CHAPTER 9

External differentiated integration: EU macro–regional governance architectures and the inclusion of partner countries

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ABSTRACT

Over the past three decades, the European Union has become an increasingly differentiated polity with respect to its functional and territorial characteristics. This also applies to the conception of so-called "macro-regions": Since 2009, EU Strategies for the Baltic Sea, the Danube, the Adriatic-Ionian and Alpine "macro-regions" have been developed and cover a territory of 19 EU member and nine partner states. By focusing on common policy challenges and problems in areas susceptible to functional cooperation, e.g., infrastructure development and environmental protection, the EU macro-regional strategies arguably seek to mobilize a range of actors across different jurisdictions and scales, thus boosting transnational contacts and relations between participating countries. This chapter examines the engagement of non-EU partner countries in a complex governance architecture using the analytical lens of experimentalist external governance. Drawing on a set of semi-structured interviews conducted in 2018/19, we first seek to map the scope of involvement of partner countries, and second, we examine the extent to which external differentiation follows a functionalist or, alternatively, foreign policy logic vis-à-vis third countries. The chapter ultimately demonstrates that foreign policy logics has superseded functionalist-driven technocratic networking between the EU and its neighbouring states.

Keywords: European Union, external differentiation, external and experimentalist governance, macro-regional strategies, EU partner countries, European Territorial Cooperation, functional cooperation, regional cooperation.

INTRODUCTION

I think [the EU Strategy for the Danube Region, EUSDR] is important for my country, which wishes to join EU. In this context, my government approved participation of Moldova to the EUSDR … Still, participation in the EUSDR is happening due to the initiative of some people.

<div align="right">(INTERVIEW WITH MOLDOVAN OFFICIAL, 9 JULY, 2018)</div>

For a long time, European integration has been seen as a territorially confined process that would eventually result in an "ever-closer union" of its member states, as famously stated in the preamble of the Treaty of Rome. In the last two decades, however, the link between territoriality and functionality has become "ever looser" due to the growing differentiation of European integration – both internally and externally (Gänzle et al., 2020; Leuffen et al., 2013; Leruth et al., 2022; Leuffen et al., 2013; Holzinger & Schimmelfennig, 2012; Schimmelfennig et al., 2015; Schimmelfennig & Winzen, 2020). Internally, some EU member states have "opted out" from integration in areas such as economic and monetary union (e.g., Denmark); externally, some associated or partner states (e.g., Norway and Switzerland) have "opted in", partaking in policy domains such as justice and home affairs, particularly Schengen.

With new regional or functional formats in the framework of, for example, Baltic, Nordic, or most recently in the field of fiscal policy – Hanse cooperation (e.g., Schulz & Henökl, 2020) – the European Union seems to dwell on more flexible arrangements for cooperation and integration, ultimately sponsoring images such as "Europe as an empire" (Zielonka, 2006), "many Europes" (Schmitter, 1996) or "*petites Europes*" (DATAR, 2002; quoted in Dühr, 2018). The EU's "macro-regions", such as the ones in the Alpine or Danube region, are a pertinent case for "Europe on a smaller scale". Since 2009, altogether four macro-regions have been identified and covered by so-called "EU macro-regional strategies" (EU MRSs): They include the EU Strategy for the Baltic Sea Region (EUSBSR), the EU Strategy for the Danube Region (EUSDR), the EU Strategy for the Adriatic Ionian Region (EUSAIR) and the EU Strategy for the Alpine Region (EUSALP). In total, these macro-regional strategies address 19 members and nine non-members of the European Union to date. Nonetheless, the jury is still out on how these partner countries are effectively "integrated" into the EU's governance architecture across different scales, including private and public stakeholders from EU and non-EU countries, and how sustainable these arrangements are.

In the jargon of the European Commission, a macro-region comprises "an area including territory from a number of different countries or regions associated with one or more common features or challenges" (European Commission, 2009a, p. 1, original in bold). In their strategic focus, the EU macro-regional strategies set a deliberative process in motion between EU members and partner countries alike by which a set of objectives and measures is determined to address the challenges and opportunities of a macro-region. EU MRSs are placed at the interface of more established "regional cooperation" as well as

European Territorial Cooperation (ETC), with the aim of co-managing territorial spaces united by a physical feature and subject to the same environmental pressures for functional cooperation, such as climate change mitigation in the Alpine region.

Although geographically focused on macro-regions, EU MRSs have been forged to specifically address "place-based" challenges and opportunities and to promote mutual learning processes through "experimenting" with new forms of "governance architectures" (Gänzle, 2017a; Gänzle & Mirtl, 2017). The governance architecture has been underpinned by a set of "long-term political initiatives … on cross-cutting policy issues locked in commitments about targets and processes" (Borrás & Radaelli, 2011, p. 464), such as in regional economic development and environmental protection. The macro-regional governance architecture is built on a set of agreed-upon priority areas managed by a trans-governmental hub of "policy coordinators" supported by steering committees populated by delegated representatives of line ministries, NGOs, and representatives from the private sector from EU member and partner countries (Gänzle, 2017b).

These transnational networks identify and support projects and measures through the adoption of action plans and thus drive functional cooperation in their respective priority areas for better coordination and effective use of scarce resources. In principle, the objectives are to be supported by existing financial means from ETC, particularly the European Structural and Investment Funds (ESIF), going far beyond the budgetary scope of ETC.[1] At the same time, the scope of the emerging macro-regional governance architecture is constrained by the principle of the so-called "Three No's", which call upon the implementation of macro-regional strategies not to (1) result in any (major) additional costs, for example in terms of funding via the EU Cohesion policy, (2) not to trigger the establishment of any new institutions, and finally, (3) not to give rise to specific EU legislation devised for the macro-region (European Commission, 2009a, 5; see Schymik, 2011, pp. 5–6). The European Council introduced these principles to secure the support of member states not covered by a macro-regional strategy and were potentially suspicious about any form of territorially-bound EU budget allocation.

Against this backdrop, this chapter seeks to explore how third-country representatives have been integrated into the governance architecture that has been set up as part of the EU MRS. We assume that the success

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1   ETC currently makes up for about 2.8% of the European Structural and Investment Funds (ESIF).

of external differentiation, i.e., partial integration of non-EU actors based on functionalist logics of collaboration, depends on how segments of their administrations deal with the EU MRS. Therefore, this combines experimentalist and external governance as conceptual tools for understanding the dynamics of external differentiation in the next section. The subsequent section will then discuss macro-regional trans-governmentalism as the hotspot for unfolding processes of external and experimentalist governance and differentiation in the EU's relationship with third countries and regions. It will map and discuss third-country participation in the EU's macro-regional strategies and conclude that, ultimately, a foreign policy logic prevails even in areas of cooperation that lend themselves to a functional logic of collaboration. This approach clearly resonates with Dag Ingvar Jacobsen's work on networked collaboration across scales, such as his ambition to determine the factors explaining, e.g., inter-municipal cooperation. Jacobsen and Kiland observed amongst other things the importance of political and administrative support combined with a sense of urgency on the other (Jacobsen, 2017; Jacobsen & Kiland, 2017) – a finding similar to the one put forth in this contribution.

EXPERIMENTALIST AND EXTERNAL GOVERNANCE IN EU MACRO-REGIONAL STRATEGIES

All EU macro-regional strategies – except for the EUSBSR because of the bilateral sanction regime between the EU and the Russian Federation since the Ukraine crisis – exhibit an external dimension. They encompass EU candidate countries such as Albania, Montenegro, and Serbia, along with potential candidate countries, like Bosnia-Herzegovina, and countries of the European Neighbourhood Policy (ENP) or Eastern Partnership such as the Republic of Moldova and Ukraine. Against this backdrop, we conceive of macro-regional strategies as forms of external horizontal differentiation by which non-EU countries are embraced as they belong to a territorial unit defined by functional needs for cooperation. Thus, the EU engages in a form of collaboration with these partners via external governance (Lavenex, 2004).

TABLE 9.1:   The EU MRS member states and partner countries. Author's compilation.

	EUSBSR	EUSDR	EUSAIR	EUSALP
Endorsed in	2009	2011	2014	2015
EU members	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden	Austria, Bosnia-Herzegovina, Czech Republic, Croatia, Germany, Hungary, Montenegro, Romania, Slovenia, Slovakia	Croatia, Italy, Greece, Slovenia,	Austria, France, Germany, Italy, Slovenia
EU partners	Belarus, Iceland, Norway, (Russia)	Moldova, Montenegro, Serbia, Ukraine	Albania, Bosnia-Herzegovina, Montenegro, Serbia	Lichtenstein, Switzerland
Number of EU members	8	10	4	5
Typology of EU-partner country association	2 EEA 1 ENP (not Eastern Partnership)	2 Candidate countries 2 ENP (Eastern Partnership)	2 Candidate countries 2 Potential candidate countries	1 EEA 1 Bilateral

The external governance approach mainly focuses on processes by which the EU's practices, norms, and policies are (partially) projected onto non-EU member states. This is of particular interest to the EU macro-regional strategies which, in their external aspects, "offer political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility" (European Commission, 2018, p. 20) and extend significantly beyond the EU's current territory. According to Lavenex and Schimmelfennig (2009), external governance can provide a mechanism for developing greater interaction and cooperation, thereby helping move toward alternative forms of integration when regulative expansion is accompanied by the opening of organisational structures of policymaking. Hence, an external governance perspective on the EU's macro-regional strategies strongly focuses on the participatory elements used to draw non-EU countries, sub-national authorities and societal groups closer to the EU. External governance focuses on the scope of permeability of transnational and trans-governmental interactions and structures, particularly accounting for their organisational features. They tend to be organised as both formal and

informal networks based on horizontal ties between their members (Keohane & Nye, 1974; Lavenex, 2015; Slaugther, 2004). Deliberation and policymaking usually emphasize the coordination of regional, national, and EU legislative provisions as well as project development in the macro-regional framework. In contrast to engaging in the production or implementation of hard laws, the EU MRS subscribes to the formation of soft law. De-emphasising potential conflicts, macro-regional transnational cooperation stresses the role of coordination, mutual learning, and consensus-building, thus lowering "the hurdles for the participation of non-EU officials and [reducing] the scope for adaptation pressure" (Lavenex, 2015, p. 838).

To fully capture the dynamics of trans-governmental inclusion, though, the concept of external governance needs to be complemented by the notion of experimentalist governance, which can be grasped as a mode of EU governance coming close to the open method of coordination (Börzel, 2012). Experimentalist governance has been defined as "attempts to conceptualize the institutional innovations that actors in persistently uncertain domains have devised to make best use of the malleability of their circumstances while reducing the dangers it creates" (Sabel & Zeitlin, 2012, p. 424). Therefore, it can be understood as "a recursive process of provisional goal-setting and revision based on learning from the comparison of alternative approaches to advancing them in different contexts" (Sabel & Zeitlin, 2010, p.1). Although macro-regional strategies do not seek to create regulatory politics, they follow a recursive experimentalist policy style in various respects (Gänzle, 2017a). For instance, macro-regional strategies constitute broad frameworks and joint endeavours decided among authorities at different territorial levels of both EU member and partner countries. The significance of macro-regional strategies from an experimentalist perspective lies in their capacity to mobilize institutional and non-institutional actors toward policy goals that have been identified as central to the macro-region but that have somehow escaped the reach of the Union. The significance of macro-regional strategies themselves also lies in other areas, such as in their capacity to recombine the institutional structures created at various levels to manage and implement these policies in novel but fluid ways.

Theoretically, trans-governmental bodies can be seen as laboratories for experimentalist governance. In practice, domination by individual EU/member states may occur (Plangger, 2018); for some non-EU countries, participating in the EU MRS is geared toward capacity-building, rule transfer, and perhaps even symbolic representation underlining a country's ambition to join the EU rather than to genuinely collaborate (Lavenex, 2015, p. 839). In principle, collaboration may ultimately be underpinned by foreign policy or functionalist perspectives. From a foreign policy perspective, a country

would become involved in order to subscribe to the EU's regulatory outreach (external governance) in matters of economic development as a way to promote stability, democracy, and peace. In contrast, a functionalist logic would follow the idea of "creating Europe-wide epistemic communities whose technical truths transcend intergovernmental politics" (Shapiro, 1997, pp. 281–282). Whereas organisational inclusion in this case would reflect sectoral patterns of interdependence and discriminate between sectors rather than between countries, a foreign policy logic would ultimately mirror the overall hierarchy of a relationship between countries ranging from close-to-membership to minimal-prospects-of-membership or – in the jargon of differentiated integration – concentric circles of European states versus the concept of a sector-defined and -driven variable geometry.

Given the character of the EU MRS as a tool to foster cohesion in a functionally defined territory, one would expect a functionalist logic to prevail inside the macro-regional governance architecture. This is the core hypothesis that the remainder of the chapter seeks to address. In terms of methodology, the chapter draws on second sources of data: first, it is based on a thorough document analysis, and second, it relies on semi-structured interviews conducted with 10 third-country officials engaged in the management and implementation of the EU MRS (2014–2018). One important caveat applies as the focus will primarily be on the direct involvement of non-EU governmental partners in the macro-regional governance architecture; hence, participation of non-EU civil society representatives in both projects, such as the transnational programs or civil society advisory boards will not be addressed systematically.

THE DEVELOPMENT OF EU MACRO-REGIONAL STRATEGIES

The EU MRS developed from several institutional templates and policy roots (Gänzle, 2016) in the realm of European Territorial Cooperation (ETC) – more broadly, the Community's regional and structural policy – and various formats of sub-regional cooperation (Cottey, 1999, 2012; Dangerfield, 2016) such as the Nordic or Baltic Sea cooperation (Gänzle & Kern, 2016a and b). However, the EU enlargement rounds (2004–2007), which prominently turned the entire Baltic Sea into an almost common EU Sea, truly started the development of the first MRS. After the idea was launched by the Inter-Baltic group of the European Parliament in 2005 (Antola, 2009; Beazley, 2007, p. 14), the European Council eventually invited the Commission to prepare an *EU Strategy for the Baltic Sea Region (EUSBSR)* in 2007 (see Gänzle & Kern, 2016c).

The strategy-making process was accompanied by an open consultation procedure launched by the Commission's Directorate-General for Regional

and Urban Policy (DG Regio). The authors of the draft tapped into academic and practical expertise from various stakeholder and interest groups as well as from interested parties; sub-national entities and partner countries have been involved since the beginning (Schymik & Krumrey, 2009). Subsequently, an internal consultation among twenty Commission Directorate-Generals was started, and common challenges were assessed with regard to: 1) a clear need for public intervention, 2) the relevance of action at the macro-regional Baltic Sea Region level, and 3) the need for further action beyond existing initiatives (European Commission, 2009b, p. 6). The EUSBSR subsequently resulted in the establishment of a three-pronged governance architecture: first at the operational level, it built on both policy and horizontal action coordinators focusing on the implementation of jointly agreed objectives in the areas of the environment, infrastructure, and economic development, second, it involved national coordinators assuring harmonization among participating countries, and third, it relied on the High-Level Group of Member States to provide strategic guidance at the EU level.

The *EU Strategy for the Danube Region (EUSDR)*, in turn, was inspired by both the creation of the EUSBSR and the Union for the Mediterranean in the latter half of the 2000s. It also received substantial support from Austria and Romania (Ágh, 2016). The EUSDR includes 15 countries, nine of which are EU member states, three (potential) candidate countries, and two neighbourhood countries of the EU, altogether closely coordinating with the Directorate-General for Neighbourhood Policy and Enlargement Negotiations (DG NEAR). Furthermore, each of these three "membership" categories translates into different funding categories with distinct legal bases: The European Structural and Investment Funds are reserved for member states; the Instrument for Pre-Accession Assistance (IPA) for (potential) candidate countries; and the European Neighbourhood Instrument (ENI) for neighbours. Within the European Territorial Cooperation (ETC), the three sources can be combined into transnational and cross-border programs, thereby enabling cooperation projects at the EU's periphery. One example is the ETC's Danube Transnational Programme, which was adjusted to comply with the geographic definition of the Danube region (European Commission, 2016, p. 7). At the operational level of policy coordination, two EUSDR members (e.g., Baden-Württemberg and Croatia for the competitiveness policy area) jointly take responsibility for the management of policy areas. The EU MRS was also considered in the field of enlargement and the European Neighbourhood Policy (Hahn, 2014, p.1), whether in the framework of the so-called Berlin Process (a diplomatic initiative to revive regional cooperation) or of reports of the Commission on the review of the Neighbourhood Policy (European Commission, 2017, p. 9). The EU MRS

has established a level playing field with third countries, a feature that is ever more relevant in the EUSDR and in the EUSAIR.

With four of its eight members from outside the EU (Albania, Bosnia-Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia, and Serbia), the *EU Strategy for the Adriatic and Ionian Region (EUSAIR)* exposes the highest share of non-EU countries. The initiative draws from the Ancona Declaration adopted by the Adriatic-Ionian Council (AIC), the decision-making body of the Adriatic-Ionian Initiative (AII) (Cugusi & Stocchiero, 2016). The AII, in turn, was launched in 1999 following an Italian initiative as part of the Stability Pact for Southeastern Europe (Cugusi & Stocchiero, 2016, p. 173). Ultimately, the AII was established at the Summit on Development and Security on the Adriatic and Ionian Seas in May 2000, attended by the heads of states and governments of Italy, Albania, Bosnia and Herzegovina, Croatia, Greece, and Slovenia. Subsequently, the foreign ministers of the participating countries signed the Ancona Declaration, which seeks to strengthen regional cooperation to promote political and economic stability. This initiative was later extended to include Serbia and Montenegro.

Against the backdrop of this development path and somewhat rooted in the break-up of Yugoslavia (Cugusi & Stocchiero, 2016, p. 172), the need for an EUSAIR was reviewed by the European Commission in 2014 following a public consultation process conducted at the end of 2013. It was then endorsed by the European Council in September 2014. The objectives of the EUSAIR are organised in four mutually dependent pillars considered to be of strategic importance. These objectives include Blue Growth, Connecting the Region, Environmental Quality, and Sustainable Tourism. In terms of its governance architecture, two main levels complement the political level of cooperation: a Governing Board at the coordinating level and thematic Steering Groups at the implementing level. The Governing Board coordinates the work of the thematic Steering Groups in charge of implementation through strategic guidance with respect to the management and implementation of the EUSAIR and its Action Plan. The Governing Board is co-chaired by the country chairing, *pro tempore*, the AII.

Each participating country is represented by two formally appointed national coordinators – one senior official from the Ministry of Foreign Affairs and one senior official from the line ministry responsible for coordinating EU funds – as well as two formally appointed pillar coordinators and representatives from the Commission, the European Parliament, the European Committee of the Regions, the European Economic and Social Committee, the Permanent Secretariat of the Adriatic-Ionian Initiative, and the Managing Authority of the Interreg Adriatic Ionian (ADRION) transnational cooperation program.

Finally, four thematic Steering Groups cover each pillar. Special arrangements are in place under Pillar 2, with two sub-groups for transport and energy, respectively. The thematic Steering Groups are chaired on a rotating basis by two countries, involving one non-EU and one EU member state per pillar.

Similarly, preparations for the *EU Strategy for the Alpine Region (EUSALP)* – for Austria, France, Germany, Italy, Liechtenstein, Slovenia, and Switzerland – started well before the Council invited the European Commission to prepare a macro-regional strategy for the wider Alpine region in December 2013. This macro-regional initiative emerged at the interface of "three separate, but linked institutional contexts: The Alpine Convention, the Network of Alpine Regions and the Alpine Space Programme" (Balsiger, 2016, p. 190; see also Debarbieux et al., 2015). The origin of the Alpine Convention dates back to the early 1950; it was signed in 1991 by the seven Alpine states of the EU's Alpine Strategy and Monaco. In addition to this NGO-driven process, the Alpine states and sub-national authorities have been involved in co-operative platforms since the 1970s, such as the Arge-Alp (an association of 10 *länder*, provinces and cantons from Austria, Germany, Italy, and Switzerland), COTRAO (an association of regions and cantons from France, Italy, and Switzerland), or the Zurich Process of 2001, which joins the transport ministers of Austria, France, Germany, Italy, and (since 2005) Slovenia. Finally, the Alpine Space Programme has provided financial resources under the European Regional Development Fund since the late 1990s. All of these pre-EUSALP initiatives bring together different arrangements of institutional stakeholders, objectives, and memberships. The macro-regional approach has been justified by creating a joint platform for addressing common and intersecting challenges and opportunities; after all, issues such as the ownership of water resources and (transit) transport cannot be solved without a concerted effort extending beyond the scope of the Alpine Convention, which is exclusively concerned with the mountainous parts of the Alpine region.

The EUSALP followed the script of the previously launched MRS *vis-à-vis* public consultation, which took place from July to October 2014; 300 contributions were received, which was three times more than in the EUSDR. Drawing from the consultation, the European Commission adopted a communication and action plan in mid-2015, and the EU Council endorsed the EUSALP in June 2016. Like other MRSs, the EUSALP priorities thematically include economic development and accessibility and environmental protection, including renewable energy solutions and the establishment of a sound macro-regional governance model as cross-cutting objectives. Similar to the other MRSs, but differing in terminology, the EUSALP is based on three interrelated levels. First, there is a general assembly at the political level that sets forth political

guidelines and leadership, which is composed of state representatives (including all regions that partake in the Strategy), the European Commission (as facilitator) and the Alpine Convention (as observer). Second is an executive board of national coordinators, the European Commission, the Alpine Convention, and the Interreg Alpine Space Programme as advisors at the level of coordination. Third, there are nine action groups in which the EUSALP priorities have been organised at the implementation level. Action Groups are composed of representatives from national, regional and local levels. As many capital cities are located far from the Alps, regions have become the main drivers of the process of EUSALP implementation. The political role of these regions is also expressed by the establishment of a General Assembly.

Across all macro-regional strategies in operation at the time of writing, the existing governance architecture provides three entry points for third-country involvement. Firstly, the group of national coordinators responsible for coordinating the strategies admits representatives from all macro-regional member states (including non-EU countries) of a given macroregion. Secondly, representatives from non-EU countries work as policy coordinators (EUSBSR), priority area coordinators (EUSDR), pillar coordinators (EUSAIR), and Action Group Leaders (EUSALP) at the strategic and operational levels; they are responsible for coordinating and implementing the strategy in a certain thematic field (Gänzle, 2017). Leaving the EUSBSR aside, 33% of priority area coordinators (EUSDR), 50% of pillar coordinators (EUSAIR), and 11% of Action Group Leaders (EUSALP) are from non-EU states. With the exception of the EUSALP, the number of partner countries represented in these transnational working structures reflects the overall strength of partner countries in these three macro-regional strategies. Thirdly, the steering groups support the tasks of the policy coordinators (EUSBSR), priority area coordinators (EUSDR), pillar coordinators (EUSAIR), and Action Group Leaders (EUSALP) and are open to the participation of non-EU countries from a given macro-region, particularly the EUSDR, EUSAIR, and EUSALP.

PARTICIPATION OF THIRD COUNTRIES IN THE EU MRS GOVERNANCE ARCHITECTURE

Several non-EU partner countries participated in the consultation process, leading to the subsequent drafting of macro-regional strategies by the European Commission. For the EUSDR, a Moldovan official maintained: "Our proposals for the process of drafting the strategy have been taken into consideration" (Interview with Moldovan official, April 30, 2014). The Ukrainian and Moldovan governments and other non-EU countries contributed policy proposals to the

consultation (Dörrenbächer & Bochmann, 2011, p. 3). Subsequently, the annual fora of the EU macro-regional strategies provide other regular opportunities for the discussion, exchange, and networking of stakeholders and officials dealing with the EU MRS.

The first formal entry point for involvement is the national coordinator group. It is open to partner countries, but not all of them have appointed national coordinators. For instance, Bosnia-Herzegovina is a member of both the EUSAIR and EUSDR but has not appointed a national coordinator for the EUSDR: "Bosnia and Herzegovina effectively participate only in the implementation of the EUSAIR. Although Bosnia and Herzegovina are members of the EUSDR, the implementation of the EUSDR is questionable since the national coordinator and related structure have not been appointed" (Bosnia-Herzegovina, 2018, p. 2). However, this seems to be an exception, as most other partner countries have appointed at least one national coordinator. In some cases, the overviews published on the websites of the EU MRS not only refer to several persons but also to those who are not affiliated with a ministry. In the Ukraine, the Institute for International Politics is mentioned in addition to a national coordinator based in the Ministry of Regional Development on the EUSDR website (accessed on 31 July, 2018). However, not all of the national coordinators are recognized as being active:

> Although the National Coordinator was appointed a couple of years ago, there has been no real progress since then. The approach to the EUSDR is still formal: It's declared that "the EUSDR is important to Ukraine", but actually nothing has been done at the governmental level to foster Ukraine's involvement in the EUSDR. (Interview with Ukrainian NGO, 25 July, 2018)

The second path toward direct involvement is provided by participation of one of the two or several priority coordinators, pillar coordinators, or action group leaders. This needs to be decided jointly by the members participating in a macro-regional strategy and the European Commission. Whereas Serbia, for example, is represented by three pillar and priority area coordinators; Albania, Bosnia-Herzegovina, Moldova, Montenegro, and Switzerland have nominated only one coordinator each. Their tasks provide ample opportunity for coordination and, perhaps even more, networking. In the words of one priority area coordinator:

> For me, it is a good experience that helped me to grow professionally. As PAC, my main task is establishing and maintaining the network of national counterparts relevant to the PAC (steering group), enlarging the network of stakeholders…,

> providing information for the initiation of new projects and initiatives, and rais-
> ing public awareness and information of stakeholders about ongoing activities
> of [our priority area]. (Interview with Moldovan official, 9 July, 2018)

Whereas some priority area coordinators from partner countries – particularly
Serbia – have been applauded by other PA members, others have been found to
be rather "reluctant to engage" at times (Interview with member of EUSDR PAC
8 Steering Group, 30 January, 2015). Serbia is amongst those members of the EU
MRS to have nominated "strong personality" (Interview with Serbian official
dealing with EUSDR, 4 July, 2018) in hierarchical terms since, for example, one
of its priority area coordinators is a state secretary. These positions are held
in high esteem by the partners who hold them; they are seen as an important
cornerstone for a country's full integration into the EU MRS: "In my opinion,
we are integrated into the EUSDR structure, since we are coordinating PA9,
have NC, and we are included in the decision-making body of the EUSDR"
(Interview with Moldovan official, 9 July, 2018). In fact, some non-EU member
countries perceive the lack of an official position as a coordinator of one of the
priority areas in EUSDR as "[limiting] the room for more active participation"
(Interview with Montenegrin official, 9 July, 2018). This may explain why some
non-EU partner countries have been quite eager to secure positions of priority
area coordinators for themselves in the future, such as in the case of the EUSDR.
Matching one EU member state with a non-EU country in assuming the coor-
dination was found to be useful as it "provides an opportunity for learning"
(Interview Serbian official dealing with EUSAIR, 20 June, 2018).

The third way of becoming directly involved is provided by participation
in steering groups to support the work of priority area coordinators, particu-
larly in the EUSDR. In fact, the EUSDR developed this organisational feature,
which was then subsequently introduced in other macro-regional governance
architectures. Attendance at steering group meetings, which usually take place
twice a year, varies quite significantly between the countries – including the
non-EU partner countries. In light of financial, institutional, and other chal-
lenges, a country's specific needs may affect the rate of attendance. For instance,
Montenegrin representatives have been found to be "most active in the working
groups within the priority areas of Strategies 2, 7, 8, and 9" (Interview with
Montenegrin official, 9 July, 2018). These policy areas seem to be a more urgent
need to the government of Montenegro.

DISCUSSION AND CONCLUSION: FROM FUNCTIONALIST TO FOREIGN POLICY LOGIC IN EXTERNALLY DIFFERENTIATED INTEGRATION

This chapter has sought to understand the extent to which participants from non-EU countries have been integrated (external differentiation) into the (experimentalist) governance architecture defined by the EU MRS. We have distinguished between a foreign policy and a functionalist logic driving collaboration; we assumed that the overall functionalist design and motivation of cooperation would spur a functionalist logic. However, this was not the case. Although the EU MRS may originally have started from a functionalist-territorial nexus in order to spark collaboration, ultimately a foreign policy logic prevailed, determined by the quality and scope of the association relationships' structure. Put differently, regardless of the functional need for cooperation, what ultimately defines a non-EU partner in the EU MRS is whether it is considered a credible candidate, a potential candidate, or an ENP country with no immediate prospect of joining the EU, if at all. Still, the EU macro-regional strategies function as test beds for strategy formation in general and forms of externally differentiated integration in particular, underpinned by trans-governmental relations.

Clearly, the scarcity of material resources and administrative capacity (Ukraine and Moldova), internal divisions (Bosnia-Herzegovina), and the lack of strategic vision constrain the involvement and furthering of several non-EU partner countries. In countries that have considerably advanced toward EU membership, such as Montenegro and Serbia, a selective approach persists, favouring elements of the respective EU MRS that best serve the "national" interest, including accession negotiations. Interestingly, most of the non-EU partner representatives emphasised the role assumed by "pillar coordinators" and "priority area coordinators", who are seen as *loci* for mutual learning and for sharing best practices and experiences as well as important elements of trans-governmental cooperation and coordination in the macro-regional framework. Inter-ministerial working groups, somewhat internally mirroring the logic of trans-governmental governance architectures, again seem to be most advanced in countries currently negotiating the terms of EU accession.

The lack of strategic vision in partner countries also has important implications for the European Union and should serve as a reminder that functionalist needs are important steppingstones toward future integration; however, the functionalist logic needs to be underpinned both visibly and intangibly. It therefore comes as no surprise that one suggestion for substantially drawing Western Balkan countries closer to the EU – while there is not yet a concrete prospect for joining – would be their inclusion in the EU cohesion policy, on par with other member states. The foreign policy logic, in turn, reminds us of

the interests of certain EU member states that harbour particular interests in the Western Balkans, particularly Austria, Germany, and Italy. In the aftermath of European Commission President Juncker's declaration in 2014, to freeze expansion over the next five years, macro-regional strategies still provided some evidence of the EU's commitment *vis-à-vis* the countries of the Western Balkans as some form of external differentiated integration – if full integration is yet to be achieved. These lessons are important for other European countries confined in some form of geopolitical limbo, such Belarus or Ukraine. From that perspective, the EU MRS needs to be understood in a more geopolitical context as a means of countering the investment interests and initiatives of the Gulf States, Russia, Turkey, and China in the Western Balkans by bringing regional and external policies closer together and reproducing European integration on a smaller territorial scale as a "petite Europe", as referred to by Dühr (2018). However, functionally framed collaboration based on the premises of soft law – as transnational governance often is – seems to be a futile effort in the presence of resolute foreign policy actors (such as China and Russia increasingly are) in South-Eastern Europe in particular.

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