---------------|---------------|---|---------------------------|---|--|
|               |               |   | spatial planning.         | Towns;<br>Association of<br>Polish Rural<br>Governments |  |
| <b>Sweden</b> | unitary state | <b>16 county councils, 4 regions</b> (formally county councils), directly elected: health care, regional planning (the 4 regions have extended responsibility for regional planning and development compared to the county councils). <b>Intermunicipal cooperation</b> (kommunala samverkansorgan) in 13 counties. <b>21 county administration boards</b> (state representative at regional level) | <b>290 municipalities</b> | Sveriges kommuner och landsting                         |  |