WORKSHOP 4
Territorial Tools and Structures for the post-2020
Wednesday, 27 April - Morning Session

1. **INTRODUCTION**

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. Are we aware enough of the territorial dimension of our programmes? How these tools – or maybe some new ones – could better facilitate our territorial approach to cooperation in our programmes areas?

Small Project Funds (SPF), promoting people-to-people projects are resorted to by many cross-border cooperation programmes, but this set-up has no formal recognition in the regulations. The paradox is even more evident if we consider that the European Groupings for Territorial Cooperation (EGTCs), specifically established to overcome border obstacles, find a limited role in programmes implementation. What lessons should we draw from the current period? What would be the most appropriate tools to implement cooperation programmes post-2020?

2. **SUCCESS STORIES FROM 2014-2020 PROGRAMMING PERIOD**

JAP, ITI and CLLD were introduced within the 2014-2020 legislative framework. However, among all the Interreg programmes, only the cooperation programme Italy-Slovenia decided to implement an ITI and only the programme Italy-Austria took up CLLD. No examples of JAP are recorded among cooperation or mainstream programmes financed under ERDF.

2.1 **The ITI approach of the Interreg programme Italy-Slovenia 2014-2020 and the role of the 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 valorization 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-financing\(^1\)). 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).

### 2.2 Interreg V A Italy-Austria: Why did we choose to implement CLLD?

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.

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\(^1\) 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).
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.

### 2.3 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 news 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 listing:

- **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).
The European Grouping of Territorial Cooperation is a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation. The EGTC is a legal entity and, as such, can enable regional and local authorities and other public bodies from different Member States, to set up cooperation groupings with a legal personality.

An EGTC can act as sole beneficiary in Interreg projects, which in practice means that EGTCs could carry out cooperation projects by themselves, on the basis of their composition requirements. They can also be a useful tool for implementing projects and actions of macro-regional strategies. An inherent feature of the EGTC is to enhance genuine cooperation of its members. For example, an EGTC has legal personality, and the most extensive legal capacity makes it possible for its members to jointly acquire properties, manage public services or employ staff.

The ETC and EGTC regulation provide for the legal basis for EGTCs to cover several roles in the Interreg context:

- Can act as the Managing Authority or be responsible for managing the part of the Interreg programme that relates to the territory of the EGTC.
- Can be an Interreg project beneficiary (either as lead partner, project partner, or sole beneficiary).
- Can act as First Level Control in case of acting as the Managing Authority.

The amendment to the EGTC regulation in 2013 contributed to simplify the administrative procedure to set up an EGTC. However, several challenges are still on the floor. Although 65 EGTC have been established so far, we can count only a couple of EGTC acting or having acted in reality as sole beneficiary and very few examples of EGTCs as Managing authority. Furthermore, given that EGTCs are natural-born beneficiaries of Interreg as their partnerships naturally fulfil cooperation criteria, the number of EGTCs involved in Interreg projects is still quite low and they are generally indicated only as "potential beneficiaries" in Interreg programmes.

The EGTC Monitoring Report 2015, published by the Committee of the Regions in 2016, highlighted that 15 EGTCs reported obstacles in implementing the projects, including the following:

- Different regulations, administrative cultures or languages between the countries.
- The pre-financing of activities.
- The lack of a direct financing plan, separate funds and direct monetary financing in the field of investment – development.
- The lack of information and support for EGTCs.
- The lack of human resources, difficult and time consuming procedures to employ people.
- Long and complicated negotiations with the responsible authorities (especially for new instruments where there are no experiences).

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2 Examples: the EGTC GO is appointed as OIB for the ITI of the programme IT-SI and “potentially” identified as sole beneficiary of the ITI projects. This option was confirmed with the adoption of the projects; EGTC TATRY is indicated a sole beneficiary in Interreg V-A PL-SK 2014-2020 Programme.

3 The first EGTC becoming managing authority of a programme was Grande Région, involving FR, DE, LU, BE. ESPON EGTC is sole and only beneficiary of ESPON programme.
The following questions therefore arise: is the EGTC potential fully exploited? What prevents its full and complete exploitation as tool for the delivery of territorial cooperation?

5. WORKSHOP OBJECTIVES

The workshop intends to identify difficulties and challenges related to the uptake of the territorial tools foreseen within the 2014-2020 legislative framework. In particular, participants will be called to share their experiences, highlight challenges and difficulties encountered in the use of territorial tools as well as the reasons for discouraging a certain choice in favour of different one. Suggestions on the (legislative and non-legislative) changes that could ease the accessibility to the existing tools will be also discussed with a view to provide inputs on the tools deemed the most appropriate to ETC, perhaps suggesting new ones in view of the post-2020. Possible discussion outputs could be:

- Suggestions for new tools to implement post-2020 Interreg programmes
- Suggestions for a better implementation of the existing tools in view of the post-2020

Outcomes and conclusions of the workshop will be summarised in an upgraded version of this paper which will be made available on the Inforegio Webpage of the event.

6. WORKSHOP STRUCTURE

After a general overview of the subject of this workshop, the programmes Italy-Austria and Italy-Slovenia will share their respective experience with regards to the implementation of CLLD and ITI. Participants will further share and develop their views on the subject in small discussion groups conducted with world café mode by addressing to the question below:

1. What are the main reasons they are not set up?
2. What should be changed?
3. What could be the benefit? / How could we make the tools more beneficial?

7. WORKSHOP CONCLUSIONS

7.1 What are the main reasons they are not set up?

It was argued that the elaboration of the programmes had started earlier than the introduction of the new territorial instruments, and there was a lack of information in relation to the benefits as well as the implementation arrangement for these instruments. Some managing authorities admitted that there was eventual interest to set up Integrated Territorial Investment (ITI) or community-led local development (CLLD) by some stakeholders during the programming phase, but due to the reluctance of managing authorities (MAs) and national authorities’ experience, most of these initiatives were abandoned during the discussions.

The use of territorial tools assumes implementation capacity on lower levels (local, regional). Some managing authorities perceived lack of capacity of territorial players and consequently lack of trust to delegate the implementation of part of the programme to lower level, including EGTCs for example. It is also a matter of trust to shift the decision making and responsibilities from the programme level to the local actors.

Finally, arguments were heard that the existing tools (small project funds, umbrella projects) suffice to tackle territorial challenges, so there is no real need to use the new instruments.

7.2 What should be changed?

The timely provision of clear guidance was the most often mentioned need. The guidance for CLLD came out in as late as May 2014 and although LEADER method was well established in the Rural Development Programmes, CLLD was a new instrument for European Territorial Cooperation. A less detailed guidance on ITI, with a separate chapter about its implementation at cross-border level, is also available. Thus, a clear
guidance with enough time to evaluate those instruments at programme level and to take them into consideration when writing the programmes is important.

It was argued that an efficient combination of support from different programmes and different funds would necessitate the harmonization of their implementation rules. More specifically, at the beginning of the programming period, before all the managing authorities start developing their programmes, there should be a coordination mechanism within and among Member States in order to ensure that cooperation programmes are also taken into account when the integrated approach to territorial development is discussed.

The legal provisions should provide greater flexibility and limit the responsibility of managing authorities for potential failures of testing new instruments in order to encourage their greater uptake.

7.3 What could be the benefit? How could we make the tools more beneficial?

First, there should be some better explanation provided on the tools’ benefits to convince programme authorities to consider them possibly already for a mid-term review of the current programming period, but definitely for the next one. What is perceived as benefits of the new territorial tools is the stronger involvement and empowerment of stakeholders in the immediate border region and the synergy by integration of different thematic areas and different funds. The tools are based on a strategic approach (development strategy, decision-making at local level on measures to tackle cross border obstacles) and are able to foster multi-level governance between local and regional stakeholders. CLLD furthermore would allow greater flexibility and better reflection to local problems.

7.3 Live voting results

During the closing plenary of 28 April am the following questions were submitted to the live voting of the audience with the following results:

Were you able to introduce the new territorial tools in the past programming phase (2014-2020)?

1. Yes 27 %
2. No 73 %

Did we increase your intention to consider the use of these tools for the next programming period (2020+)?

1. Not at all! 23 %
2. Not likely 20 %
3. Maybe 29.7 %
4. Very likely 10.9 %
5. Of course! 16.4 %
8. BACKGROUND DOCUMENTS