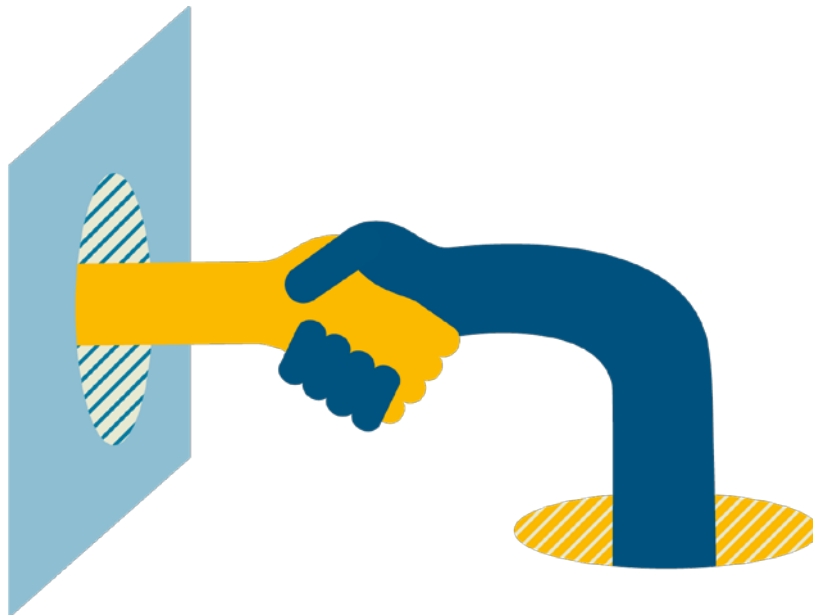


New tools for territorial development and cooperation

March 2018

Analysis of the new territorial development tools and cooperation in IGJ for the programming period 2014-2020



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This paper does not represent an official document of the European Commission, but reflects Interact's research and interpretation.

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List of Abbreviations

ITI	Integrated Territorial Investment
CLLD	Community led Local Development
JAP	Joint Action Plan
LAG	Local Action Group
TO	Thematic Objective
OP	Operational Programme
ROP	Regional Operational Programme
EGTC	European Grouping of Territorial Cooperation
CPR	Common Provisions Regulation
IGJ	Investment for Growth and Jobs
ETC	European Territorial Cooperation
ERDF	European Regional Development Fund
ESF	European Social Fund
EAFRD	European Agricultural Fund for Rural Development
ESI	European Structural and Investment Funds

Introduction

The objective of this paper is to inform ETC and other regional operational programmes about new tools and innovative possibilities included in the Regulations for Cohesion Policy 2014-2020, to improve the efficiency of territorial development. Some of these tools are brand new and include a large amount of commitment and responsibilities by cities, like the Integrated Territorial Investment (ITI). Other instruments are actually a new generation of older practices, like article 96.3 (d), that allow for cooperation outside ETC and the Community-led Local Development (CLLD), which is borrowed by the LEADER approach.

Since there are so far a few cases or examples of programmes having implemented operations according to these tools, the output of the Interact initiative aims to be easily understandable and as practical as possible. The Common Provisions Regulation (CPR) provides the legal and technical background for the tools that we wish to explore. Our aim is to add a practical set of information that can help beneficiaries to grasp the meaning of the Regulations and to understand if they could benefit from the use of new tools.

Our work will be to present examples, summaries and scenarios for the activity/tool that can be implemented in this programming period.

1. Community-led Local Development
2. Integrated Territorial Investment
3. Joint Action Plan
4. Cooperation in Investment for Growth and Jobs goal (IGJ) according to CPR Article 96.3 (d)

Each part includes three sections:

- a) the legal background and sources, provided by the Regulations on CSF funds
- b) scenarios where the territorial tools can be developed to achieve the desired results, either applying them in a cooperation environment or not
- c) logical deductions and possible option to tackle operational aspects (agreements, budget, document drafting and so on)

The CPR introduces some instruments to develop integrated territorial development at its best, while highlighting the focus on functional territories, encourage coordination of funds and cooperation among stakeholders. Such frameworks and instruments benefit especially limited areas of the territory, in some cases specifically cities, trying to develop sustainable and bottom-up interventions that are coherent with EU2020.

1. COMMUNITY-LED LOCAL DEVELOPMENT (CLLD)

Definition: *Community-led local development (CLLD) is a tool for involving citizens at local level in developing responses to the social, environmental and economic challenges we face today. CLLD is an approach that requires time and effort, but for relatively small financial investments, it can have a marked impact on people's lives and generate new ideas and the shared commitment for putting these into practice¹.*

This is an instrument created to focus on small scale territories with a strong bottom-up approach and it can be funded by all ESI funds. CLLD is a method for involving partners at local level including the civil society and local economic actors in designing and implementing local integrated strategies that help their areas make a transition to a more sustainable future”².

The approach is taken by the LEADER initiative under the EAFRD, where a group of stakeholders (that ETC would call a partnership) creates a Local Action Group (LAG) to decide the strategy for the development of the local area.

Although it is based on a bottom-up strategy, its set up must be the result of a negotiation with the Member State. It is a decision taken at state level which objectives should be achieved through the CLLD, how the management should be organized at local level and what strategies for development should be selected.

Anyway, it is not the State which formulates possible development strategies, but the Local Action Groups. It is them that will draft proposals at local level and who will submit them to the State authorities to be assessed by the end of 2015.

Once approved, the strategies will be put into place by the LAGs themselves, in accordance with the Member State that will assign tasks and responsibilities to the Managing Authority of the Fund (or Funds).

Article 120.5 of CPR³ states that CLLD may have a higher co-financing rate (only for investment for growth goal, though).

Members of the LAG are varied: public, private and so on, but none of them has the majority of representation⁴, they are responsible for many functions: drafts calls, decides strategies, checks on activities, and assigns grants. This instrument is focused on those smaller areas and territories with fewer resources or little attractiveness, the kind of area that it is difficult to intervene in, unless the stakeholders know it very well and set up

¹ *Common Guidance of the European Commission's Directorates-General AGRI, EMPL, MARE and REGIO on community-led local development in European Structural and Investment funds, 29 April 2013.*

² *Ibidem, ch. 2.1, p. 6.*

³ *Reg. (EU) No 1303/2013 “Common Provisions Regulation”.*

⁴ *Article 32.2 (b) of Reg. (EU) No 1303/2013 “Common Provisions Regulation”.*

micro-projects and small scale interventions to take the best out of it and making use of its specific, maybe niche assets.

1.1. CLLD SCENARIO 1: REINTRODUCTION OF LOCAL ANIMALS, NO COOPERATION

Let's imagine that region Algarve in Portugal wants to encourage its community to make the best of some areas that are not too productive or have been abandoned.

Such areas need special recovery or care and the region believes that a bottom-up approach could be the best management solution: people living and working on the territory, who know its needs and characteristics can come up with solutions and activities to revitalize it.

This region has always been very active in rural related activities as its interest is to preserve the agricultural and rural potential of the area, while contributing all the same to the objectives of Europe2020 and to the implement the selected thematic objectives of the CSF:

- enhancing the competitiveness of SMEs, the agricultural sector (for EAFRD)
- protecting the environment and promoting resource efficiency
- investing in education, skills and lifelong learning

These thematic objectives can be broken down in different investment priorities, but anyway they refer to three different CSF funds.

The first refers to the EAFRD, the second to the ERDF and the third to the ESF, that is allowed by the Regulation (see below part 2, 3 and 4). When more than one fund is included, then a Lead fund can be chosen to fuel the running costs of the strategy.

2. *Community-led local development*⁵ shall be:

(a) focused on specific subregional areas;

(b) led by local action groups composed of representatives of public and private local socio-economic interests, in which, at the decision-making level neither public authorities, as defined in accordance with national rules, nor any single interest group represents more than 49 % of the voting rights;

(c) carried out through integrated and multi-sectorial area-based local development strategies;

(d) designed taking into consideration local needs and potential, and shall include innovative features in the local context, networking and, where appropriate, cooperation.

3. *Support from the ESI Funds concerned to community-led local development shall be consistent and coordinated between the ESI Funds concerned.* This shall be ensured inter alia through coordinated capacity-building, selection, approval and funding of community-led local development strategies and local action groups. EN 20.12.2013 Official Journal of the European Union L 347/355

⁵ Article 32.2 (b) of Reg. (EU) No 1303/2013 "Common Provisions Regulation".

4. *Where the selection committee for the community-led local development strategies set up under Article 33.3⁶ determines that the implementation of the community-led local development strategy selected requires support from more than one Fund, it may designate in accordance with national rules and procedures, a lead Fund to support all running and animation costs under points (d) and (e) of Article 35.1⁷ for the community-led local development strategy.*

5. Community-led local development supported by the ESI Funds concerned shall be carried out **under one or more priorities of the relevant programme or programmes** in accordance with Fund-specific rules of the ESI Funds concerned.

We must give for granted that before the OP was approved, a LAG (Local Action Group) in the region proposed a strategy for development that was accepted, therefore preparatory work and multi-level negotiations were needed too.

What is a LAG? If we had to put it in cooperation terms, it would be both the Managing Authority and the Joint Technical Secretariat, basically it is a group of local stakeholders that

1. Local action groups⁸ shall design and implement the community-led local development strategies.

Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, concerning all implementation tasks relating to the community-led local development strategy.

2. The managing authority or authorities responsible shall ensure that the **local action groups either select one partner within the group as a lead partner in administrative and financial matters**, or come together in a legally constituted common structure.

3. The tasks of local action groups shall include the following:

(a) building the capacity of local actors to develop and implement operations including fostering their project management capabilities;

(b) drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure;

(c) ensuring coherence with the community-led local development strategy when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;

(d) preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria;

(e) receiving and assessing applications for support;

⁶ Article 33.3 of Reg. (EU) No 1303/2013 "Common Provisions Regulation".

⁷ Article 35.1 (b) of Reg. (EU) No 1303/2013 "Common Provisions Regulation".

⁸ Article 34 of Reg. (EU) No 1303/2013 "Common Provisions Regulation"

(f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval;

(g) monitoring the implementation of the community-led local development strategy and the operations supported and carrying out specific evaluation activities linked to that strategy.

4. Without prejudice to point (b) of paragraph 3, the local action group may be a beneficiary and implement operations in accordance with the community-led local development strategy.

5. In the case of cooperation activities of local action groups as referred to in point (c) of Article 35.1, the tasks set out in point (f) of paragraph 3 of this Article may be carried out by the managing authority responsible.

We shall imagine that the LAG in Algarve includes:

- three municipalities
- a natural reserve
- the Chamber of Commerce
- a local animal protection association

None of them reaches the 51% of control over the LAG and the representation of public and private sector is reasonably balanced. This LAG must be capable to produce a strategy for the territory. Now, this area is poor and does not produce any wealth, the soil is rocky with little water and tough vegetation. The local natural park suggested that the right move would be to enhance and protect the existing mountain goats to repopulate the area and create new opportunities for job creation and wealth.

Besides this first suggestion, the LAG's strategy must comply with several other points.

1. A community-led local development strategy shall contain at least the following elements⁹:

(a) the definition of the **area and population covered by the strategy**;

(b) an analysis of the development needs and potential of the area, including an **analysis of strengths, weaknesses, opportunities and threats**;

(c) a description of the strategy and its **objectives**, a description of the integrated and innovative features of the strategy and a hierarchy of objectives, including measurable **targets for outputs or results**.

In relation to results, targets may be expressed in quantitative or qualitative terms. The strategy shall be consistent with the relevant programmes of all the ESI Funds concerned that are involved;

(d) a description of the community involvement process in the development of the strategy;

(e) an action plan demonstrating how objectives are translated into actions;

⁹ Article 33 of Reg. (EU) No 1303/2013 "Common Provisions Regulation"

- (f) a description of the **management and monitoring arrangements** of the strategy, demonstrating the capacity of the local action group to implement the strategy and a description of specific arrangements for evaluation;
- (g) **the financial plan** of the strategy, including the planned allocation of each of the ESI Funds concerned.

The strategy included the description of the area around the natural park where a higher number of goats could be introduced, the scientific description of the needs of the specie and how well it could integrate within the environment of the area, the objectives referring to the number of offspring likely to be born to achieve an optimal balance, the number of stables to be built and the quantity of milk to be delivered to the dairy producers (indicators). The private actors provided calculations and figures in the demand of goat products from organic farming and showed how interesting the products would be for the community. Finally, the strategy provided a financial plan of the costs that will be needed to purchase, maintain, keep and manage the activities in the strategies. The strategy also includes how the LAG is organized in its day to day activities to ensure the proper monitoring, control and follow-up of projects and funds.

After the approval of the strategy the LAG can start managing the activity and the funding received according to the rules established jointly by the MS and the LAG itself, acting as a sort of Secretariat and issuing transparent calls for proposals, making sure that conflict of interest does not arise.

Given the premises, the calls for proposals will be likely to ask the community for ideas on how to ensure that the goats live well, reproduce and can be effectively exploited for their milk, to produce dairy products, but also as petting animals for environmental field trips and rural tourism.

2. Member States shall define criteria for the selection of community-led local development strategies.

3. Community-led local development strategies shall be selected by a committee set up for this purpose by the relevant managing authority or authorities responsible and approved by the managing authority or authorities responsible.

4. The first round of selection of community-led local development strategies shall be completed within two years of the date of the approval of the Partnership Agreement. Member States may select additional community-led local development strategies after that date but no later than 31 December 2017.

5. The decision approving a community-led local development strategy shall set out the **allocations of each of the ESI Funds concerned**. The decision shall also set out the **responsibilities for the management and control tasks under the programme or programmes** in relation to the community-led local development strategy.

6. The population of the area referred to in point (a) of paragraph 1 shall be not less than 10 000 and not more than 150 000 inhabitants. However, in duly justified cases and on the basis of a proposal by a Member State the Commission may adopt or amend those population limits in its decision under Article 15(2) or (3) to approve or amend respectively the Partnership Agreement in the case of that Member State, in order to take account of sparsely or densely populated areas or in order to ensure the territorial coherence of areas covered by the community-led local development strategies.

Table 5. Budget of a CLLD strategy (marks the lead fund)*

REGIONAL OPERATION PROGRAMME	THEMATIC OBJECTIVE	INVESTMENT PRIORITY	TOTAL BUDGET	TOTAL CLLD BUDGET
ERDF (*)	Thematic Objective 1	Investment Priority 1	2 Million €	600.000 €
		Investment Priority 2	1 Million €	400.000 €
EAFRD	Thematic Objective 7	Investment Priority 1	2 Million €	500.000 €
		Investment Priority 2	1 Million €	600.000 €
			6 Million €	2.1 Million €

The budget presented here is that of a CLLD strategy, not that of an actual project as the projects can be drafted by the different beneficiaries that answer to the LAG's calls. LAGs, regions and Member States have to negotiate and fund a strategy and that strategy will be the centre of all the activities of the Community-led Local Development.

1.2. CLLD SCENARIO 2: WITH CROSS-BORDER COOPERATION

Let's imagine now that such a project takes place in the area that is set on the border between Spain and Portugal, although the territory that interest us stretches over two countries, the type of soil and problems are the same.

Article 32.2 (d) of the CPR allows that a CLLD can be organized at cross-border level if necessary.

We can then imagine that cross-border partners from Spain and Portugal can form a LAG and each of them will propose a strategy to the corresponding MS. The strategy will have to clearly distinguish which partners will do what in other to have each of them access a specific fund from their own OP.

Again the rule of spending their own funds in their programme area will be applied, therefore tasks will be clearly split although the result will be joint. A member of the LAG will have to be appointed as leader or the LAG itself will present itself as a legally constituted common structure, likely an EGTC.

In case a certain cost should be taken care of by a fund outside of the programme area then the rule established by Article 60 must be applied accordingly, whether it is an ERDF (10% of the respective priority) or EAFRD (3% of the overall amount).

Community-led local development under Article 32 of CPR¹⁰ may be implemented in cross-border cooperation programmes, provided that the local development group is composed of representatives of at least two countries, of which one is a Member¹¹.

1.3. CLLD SCENARIO 3: WITH COOPERATION THROUGH AN EGTC

There is actually a current experience of an EGTC between Spain and Portugal and it would be the easiest solution if the EGTC entered the LAG as a partner and took care of all the administrative and management tasks.
The EGTC is not at the same level of a LAG as the EGTC has got legal personality.

¹⁰ Reg. (EU) No 1303/2013 "Common Provisions Regulation"

¹¹ Article 10 of Reg. (EU) No 1299/2013 "ETC Regulation"

2. INTEGRATED TERRITORIAL INVESTMENT (ITI)

There are many tools that the Regulation places under urban and territorial dimension, one of them is the Integrated Territorial Investment, not only for urban areas but for any type of territory.

Before trying to apply the ITI to a possible ETC situation, let's see how it works.

According to the CPR, all thematic objectives can become an object of an ITI.

Definition: *The ITI is an instrument that allows to "bundle" together ESI funds to perform activities aimed to support sustainable urban development, it therefore has the freedom to join and coordinate different funds and priorities that the new programming period wants to promote. The ITI basically needs a financial pot, a bundle of integrated measures, under different thematic objectives. It is referred to as a "mini-programme" because it can target focused areas, like urban environments and peripheries, having a specific sum of money and therefore perform some small scale activities targeted on a limited area.*

Since it can be funded by ERDF (but also by ESF and the Cohesion Fund), it is coherent with ETC and may be a possible ETC activity from an eligibility point of view.

Unfortunately, it is not clear yet how exactly such an instrument can be adopted by ETC in a project, but we will try to explore the possibilities. It is likely to be applicable for cross-border towns and infrastructures and it offers the possibility to join ETC funds and other ESI funds. As the CPR says that intermediate bodies can be responsible for managing ITI activities, an EGTC is also eligible to do it.

According to the approved legal framework, a Member State planning to use this instrument must state so in its Partnership Agreement and the same will have to show in the ROPs that will refer to and finance such a tool. A proper description is not required. The creation of an ITI requires time for planning the activities and deciding from which funds the resources can be taken, therefore it may be complicated for ROPs to add them on time. A possible way to ease the pressure on delivering the names of the cities that will participate in ITI, might be to allow them to plan and implement one even if the new programming period has begun and the national and regional documents have already been submitted and approved.

Moreover, the current legislative framework asks every Member State to earmark at least a 5% of their ERDF for urban related initiatives and the use of ITI. Cities and other intermediate bodies are direct beneficiaries and targets of such funds and this gives cities a major role they did not have in 2007-2013 period. The choice of cities where the 5% will be delegated to is a responsibility of the MS in consultation with the other stakeholders. This mechanism is very different from the last programming period and thanks to this direct transfer of funds from the top to the bottom level, the Regulation aims at empowering cities with responsibilities to tackle problems and obstacles that arise at local level.

But basically how does an ITI work?

We imagine that a city or a group of cities want to intervene in their territory in a joint way with a series of interventions that are eligible under ERDF and ESF (just to name two of the other eligible CSF funds).

They can agree beforehand with their national authority (Member State) and Region to be responsible for an ITI that will require a budget to be bundled:

- from the regional ERDF programme (ERDF ROP)
- from the regional ESF programme (ESF ROP)
- according to the different priorities that the ITI will deal with.

Why should a region plan to use the ITI? And how should it organise itself?

Let's imagine a scenario¹² starting from the legal background we are given by the Regulations.

1. The **ERDF shall support**, within operational programmes, sustainable urban development through strategies that set out **integrated actions** to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban linkages.

2. Sustainable urban development shall be undertaken through Integrated territorial investment as referred to in Article 36 of Regulation (EU) No 1303/2013, or through a specific operational programme, or through a specific priority axis in accordance with point (c) of the first subparagraph of Article 96.3 of Regulation (EU) No 1303 /2013.

3. Taking into account its specific territorial situation, each Member State shall establish in its Partnership Agreement the principles for the selection of urban areas where integrated actions for sustainable urban development are to be implemented and an indicative allocation for those actions at national level.

2.1. ITI SCENARIO 1: ACCESSIBLE AND INCLUSIVE PUBLIC TRANSPORT – NO COOPERATION

Region Lombardia in Italy wants to intervene in a radical way in the urban landscape of its main provinces. It especially wants to tackle the difficult situation of aging people using public transport: as more and more people grow older and is still active, they need more support and instruments to continue taking the bus. A similar problem is posed by people that is not old, but still has got disabilities or reduced mobility. The number of this category has reached such a critical mass that the authorities of the region and of the Member State convene to apply a different tool to find a solution to this problem. Since the Member State can earmark a certain amount of money (minimum 5% of ERDF funds) to be used by cities as an integrated Territorial Intervention, before writing the

¹² Disclaimer: all scenarios have been invented

regional OP and the same Partnership Agreement, a negotiation can be carried out between Italy and Lombardia. The State may allow the authorities that represent the different main cities where the interventions should take place, to agree on:

- the nature of the intervention (what kind of actions can they do?)
- its cost (how much is it going to cost? Is it eligible?)
- its management (which city is going to take care of the management?)
- the funding (Where does the money come from?)

Such agreement and the following plan must appear both in the Partnership Agreement at State level and in the OP of region Lombardia.

Now, let's say that Lombardia was planning to have an ERDF and an ESF OP including the following Thematic Objectives:

1. Strengthening research, technological development and innovation
2. Supporting the shift towards a low carbon economy
3. Promoting sustainable transport and removing bottlenecks in key infrastructures
4. Promoting social inclusion and combating poverty

The cities included in the ITI will be able to earmark the budget for the operation from the budget lines of the OPs and they will pick a quota of the ERDF and the ESF from investment priorities that are coherent.

1. Where an urban development strategy or other territorial strategy or pact as defined in Article 36.1 of CPR Regulation¹³ requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

2. The relevant operational programmes shall identify the ITIs planned and shall set out the indicative financial allocation from each priority axis to each ITI.

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI.

4. The Member State or the relevant managing authorities shall ensure that the monitoring system for the operational programme provides for the identification of operations and outputs of a priority axis contributing to an ITI.¹⁴

¹³ Reg. (EU) No 1303/2013 "Common Provisions Regulation"

¹⁴ Article 36.2 of Reg. (EU) No 1303/2013 "Common Provisions Regulation"

Let's imagine that the authorities had the meeting among the different cities and they came up with the following proposal:

- **the nature of the intervention (what kind of actions can they do?)**

The activities will include purchase of new eco vehicles, education and information campaigns for the public and especially for the elderly and the disabled, a training course for the drivers of the eco vehicles and the set-up of special card readers that will allow people to receive information on the bus time table and route.

- **its cost (how much is it going to cost? Is it eligible?)**

Infrastructure intervention:

- 20 new card-reading stations that will allow people with disabilities to learn when and where they can take the bus, if they feel sick and need help, if they need to communicate with a help desk. 100,000 €
- Purchase of a fleet of eco-buses with rails and ramps for elderly and disabled people. 100,000 €
- 12 new bus stops equipped with special seats, roof and ramps. 120,000 €
- Creation of a new bus card for people with special needs, communication campaign. 120,000 €
- Education and training of staff. 80,000 €

- **its management (which city is going to take care of the management?)**

Milan is going to be the managing authority of this ITI and the other cities will participate in the activities according to the work plan.

- **the funding organisation (Where does the money come from?)**

The activities will be funded by the ERDF and ESF Ops of Region Lombardia in a joint way and according to the eligibility of the different activities, depending on their nature.

Table 1. Coherence of ITI activities with the corresponding Thematic Objectives in different OPs

	THEMATIC OBJECTIVE	ACTIVITY AND RESULTS COHERENT TO THE THEMATIC OBJECTIVE	BUDGET EARMARKED ON PRIORITY
1	Supporting the shift towards a low carbon economy	1 fleet of eco-buses with rails and ramps	Cities own budget
2	Promoting sustainable transport and removing bottlenecks in key infrastructures	20 card readers 12 new bus stops	220,000 € ERDF
3	Promoting social inclusion and combating poverty	1 new bus card for people with special needs Education and information of staff	200,000 € ESF

Table 2. Example of ITI budget bundling different funds and priorities

REGIONAL OPERATION PROGRAMME	THEMATIC OBJECTIVE	INVESTMENT PRIORITY	TOTAL BUDGET	TOTAL ITI BUDGET
ERDF	Thematic Objective 1 Promoting sustainable transport and removing bottlenecks in key infrastructures	Investment Priority 1	1.000.000 €	170.000 €
		Investment Priority 2	1.000.000 €	50.000 €
ESF	Thematic Objective 10 Promoting social inclusion and combating poverty	Investment Priority 1	1.000.000 €	80.000 €
		Investment Priority 2	1.000.000 €	120.000 €
			4.000.000 €	420.000 €

2.2. ITI SCENARIO 2: URBAN GREEN VEGETABLE GARDEN – WITH COOPERATION

Another situation takes place in a cross-border area, like for example, between the region of Friuli Venezia Giulia in Italy and Slovenia.

The cross border towns of Gorizia and Nova Gorica have a difficult urban development situation across their border and want to participate in a common solution, each of them with their own funds.

Each of them will earmark an amount of budget out of their ERDF and ESF Regional OPs but will first agree on how much each of them should spend, according to the amount of work required in each programme area. This means that, for example, if they want to build a new construction, each region will be responsible of paying for the works to be done on their programme area.

Apart from calculating the budget, they would also need to detail how they contribute to such an ITI in their Regional OP and in the Partnership Agreement at a State level. A possible gain out of this solution is that each region will save on the investment costs because the other partner is also taking financial responsibilities.

Let's imagine that a peri-urban, semi-abandoned area on the border between Italy and Slovenia, is designed to be reconverted into an urban garden. The area stretches across the border, therefore even the access for Italian and Slovenian participants will be easy and very likely to be high. The project includes the creation of green patches that people will be responsible for and where they will be able to grow flowers, plants and vegetables, dump their kitchen waste to create compost, benefit from a solar panel-powered green-house. An electrical van will provide a shuttle bus service every hour from the old custom house to the urban vegetable garden.

All these activities are coherent with both ERDF and ESF thematic objectives (TO), for example:

TO Strengthening research, technological development and innovation

- converting a brown field into a low-impact and sustainable urban vegetable garden

TO Supporting the shift towards a low carbon economy

- building of a solar panel-powered greenhouse

TO Promoting sustainable transport and removing bottlenecks in key infrastructures

- providing an electrical van as a shuttle bus

TO Promoting social inclusion and combating poverty

- create a meeting place for people living in the periphery, offering them the possibility to be responsible, green and to have healthier food

As an ITI is an opportunity to bundle together funds from different priorities of different OPs, we can imagine that every T.O. listed above will have a specific Investment priority that will partially finance an activity of the project.

Example: T.O. Supporting the shift towards a low carbon economy (Total budget 7 Million €)

Related Investment Priorities:

1. Enhance the use of renewable energy devices in the public and in the business, sector - 2 Million €,
2. Promote information campaign in schools, offices and public environments to support the shift towards a low carbon economy - 2 Million €,
3. Encourage public and business buildings to adopt of tools, machinery, vehicles with a reduced carbon footprint - 3 Million €,

We can imagine that the necessary funds to implement the activity of buying and installing a solar panel-powered greenhouse will be taken from Priority 1.

Preparatory work and negotiations will be necessary for the cities involved to decide who is taking care of what, for example which city is buying the van and which is doing the public procurement for the construction of the greenhouse.

Every city will be responsible of the intervention in its programme area, but the activities will be coordinated and conducted in a joint way, as if it was an ETC project. The difference will be that there will not be no ETC programme and the partner cities will be able to tailor the activities they need to perform and fund them with their CSF money.

Table 3. Budget earmarked from different priorities of the same ERDF thematic objective in one OP

THEMATIC OBJECTIVE FOR THE ERDF	INVESTMENT PRIORITIES LINKED TO THE THEMATIC OBJECTIVE CHOSEN	BUDGET AVAILABLE ON EACH PRIORITY	BUDGET EARMARKED ON EACH PRIORITY FOR THIS ITI
Strengthening research, technological development and innovation	1. Enhance the use of renewable energy devices in the public and in the business, sector	2.000.000 €	1.000.000 €
	2. Promote information campaign in schools, offices and public environments to support the shift towards a low carbon economy	2.000.000 €	500,00 €
	3. Encourage public and business buildings to adopt of tools, machinery, vehicles with a reduced carbon footprint	3.000.000 €	1.500.000 €

Table 4. Example of ITI budget bundling different funds and priorities

REGIONAL OPERATION PROGRAMME (IT)	THEMATIC OBJECTIVE	INVESTMENT PRIORITY	TOTAL BUDGET	TOTAL ITI BUDGET
ERDF	Thematic Objective 1	Investment Priority 1	1.000.000 €	170.000 €
		Investment Priority 2	2.000.000 €	50.000 €
ESF	Thematic Objective 10	Investment Priority 1	2.000.000 €	80.000 €
		Investment Priority 2	1.000.000 €	120.000 €
REGIONAL OPERATION PROGRAMME (SI)	THEMATIC OBJECTIVE	INVESTMENT PRIORITY	TOTAL BUDGET	TOTAL ITI BUDGET
ERDF	Thematic Objective 1	Investment Priority 1	1.000.000 €	120.000 €
		Investment Priority 3	2.000.000 €	150.000 €
ESF	Thematic Objective 10	Investment Priority 2	1.000.000 €	80.000 €
		Investment Priority 4	3.000.000 €	100.000 €
			13.000.000 €	870.000 €

2.2.1. Operational aspects

How do different cities in different countries agree and commit on what to do and how much money to spend? Unless the Commission produces a template for the agreement among the cities and more specific guidelines on the practical steps to be taken, then every ITI can be organized according to the preferences of every group of partners. The steps to be taken should be the following:

- Agreement on the activities to be performed, on the resources to be spent, on the commitment of the different parties
- Write an agreement document (partnership statement/ITI commitment) to be subscribed by all the participants as if it was a partnership statement in an ETC project
- Every city taking part will subscribe to its tasks and its quota of co-financing
- A city or another intermediate body is appointed (by the States or by the programme authorities) to be responsible for all management, monitoring and administration of the ITI

2.3. ITI SCENARIO 3: WITH COOPERATION THROUGH AN EGTC

As the cities of Gorizia and Nova Gorica have established an EGTC, we can imagine that this intermediate body would be responsible for the implementation of the ITI. The ITI itself is a mechanism that needs to be given its own management institution.

The Regulation recognizes intermediate bodies such as the EGTC as eligible for managing projects of this type, therefore the EGTC could act as management and implementation authority for the Urban vegetable garden. It is obligatory that if the ITI is set up at international level, the management body is also international and equally represents all the parties.

In this case though, the ETC Regulation refers to a cooperation programme, not to any regional programme, so we should imagine that the ITI would be included in the activity within a European Territorial Cooperation project.

The activities and results would be exactly the same, like the same use of ERDF and ESF funds, the only change would be that instead of listing the cities taking part in the ITI and deciding which of them should act as Managing Authority, the EGTC will perform the necessary tasks. At the same time the OPs and the Partnership Agreements of the two regions and Member States concerned, will recognize the EGTC as MA of the ITI. In this case the EGTC provides a very easy solution for all activities to be dealt with at cross-border level, like the public procurement, the communication among the partners, the actual hard actions on the territory.

For cooperation programmes, the intermediate body to carry out the management and implementation of an Integrated territorial investment referred to in Article 36.3 of CPR Regulation¹⁵ could be an EGTC or other legal body established under the laws of one of the participating countries provided that it is set up by public authorities from at least two participating countries¹⁶.

¹⁵ Article 36.3 of Reg. (EU) No 1303/2013 "Common Provisions Regulation".

3. JOINT ACTION PLAN (JAP)

The Regulation for the next programming period, the Common Provisions Regulation (CPR), introduces a tool that will allow programmes to set up one operation.

Definition: *the JAP is considered as one single operation with one single beneficiary made up of several projects, bundling one or several of the Funds (ERDF, ESF, Cohesion Fund) and using options for simplified costs.*

This is the Joint Action Plan, whose legal background can be found in Articles 104 to 109 of the 'Common Provisions Regulation'.

Scope:

1. A joint action plan is an operation the scope of which is defined and which is managed in relation to the outputs and results to be achieved. It comprises a project or a group of projects, not consisting of the provision of infrastructure, carried out under the responsibility of the beneficiary, as part of an operational programme or programmes. The outputs and results of a joint action plan shall be agreed between a Member State and the Commission and shall contribute to specific objectives of the operational programmes and form the basis of support from the Funds. Results shall refer to direct effects of the joint action plan. The beneficiary of a joint action plan shall be a public law body. Joint action plans shall not be considered to be major projects.¹⁷

There are several points that need to be considered in a Joint Action Plan: first of all, the relation between the results it is supposed to deliver and the budget. We will see how this is tackled by simplified costs options.

Secondly, the JAP is part of an Operational Programme or more than one, therefore it means that it can benefit from different OP funds and priorities, similarly to other tools like the ITI or the CLLD that allow the bundling of funds. But the JAP is more than a bundling of Funds because specific management rules will apply, in particular financial management.

Thirdly, the creation of a JAP must be agreed previously by the Commission, to ensure legal certainty to the Plan. In spite of this need, it is interesting to observe that the JAP does not have to be identified in the OP or the partnership agreement. However, as for any other operations the JAP has to fit with the content of the OP or OPs.

Fourthly, only public bodies can be designated as a beneficiary of a JAP (but private bodies could implement some projects of the JAP). Infrastructures cannot be supported through a JAP. The public support to a JAP shall be a minimum of EUR 10.000.000.

¹⁷ Reg. (EU) No 1303/2013 "Common Provisions Regulation".

What do you need to build a JAP? Three elements should be present:

1. a smartly-defined goal, that is what we expect to change or tackle through our plan.
2. a well-thought intervention logic, that is the series of projects to be put in place to reach the goals.
3. agreed milestones, outputs and results, that will serve as evidence to be paid back by the Commission, through the mechanism of simplified costs.

According to these premises, the JAP is therefore described as a system to award good results. It is one operation and so it must appear in the Operational programme(s), although it can feed more than one priority axis.

The JAP must be submitted as a proposal, to the Commission, which needs to analyze it and accept it. It may also be refused by the Commission. The reason for that is that it gives legal certainty to the JAP as far its financial management is concerned, and it also ensures concentration on the results. As we said before a JAP is only one operation but it is made up of several projects, all of them delivering different outputs but still contributing to the same goal or objective. For this same reason there can be different funds to be used, because the quality and type of the different actions can be fed by ESF, ERDF or the CF. In this way you can think of the JAP as a mini OP, where several priorities contribute to the same objective.

As mentioned, one breakthrough for this instrument is the simplified costs scheme it adopts, as a matter of fact the budget of a JAP is calculated through a standard scale of unit for every output delivered, or through lump sums.

If for example an operation is carried out under the European Social Fund to provide training courses, the Commission will calculate the reimbursement (and the draft financing elements that are part of the JAP) according to a standard cost multiplied by the number of people trained.

The Regulation¹⁸ describes how the content of a JAP should be planned and described, we can see in the following text why such an operation resembles a mini OP, as there are some similarities with Article 96 of CPR:

¹⁸ Art. 106 of Reg. (EU) No 1303/2013 "Common Provisions Regulation".

The joint action plan shall contain:

- (1) an analysis of the development needs and objectives justifying the joint action plan (...)
- (2) the framework describing the relationship between the general and specific objectives of the joint action plan, the milestones and the targets for outputs and results, and the projects or types of projects envisaged;
- (3) the common and specific indicators used to monitor outputs and results, where relevant, by priority axis;
- (4) information on the geographic coverage and target groups of the joint action plan;
- (5) the expected implementation period of the joint action plan;
- ...
- (8) (a) the designation of the beneficiary responsible for the implementation of the joint action plan, providing guarantees of its competence in the domain concerned as well as its administrative and financial management capacity;
- (b) the arrangements for steering the joint action plan, in accordance with Article 108;
- (c) the arrangements for monitoring and evaluating the joint action plan including arrangements ensuring the quality, collection and storage of data on the achievement of milestones, outputs and results;
- (d) the arrangements ensuring the dissemination of information and communication on the joint action plan and on the Funds;

We can see that all these elements: planning, monitoring, set of milestones and indicators, geographic coverage, control and communication are the same pillars for programme planning and management. The last part of this article describes how the simplified tools should be arranged, which is more detailed further on under Article 109.

- (9) its financial arrangements (of the joint action plan), including the following:
 - (a) the costs of achieving milestones, outputs and result targets with reference to point (2), based on the methods set out in Article 67(5) and in Article 14 of the ESF Regulation;
 - (b) an indicative schedule of payments to the beneficiary linked to the milestones and targets;
- (...)

Finally, a Joint Action Plan is another instrument that allows the use of several types of resources from the ERDF, ESF, CF, encourages the integration and coordination of activities in a very organized manner, but especially it is meant to focus on the results and therefore it applies simplified costs options.

Thanks to this approach it may be easier for regions to plan ahead integrated actions that must deliver the goals established in the content of the JAP.

3.1. JOINT ACTION PLAN SCENARIO 1

A region may want to use the Joint Action plan because it prefers to work with simplified costs and still needs an integrated approach to the delivery of results through the use of different funds.

An example is provided by the EUODISTRIC REGIO PAMINA, an area comprised between France and Germany and including the cross-border areas of Northern Alsace, South Palatinate and Mittlerer Oberrhein.

The interpretation of the CPR according to this EUODISTRIC led them to the proposal of a JAP at cross-border level. Such a choice was fed by their long experience in cooperation and in the management of Interreg programmes: as a matter of fact, this territory has been falling under the programme area of the Interreg Rhin Supérieur since its creation and they have been involved as managing and certifying authorities of the Interreg programme until 2008. Their proposal had to face, and it still is, several administrative and strategic obstacles and, until now, the European Commission has not yet confirmed the JAP's validity. This is of course part of the procedure and only goes to show that a keen preparatory work must be carried out to put a JAP in place.

The EUODISTRIC has been working on the development of its territorial strategy for the past two years and came up with a plan called PAMINA2020, whose name highlights the closeness of their objectives to the ones established by the new Cohesion policy strategy. The EUODISTRIC REGIO PAMINA primarily aims to develop the job market, reduce unemployment, improve the bilingual balance, encourage school exchanges and diplomas recognition.

It also ran a SWOT analysis to recognize the objectives that are shared by the regional operational programmes and the ETC programme. They realized that the key thematic objective was cross-border job mobility and accessibility (corresponding to the 8th thematic objective) a goal that can be tackled both with ERDF and with ESF. Their approach is extremely practical: as the data showed that the French area suffered from high unemployment, whereas the German side enjoyed a full employment situation, they decided to intervene mainly on this unbalance.

The structure of the JAP would be fed by:

- The ERDF from the upcoming Interreg Rhin Supérieur V (France and Germany)
- The ESF from the Regional Ops of Alsace, Baden-Wurtemberg and Rhineland-Palatinate

The plan is therefore cross-border, financed by both Germany and France and it is also a multi-funded operation, benefitting from the ERDF and ESF and it will be integrated in the ETC programme. There are four sources of funds to be integrated and coordinated and at the same time national and regional institutions are involved. It is at this point that the existing structure of the EUODISTRIC, being a cross-border platform, can help to channel the funds and the activities while respecting every level's governance and involvement.

The Regulation does not specify such a condition, but according to its interpretation and the similarities with other tools like the ITI, that allow cross-border bodies like EGTCs to manage their projects, the profile of the EURODISTRICT should be totally acceptable. The only options left to check are:

- what the beneficiaries would be
- what operations/projects should be encouraged
- the budget and the simplified cost option

4. COOPERATION IN INVESTMENT FOR GROWTH AND JOBS GOAL (IGJ) ACCORDING TO CPR ARTICLE 96.3 (d)

According to this article a regional Operation programme setting its objectives for the Investment for growth and jobs goal, therefore NOT an ETC/Interreg programme, can plan activities to be developed in collaboration (in partnership) with other regions belonging to the EU.

Taking into account its content and objectives, an operational programme shall describe the integrated approach to territorial development, having regard to the Partnership agreement, and showing how that operational programme contributes to the accomplishment of its objectives and expected results, specifying, where appropriate, the following:

*(c) the arrangements **for interregional and transnational actions**, within the operational programmes, **with beneficiaries located in at least one other Member State**;¹⁹;*

This means that a region can perform joint activities with another European region working on the same topics or priorities.

In order to do so, the region must state in its OP the necessary information and arrangements, knowing that such activities are subject to certain limitations like stated in Article 70.2 of the same Regulation:

Eligibility of operations depending on location

2. The managing authority may accept that an operation is implemented outside the programme area but within the Union, provided that all the following conditions are satisfied:

(a) the operation is for the benefit of the programme area;

*(b) the total amount allocated under the programme to operations located outside the programme area does not exceed **15 % of the support from the ERDF, Cohesion Fund and EMFF** at the level of the priority or **5% of the support from the EAFRD** at the level of the programme;*

*(c) **the monitoring committee has given its agreement** to the operation or types of operations concerned;*

(d) the obligations of the authorities for the programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the programme under which that operation is supported or they enter into agreements with authorities in the area in which the operation is implemented provided that the conditions set out in paragraph 2 (a) and the obligations in relation to management, control and audit concerning the operation are fulfilled.²⁰

¹⁹ Art. 96.3.d) of Reg. (EU) No 1303/2013 "Common Provisions Regulation"

²⁰ Art. 70 of Reg. (EU) No 1303/2013 "Common Provisions Regulation"

In the 2007-2013 programming period this methodology could be applied to both the Objectives of Convergence and Competitiveness and Employment, while in the 2014-2020 programming period it will be applied to the only one Goal set by Cohesion Policy, other than Territorial Cooperation, which is the Investment for Growth and Jobs.

Such a methodology can be very useful but it is not an obligation, it is a choice.

This type of methodology, to be successful, requires some preparatory work including research of partners and internal assessment of administrative and management capabilities.

The intentions and plans to use cooperation must be stated in the Operational Programme of the Region. Such intentions should cover the following topics and information:

What?

The current Framework designed by the Regulation for 2014-2020 states that every Region must specify its content according to the thematic objectives and investment priorities. Such choices must be supported by evidence (SWOT analysis or reference to ex-ante evaluation in the Partnership Contract) and should also have a description of the types of the activities a Region plans to carry out to improve the situation or tackle the difficulties.

At this point, a possibility is to show that some gaps that the Region suffers from may be filled in by the partnership with other European regions.

The choice of theme should be coherent with the priorities of the Region itself and may relate to a specific sector of one priority.

For example, if the priority of a region is its economic development, a possible sector where cooperation can be used is in the internationalisation of its enterprises to create interregional clusters.

A possible wording could be the following:

The Region (...) wishes to create partnerships and carry out cooperation activities at interregional level with other EU regions whenever it judges that such methodology can lead to a valuable added value or to a greater benefit to the Region's objectives. By using this wording the Region leaves open a space for cooperation and, in case such opportunity does not present itself, there will be no need to amend the ROP.

How much?

It is not obligatory to state how much money a Region intends to dedicate to this type of cooperation, of course if a Region wants to it can state so either as an actual sum or a percentage from the budget.

How?

The only obligation is to state the plan of working in cooperation in the ROP. In case a Region wants to dedicate a specific section of the ROP or an annexe to it, it is welcome to do so. Such a document, usually the implementing document (*Document de Mise en Œuvre in French*) can describe all the technical details and administrative procedures related to the actual implementation of the cooperation activities at the programme level.

Such implementation can include: creation of calls for proposals, creation of specific application forms, creation of networking and partnership events, set up of technical assistance centres

The actual use of cooperation at regional level (management, administration, technical assistance) cannot be easily improvised but it should be the result of an internal assessment of the Region, which should understand if it has the capabilities to manage international relations. Regions using cooperation methodology may choose to set up an additional technical service to manage calls, assess projects and arrange partner meetings. Staff hired by this organism should be very well prepared and skilled in foreign languages.

With whom?

The Region should choose as a cooperation partner a region that can exchange interesting and useful practices in the same field on interest or thematic priority. Such a choice should be the result of the partner search in the preparatory work. The research can be conducted thanks to the help of the Commission (desk officers), other EU platforms, Chambers of Commerce or actual regional representations.

On what ground/legal basis?

According to the draft Regulation for the Common Strategic Framework Funds, Article 96.3 (d) allows for the use of cooperation with at least another region in the EU. Article 70.2 of CPR regulates the expenditure of funds outside of the programme area, therefore outside the Region itself, illustrating financial limitations (b) and control and audit rules (d).

And finally, why?

Interregional cooperation can bring a great added value to regional development as it allows the exchange of practices and experiences among regions all over Europe, especially those that are excluded from ETC because of their unfortunate geographical position and those having specific interests and priorities that cannot be easily tackled by the sometimes limited means of ETC

4.1. COOPERATION OUTSIDE ETC, A SCENARIO: ENCOURAGEMENT OF EMPLOYMENT AND BUSINESS CREATION

Region Valencia in Spain wants to help its enterprises that are lagging behind, especially when it comes and therefore is looking for innovative solutions that will allow its ERDF funds to be spent through efficient and effective activities.

The region decides to establish contacts with an English region developing a strong SME support policy and establishing links among entrepreneurs to boost thematic objectives 1, 2, 3 and 7.

Region Valencia wants to set up an activity of professional exchange and know-how sharing because it believes that it lacks useful hints and practices, while the English region sees that the knowledge-management exercise with a region where the emigration flux of its citizens is high may be an opportunity to develop branch offices and hubs.

The two regions therefore declare such intentions in their Regional OP.

They would not have the opportunity to cooperate under the ETC goal because there is no ETC programme that would allow the two regions only to establish this type of contact, besides, both regions decide to go on this choice because they believe that there is an advantage for both.

The two regions now can decide how to organize their activities according to the limits imposed by the Regulation and by their own OPs.

One possibility is that each region launches a call for proposals aimed to enterprises working in specific sectors they wish to tackle (i.e. food packaging industry, ICT, construction). The call may propose to such enterprises the possibility to take part in an exchange of staff, or knowledge exchange and the possibility to develop joint projects for the launch of new products on both national markets as pilots.

Each region will fund its own enterprises with their own money, so no Spanish money will fund English firms and vice versa, unless such a situation is needed and therefore it would be performed according to the limits established by Article 60. In case that one Authority had no choice but to spend part of the budget in the across the border, therefore in the other Member State and outside of the programme area, then it should refer to the limits established in Article 70 (b):

the total amount allocated under the programme to operations located outside the programme area does not exceed 15 % of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or 5% of the support from the EAFRD at the level of the programme;

If we imagine that the English region is planning to use a priority of a specific ERDF thematic objective, then up to 10 % of that amount may be spent in Spain upon need.

Every other management activity like assessment of proposals, signing of contracts, first level control, reporting and evaluation will be carried out by each region according to its internal regulation.

5. CONCLUSIONS

It all started from the need to involve more tightly the lower elements of the multi-level stakeholder governance, mostly cities and civil society, two elements that very often cannot play a major role in cohesion policy, even though they are among its main targets.

The principle of subsidiarity, that is a stronghold of the EU, needed to be reinforced in some elements of the regional policy and the path started with the set-up of the EGTC has been continuing thanks to the creation and adoption of the above mentioned new tools.

Although instruments like CLLD, ITI and JAP were introduced by the regulations to allow a more integrated and bottom-up approach to territorial development, only a very few programmes took them up. There isn't a diffused awareness of the territorial dimension of our programmes and how these tools – or maybe some new ones – could better facilitate our territorial approach to cooperation in our programmes' areas.

The ITI is a framework for regional policy where a stronger bond is created between Member State, region and city. Communities, represented by the mayor and its city, can take responsibility for the activities to be implemented at urban level and for its financial implications. It will be up to the cities to draft a development plan and its administrative steps, to make sure that their objective is reached. Such an activity still, will be carried out after agreeing its contents and main elements with the Member State. At the moment, only one programme adopted such approach and the relevant elements are listed in the following section.

The CLLD is not a new element instead, but for the first time it is being adopted within structural funds and for purposes of cohesion policy. The original idea, the LEADER approach, has been hailed to be extremely useful and effective, because it could merge the bottom-up approach of smaller communities to find suitable solutions for a small territory. We now hope that with more resources and with a different objective, the possibilities of the CLLD will prove even higher. As for the previous tools, only one programme adopted such approach and the relevant elements could be found in the following section, as well.

The JAP is a combination of a tool allowing the bundle of funds and at the same time encouraging a simplification of the administrative management, thanks to the simplified cost option. As for the JAP, no examples are recorded among cooperation or mainstream programmes financed under ERDF

It is clear that these tools were supposed to be implemented for the first time, without expecting a massive use from programmes, but they need – nevertheless - to be positively perceived as they do try to adopt a bottom up approach to territorial development in a practical way. Their added-value is then the encouragement towards a new governance model, where there will be more opportunities for smart spending, more coordination and joint activities and less administrative tasks.

6. REPOSITORY OF EXAMPLES

Some examples, were presented during the 'Interreg Annual Event 2017' (*Malta, 26th-27th April 2017*). Here is a repository of these examples and relevant information/sources already available from the event.

➤ **COMMUNITY-LED LOCAL DEVELOPMENT (CLLD)**

Interreg V A Italy-Austria example

The socio-economic situation at the immediate border is weaker than in the less peripheral areas. In addition, the immediate border areas are also directly affected by the multiple day-to-day border problems (different policies, laws and administrative regulations).

Management structures to address territorial cohesion like **LEADER Local Action Groups** (LAGs) and **EUREGIOs** have been established separately on the basis of the LEADER approach and Interreg programme in the late 90's. Due to the missing linkages and coordination at programme level and between different funds, territorial cohesion – addressing the same areas - was segmented.

On the other side, at local level, strong connections and coordination between local and cross border development has been established step by step. Therefore, also synergies and links at project level have been common and increasing, leading to a growing demand of an integrated approach at local level.

CLLD is a refreshed application of the 'LEADER approach' which can mobilise local communities and organisations in designing/implementing **Local Development Strategies** (LDSs). With CLLD for the first time an integrated approach of territorial cohesion between different programmes and funds was possible, by meeting the needs at local level and also at regional level and capitalising on existing experience (primarily gained through LEADER) for the cross border development:

- to develop integrated bottom-up approaches where there is a need to respond to territorial and local challenge;
- to build community capacity and stimulate innovation within communities and territories;
- to promote community ownership in increasing their participation;

CLLD on ETC level is implemented by Local Action Groups (LAGs), composed by representatives of local public and private socio-economic interests (entrepreneurs, associations, local authorities) of at least two Member States.

The main goal of the programme was the establishment of a "one stop shop" between local and cross-border territorial cohesion through CLLD.

Implementation of CLLD

Implementing CLLD at CBC level sounds more difficult than it actually is. It is a combination of the EUREGIO concept and the LEADER method adopted by the rural development fund (strategy based on a bottom up approach and existing since approximately 25 years and meanwhile covering almost all rural areas in Europe). EUREGIO and LEADER are working in the same area with the same goal: Governance and development of their territory. More specifically, territorial cohesion within LEADER is focused on local level and within the EUREGIO it is focused on cross border level. In addition, mostly the same actors are involved in both concepts. Combining these two concepts through a multi-fund CLLD approach needs mainly the following 2 requirements:

- Acceptance of local actors and stakeholders to combine these two concepts.
- Willingness on programme level to allow the merge of the two concepts and to shift the project decision (and part of the program budget) to the local level based on a decentralized cross border strategy.

To convince local actors and the programme level it is important to point out the benefit of a CBC-CLLD approach as a challenge to revitalise local democracy by new ways of involving citizens, opens new perspectives and invent new local economies and societies for building linkages between urban, rural and fisheries areas. The possible added value of decentralized cross border strategies regarding territorial cohesion is highlighted by the Association of European Border Regions - AEBR in the practical guide for the elaboration of cross-border territorial development strategies (ESPON financed in 2013). An extract is the following list:

- Added value for **Europe 2020** (cross border concepts, synergies, networking, exchange of know-how, efficient cross border management – if possible one stop shop with local management, anchorage Europe 2020 on local level).
- **Political added value** (development of Europe at the border, building trust, subsidiarity, economic and social cohesion; multiannual programme and strategy based).
- **Institutional added value** (active involvement by the citizens and stakeholders; partnership, local responsibility – putting local actors in the driving seat; creating a cross border identity and functional relations).
- **Socio-economic and socio cultural added value** (mobilisation by strengthening the local level; broad involvement from all sectors, shared development opportunities and shared implementation).

Conference link [HERE](#).

➤ INTEGRATED TERRITORIAL INVESTMENT (ITI)

Interreg V A Italy-Slovenia 2014-2020: the experience with EGTC GO

The cooperation programme Italy-Slovenia has chosen to apply the ITI approach to develop an integrated cross-border strategy for the specific case of the twin cities of Nova Gorica - Gorizia – Šempeter Vrtojba, which are also acting as EGTC since 2011.

The ITI tool allows delivering a long-term territorial strategy aimed at facing social and economic challenges for a well-defined geographical area, thus enhancing the potentials of a place-based policy. The establishment of a territorial strategy for the area comprised within the municipalities of Nova Gorica, Gorizia and Šempeter Vrtojba and the following adoption of an ITI under the cooperation programme Italy-Slovenia responded to the need of facing common challenges through integrated investments in the area, which despite the border, is in fact a unique territory.

The establishment of an EGTC (GECT GO/EZTS GO) among the three municipalities of Nova Gorica, Gorizia and Šempeter Vrtojba, in February 2011 and based in Gorizia, responded to the assumption that only genuine joint operations, allowing the whole cross-border area to act without the limitations imposed by the border, could produce a positive impact on that area. The work of the EGTC culminated in November 2013 with the approval by its Assembly of a strategic plan selecting pilot measures aiming at revitalising its territory through integrated investments.

At the same time, the cooperation programme IT-SI opted for the ITI as an instrument for the implementation of the territorial development strategy of the municipalities comprised in the EGTC GO area. The combination of EGTC and ITI tools was therefore the natural consequence to achieve the desired impact in the area through the planned integrated investments.

The EGTC GO territorial plan identified interventions to be implemented under different thematic objectives and investment priorities to tackle the common future challenges of the area and achieve a joint economic and social growth. The ITI adopted by the programme is therefore mono-fund and multi-axis and includes 2 pilot actions (projects) identified by the EGTC GO in its strategic plan to (re)create a unique urban area:

- Project "ISONZO-SOČA" (IP 6C): aimed at the valorisation of the river Isonzo/Soča through sustainable tourism, environmental protection and green growth. The project will develop an integrated cross-border network of cycling and walking paths to establish the first urban cross-border park to increase sustainable mobility in the urban area and to attract tourists with a sustainable impact on the economy of the whole urban territory.
- Project "HEALTH" (IP 11A): aimed at building a network of integrated services providing a joint use of the healthcare services in the EGTC GO area in view of the implementation of the Directive 2011/24/EU. At the moment, Italian and Slovenian informative systems are not connected making it difficult for citizens

to get information about health services in EGTC GO area. Thanks to this pilot action, a new IT network will be created, providing the opportunity for a wider range of healthcare services at cross-border level.

The value of the ITI package is 10 Million euro (ERDF + national co-financing²¹). The value of each project is 5 Million euro. Both ITI projects were approved in February 2017.

For a complete and successful implementation, synergies and coordination with the other ITIs implemented in the EGTC Go area, under the Italian and Slovenian mainstream programmes, need to be followed up and ensured to produce effective integrated investments in the area and maximize their impact.

The programme decided that the EGTC GO would implement the ITI as “sole beneficiary” of both projects. This choice allows a stronger focus on the joint urban dimension of the operations as well as the reduction of the administrative barriers represented by the existing border. The EGTC GO is the only partner of the projects and will concretely carry out the implementation of the ITI projects: it will be responsible of public tenders for services and infrastructures on both sides of the border (Article 39(5) of Directive 24/2014) and carry out the expenditures.

Furthermore, in line with the provisions of Article 11 of the Regulation (EU) No 1299/2013, the EGTC GO is acting also as Office for Intermediate Body (OIB) and is in charge of the management of the ITI as part of the Interreg Programme related to the territory of the EGTC. At this purpose, a functionally separated unit was established within the EGTC GO to avoid any conflicts of interest. An agreement defining the tasks to be carried out by the OIB (functions delegated by the MA) was signed in December 2016, between the Programme MA and the OIB.

The choice to set up the EGTC as Intermediate Body aims at enhancing the ITI territorial approach by delegating to a Body linked to the specific territory not only the implementation of the projects but also the management (and control) of this part of the Programme (Article 125 of Regulation (EU) No 1303/2013).

Conference link [HERE](#).

²¹ Since the EGTC GO is registered in Italy, it is and Italian beneficiary and is entitled only for the national co-financing of the country where it is registered (Italy).

7. BACKGROUND DOCUMENTS

- Interact fact sheet, territorial development tools: http://www.interact-eu.net/library?field_fields_of_expertise_tid=34#518
- Interact factsheet on EGTC: http://www.interact-eu.net/library?field_fields_of_expertise_tid=35#511
- EGTC Monitoring Report 2015 - Implementing the new territorial cooperation programmes:
<http://cor.europa.eu/en/documentation/studies/Documents/EGTC-MR-2015.pdf>
- Common Guidance of the European Commission's DG AGRI, EMPL, MARE and REGIO on Community-Led Local Development in European structural and investment fund: http://enrd.ec.europa.eu/enrd-static/themes/clld/policy-and-guidance/en/policy-and-guidance_en.html
- Guidance on Community-Led Local Development for Local Actors, http://ec.europa.eu/regional_policy/.../guidance_clld_local_actors.pdf
- European Commission Factsheet on CLLD - http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf
- Common guidance of the European Commission's Directorates-General AGRI, EMPL, MARE and REGIO on Community-Led Local Development in European Structural and Investment funds – 29/04/2013 - http://ec.europa.eu/regional_policy/what/future/pdf/preparation/clld_guidance_2013_04_29.pdf
- ESPON; Ulysses, Practical Guide of elaboration of cross-border territorial development strategies: <http://www.euregio.eu/sites/default/files/downloads/Practical%20Guide.pdf>
- Scenarios for Integrated Territorial Investments: http://ec.europa.eu/regional_policy/en/information/publications/reports/2015/scenarios-for-integrated-territorial-investments
- European Commission Factsheet on ITI - http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf