

## - POSITION OF CECICN TO BE ADDRESSED TO THE DG REGIO -

# INTEGRATED TERRITORIAL APPROACHES AND SMALL PROJECT FUNDS WITHIN THE 2014-2020 PROGRAMMING PERIOD

November 2013

## INTRODUCTION

The CECICN, Conference of European Cross-border and Interregional City Networks, supports integrated territorial approaches in the upcoming programming period 2014-2020 and the integrated approach suggested by documents like the common strategic framework. These territorial transversal approaches are in particular important to fully exploit the potential of macroregions (please see CECICN document on Cities in Macroregions) and cross-border territories. For the latter, CECICN encourages operations of Integrated Territorial Investment (ITI) and Community Led Local Development (CLLD), and “Joint Action Plans” (JAP). The present paper points out the position of the CECICN concerning these tools as well as the difficulties encountered in a cross-border context.

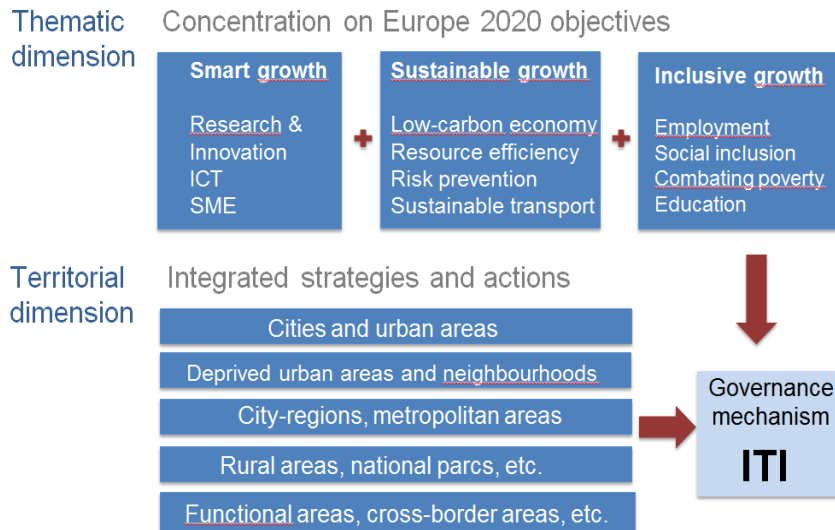
Furthermore, CECICN supports Small Project Funds (SPF) in the upcoming programming period, as CECICN considers that Small Project Funds favor common citizenship in Europe.

## A. CONCRETE PROPOSALS - INTEGRATED TERRITORIAL APPROACHES

### A.1 IMPLEMENT THE INTEGRATED TOOLS FOR TERRITORIAL DEVELOPMENT

The proposed regulations consolidate the territorial dimension of the cohesion policy with the introduction of two integrated tools for territorial development which may be applicable to cross-border issues:

- ≡ **“Integrated Territorial Investment” (ITI)**, a mini-programme for the implementation of a multidimensional territorial development strategy over a particular area, which would be incorporated into programmes and may benefit from delegation of management to intermediary bodies (cf. schema);



- ≡ **“Community Led Local Development”** (CLLD), a bottom-up approach which funds integrated and multi-sectorial strategies for local development, led by local action groups (LAG) across sub-regional areas.

The current programmes of territorial cooperation gave already the occasion to experiment innovative tools for integrated cross-border development as it was the case in the ALCOTRA programme with its Cross-border Integrated Plans (PIT - plan intégré transfrontalier). See **Annex A - I. Lessons learned from the PIT experience.** These experiences may be used for future ITI and CLLD tools and their implementation. Furthermore, several initiatives to create ITI have been launched at Hungarian borders, their experience may serve the discussion. See **Annex A - II. Experiences from the Hungarian borders.**

Also the **“Joint Action Plan”** (JAP), a multi-project tool which may additionally be used for cross-border issues and which is defined and managed in line with actions and results to be achieved. This represents a series of projects, with the exclusion of infrastructure projects, performed in the framework of one or more programmes. Nevertheless, a current experience at the French-German border shows the difficulties a cross-border territory encounters when trying to launch a JAP in a multifund approach. See **Annex B – Joint Action Plan - Experience from the German-French-Border.**

To sum up, we are convinced that these tools could largely **improve the impact of cooperation** programmes on cross-border areas. **CECICN therefore fully supports their implementation, experimentation and adaption of these tools to the cross-border realities.**

## A.2 IN THE PARTNERSHIP AGREEMENT, OUTLINE A UNIFORM IMPLEMENTATION FRAMEWORK

In order to encourage the use of these new tools proposed by the European Commission, it is important to ensure that the rules for application of these three instruments respond to cross-border specificities and do not add any more complexity to the development of cross-border cooperation projects.

In order to do this, Partnership Agreements should, in a coordinated manner across each border, outline the terms and condition for implementation of integrated tools for territorial development, and notably:

- ≡ the terms and conditions in line with which integrated tools for territorial development may be funded by several funds and particularly by virtue of a cross-border cooperation programme and one or more regional or national programmes;
- ≡ the eligibility criteria of EGTC (European Groupings of Territorial Cooperation) and equivalent cooperation structures for these integrated tools for territorial development.

In this regard, the eligibility criteria of partners, procedures and schedules for call for projects for local development strategies, selection mode and criteria should be coordinated (committee comprising management authorities concerned), and this for all funds and programmes.

## A.3 IMPLEMENT THE NEW TOOLS IN PROGRAMMES

The opportunity of implementing these instruments should be evaluated at the stage of the development of each programme so as to anticipate the development of projects and to adapt the implementation procedures to real cases.

For each programme, this work could be undertaken by a working group on cross-border territorial development, in which local stakeholders (local authorities, conurbations, EGTC, Eurodistricts, parks, etc.) should be involved.

In order to support the development of integrated tools for territorial development, which require vast amount of time for maturity and significant expertise, programmes should support potential bidders from a financial and operational point of view (territorial engineering), as well as create monitoring and evaluation procedures more in-depth.

Dual selection methods (call for interest, calls for projects), as those used in programmes like ESPON, should be preferred to simple selection or registration in operational programmes. This would initially allow for the pertinence and solidity of a partnership to be judged, as well as the perimeter and overall strategy, and to select the best initiatives. Subsequently, selection should focus on more detailed action plans.

Even more than for the simple projects, integrated tools for territorial development require homogenous rules for dealing with partners on both sides of the border, notably in terms of eligibility and joint financing.

One issue to take into account is the possibility of advance payments to ensure the smooth implementation of the actions foreseen. Currently, the cooperation programmes do not allow a sufficient pre-financing. The lack of cash flow is forcing many beneficiaries to withdraw projects and preventing them to develop new activities and participate in new projects. This situation is getting even worse due to the slow mechanisms to validate and pay expenditures related to cooperation activities. These slow mechanisms not only make difficult the project management but also make difficult to fulfill the N+2 rule. As the co-financed amount last between 9 and 12 months to reach to beneficiaries, they cannot manage the following payments related to the cooperation activity. Therefore, it will be important that integrated tools for territorial development could foresee mechanisms for advance payments of around 40% of the total co-financed amount as it is done in other ERDF funded programmes. Other possibility to take into account is to use financial tools linked to EIB and its national delegations, so they could guarantee the advance payment of those funds (e.g. Hungarian Managing Authority is already working on this line).

Finally, in terms of objectives, it is important to ensure that amongst the expected results from these tools, there is the issue of organizing governance (the potential creation of EGTC or an equivalent tool, etc.), and tools for sustainable observation of the common area, and coordinating for planning on both sides of the border.

## B. CONCRETE PROPOSALS – SMALL PROJECT FUNDS

CECICN considers that Small Project Funds favor common citizenship in Europe. CECICN therefore supports the position paper on Small Project Funds (SPF), elaborated by the Network of the Small Project Funds in Europe, containing six concrete proposals for the organization and the formation of a common framework for SPF within the programming period 2014-2020. See **Annex C - Network of the Small Project Funds in Europe - Position paper – A Common Framework for EFRE finances Small Project Funds (SPF) in Europe.**

We do not think there is a need of a standardization at European level as the related countries participating in CBC programmes have so different internal regulations and traditions on this issue. At the same time a network of know-how transfer would be beneficial.

- (1) We consider SPF as a tool of strengthening social cohesion across the borders. It is a crucial aspect in cross-border cooperation because the cooperation should be based on and serve the population living in the border area. There are many instruments to decrease the barrier effect of borders but small projects make possible to the local stakeholders to meet and get to know each other and so demolish cognitive barriers hindering other forms of cooperation.

- (2) We think that among the best addressees of the SPF amounts are the NGOs, the civil associations which have no large budget and liquid resources for realizing big investment projects and integrated territorial developments. Their role stands in focusing on day-to-day connections, in increasing the mutual understanding and in facilitation of border crossing. Focus should be given to meetings and exchange between people.
- (3) We agree on the thematic richness of small projects. This does not exclude to fit the strategic objectives of Europe 2020 Strategy and the objectives of macroregional strategies (where relevant), in contrary it may contribute.
- (4) One of the most important points concerns the sustainability. As we consider the SPF being a tool of social cohesion we must agree on this approach. The value of small projects is given by the fact that when realizing them the stakeholders can build up long-term partnership across the borders. These partnership forms a proper framework for future larger developments. From this point of view networking is the core element of cross-border activities.
- (5) For a better use of SPFs simplification is crucial. There are various models of realization but electronic calls and reports, permanently open calls, simplified forms and shortened list of annexes as well as standardized unit costs are proper ways to simplify the procedures.

To summarize, in our opinion SPF is a tool of strengthening social cohesion thus its use should be as simple as possible with a view to facilitating border crossing.



# ANNEX A

## I. LESSONS LEARNED FROM THE PIT EXPERIENCE (ALCOTRA PROGRAMME)

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### Inspiration for ITI and CLLD

The Provence-Alpes-Côte d'Azur Region (FR), in collaboration with the Alpes de Haute-Provence, the Hautes-Alpes and the Alpes-Maritimes General Councils, commissioned a capitalisation process of the cross-border projects developed in the ALCOTRA 2007-2013 Operational Programme and concerning the territory of the region. The capitalisation process was entrusted to the Transfrontier Operational Mission (Mission Opérationnelle Transfrontalière - MOT) and took place between August 2012 and March 2013.

In this document, the MOT used the experience accumulated during this mission in order to identify the important lessons one can learn from the Cross-border Integrated Plans (Plans Intégrés Transfrontaliers – PIT) implemented in the ALCOTRA programme, that could be used as inspiration for the development of Integrated Territorial Investments (ITI) and Community-Led Local Development (CLLD) in the 2014-2020 period.

The Cross-border Integrated Plans (Plans Intégrés Transfrontaliers – PIT) are a unique programming tool used by the ALCOTRA (France – Italy) 2007-2013 programme (Interreg IVA). **A PIT consists of a bundle of simple cooperation projects on different themes that take place on a single cross-border territory and respond to a common strategy aimed at the economic and social development of that territory.**

*This unique experience of integrated cross-border projects provides valuable good practices that can be used in the implementation of future Integrated Territorial Investments (ITI) and Community-led Local Development (CLLD).*

This document aims at analysing several aspects linked to the implementation of PIT that may provide useful orientation for the development of ITI or CLLD in a cross-border context in the 2014-2020 period.

## 1. Territory

Map of the seven PIT implemented in the ALCOTRA 2007 – 2013 programme



The seven PIT cover almost all the french-italian border and some of them overlap. Their territories are sub-regional: the biggest, *Nouveau territoire d'itinérance*, covers two NUTS 3 areas (*Département des Alpes de Haute-Provence* and *Provincia di Cuneo*) with a population of about 750 000 inhabitants; one of the smallest, *Marittimè-Mercantour*, covers two natural parks with under 25 000 inhabitants. All seven PIT territories are different in nature: natural parks, small counties (*pays*, in French), mountain areas, rural areas, coastlines. On this alpine border, the only type of territory not covered by a PIT is urban, since the *Ports Riviera* PIT covers the Riviera urban area, but focuses on actions linked to ports and maritime economy. This proves that a single tool can easily apply to a variety of territories. Therefore, the flexibility given to ITI and CLLD in terms of territory could be translated into a wide range of realities, maintaining the same common framework. Thus, all the PIT correspond to the definition of the ITI territories (any geographic area with particular territorial features) and some of the smaller PIT, like *Marittimè-Mercantour* and *Espace Mont Blanc*, could implement CLLD, as they have a population between 10 000 and 150 000 inhabitants.



The majority of the seven PIT are based on coherent territories: a cross-border mountain range or valley, two adjoining natural parks, a cross-border coastline. Therefore, the PIT were build around common territorial issues. [A meaningful perimeter is one of the building blocks of ITI and CLLD, and the implementation of these new tools can use the experience from the definition of PIT territories.](#)

One of the main added values of the PIT is that this tool has improved the visibility and integrity of the territories, giving them a stronger identity towards their partners and their inhabitants by and large. [This could mean that for ITI and CLLD, the coherence of the territory is not only a prerequisite, but could also be a goal and a possible result.](#)

The potential problems identified by the partners of existing PIT in setting up a coherent territory are the differences in administrative and territorial organization on each side of the border, and the national reforms that may weaken or suppress bodies implicated until now in PIT. [For the future implementation of ITI or CLLD, this means that defining a cross-border territory is more complicated that in a national context and requires an in depth analysis.](#)

## 2. Governance

What is most important about the territories of the PIT is their level of cohesion and integration. Some of the most successful PIT were implemented by long-term partnerships between French and Italian bodies (like *Espace Mont-Blanc*, the *Hautes-Vallées* or the Parks *Mercantour* and *Alpi-Marittime*), some of them even having created cross-border permanent structures or preparing to create their EGTC. However, the EGTC is not adapted to any kind of governance and territorial project and requires substantial resources and time to develop. [This means that PIT partnerships that have created a legal body with cross-border membership or that will create an EGTC could manage an ITI in the 2014-2020 programming period.](#)

The PIT partnerships were composed of two main French and Italian partners and of other partners involved in the projects. These partnerships are more complex and numerous than those of simple projects, which renders the governance of these tools more complicated, time- and fund-consuming. For the PIT that were not developed by already established governance structures, it took a long time (one to two years) to know each other's priorities, work methods and capacities. [Therefore, for ITI and especially CLLD, if they aim at involving a maximum actors and stakeholders concerned, it is important to take into account that time and funds are needed to create a viable partnership, even before the actual project implementation.](#)

The dominant types of PIT partners are local public authorities (municipalities, groupings of municipalities, parks). In addition, actors of intermediate scale (NUTS 3: *departments* in France and *province* in Italy) are involved as PIT partners, but not regional ones. Associations are also quite present, but they represent the only type of private actor involved in PIT, as private firms are absent of these projects. However, there is some implication of the chambers of

commerce, so the economic world is indirectly represented. The PIT partnership is mostly public, as local authorities were the motors of the development of these cross-border areas. Therefore, it will be a challenge to implement CLLD in cross-border areas, where public authorities are dominant in the local governance, and a priority will be involving more private actors to ensure the public-private balance. PIT governance is more similar to the ITI framework, which is more flexible and allows a mix between a top-down and bottom-up approach.

PIT had a real added value to partners, as they improved the visibility of the actors involved, and the knowledge they had of each other's actions, more than if the projects would have been implemented separately. This proves the value of integrated tools for the partners and the governance by and large and it will likely be a positive effect of ITI or CLLD as well.

### 3. Strategy and diagnosis

The first step in the development of the PIT was the formulation of a territorial diagnosis and a development strategy to which the individual projects of the PIT answered. Long established partnerships like *Espace Mont Blanc*, *Marittime-Mercantour* or *Hautes Vallées* implemented parts of their existing development strategies using the PIT tool, choosing to finance some of the short term actions that were compatible with the ALCOTRA programme. For other PIT territories this tool was the opportunity to build a common diagnosis and define a strategy.

Although the partners involved considered very useful that the PIT were based on a common diagnosis and strategy, this task had some challenges. Since PIT supported cross-border territorial development strategies, it was more important than for simple projects to ensure the coherence of the PIT with public policies at all levels in each Member State. It became apparent that there was still progress to be made, firstly on the knowledge and understanding that partners have of the policies implemented on the other side of the border, and secondly on the coherence between the policies themselves. Thus, when implementing future cross-border ITI or CLLD it is important to take into account the impact of national policies on the territorial strategies implemented and to make sure that the partners have a good knowledge of the policies in the neighbouring country.

PIT partners acknowledged that the process of designing a common strategy was not always an easy one, especially when the number of actors was very large. Defining the strategies took a lot of time and consensus from all partners was sometimes hard to reach. Therefore, it is important that for cross-border ITI and CLLD, enough time (from several months to a year) is dedicated to the development of the strategy so that a maximum of partners supports it.

#### 4. Development and selection of projects

The selection of the seven PIT was a two step process and 30% of the ALCOTRA funds were allocated to this type of tool. The first step was a call for proposals opened at the beginning of 2008 for 3 months and a half. Interested parties had to write a proposal letter signed by the two main French and Italian partners (as well as the other partners already identified) and a document presenting the main features of the PIT. The bodies interested in submitting a PIT were given technical assistance by the Joint Technical Secretariat and the facilitators of the programme. After the programming committee selected part of the PIT (only one was rejected because its territory was not adjoined to the border), the second phase represented by the actual definition of the PIT started. During this phase each individual project inside the PIT was defined (actions, partners, financing). PIT are each composed of between four and seven simple projects that were all submitted to the programming committee at the same time. They were approved between November 2009 and June 2010, the whole development and selection process thus taking up to two years and a half. *On this aspect, the PIT were different from the CLLD approach, where the local action groups select individual projects, not the programming committee, but also the ITI, where a delegation of management to an intermediate body is possible, according to the regulations. This is a great step toward the empowerment of local actors, an evolution from the way PIT work.*

Some PIT partners consider that the selection process was too long (the most experienced ones), as others say they needed more time in the first phase. *Therefore, it is important to allow enough time for the selection of cross-border ITI and CLLD and even consider different procedures for more experienced cooperation partners (faster selection) and less experienced ones (longer selection). As shown by the PIT experience, the development phase can be time- and resource-consuming and the programme should offer financial and technical support to interested parties for ITI also, as it is already foreseen by the regulations for CLLD.*

Some PIT partners consider that submitting all individual projects of a PIT was a good thing (ensuring stability and a global view of the PIT from the beginning), as others say that this was too inflexible (especially for the dynamic aspect of territorial development and the creation of synergies between projects). *On this aspect, the PIT are different from the CLLD (were projects are developed after the identification of the local action group and selected by this entity), but maybe also from the ITI (even if the regulations do not say anything about the selection of ITI or their components).*

Another lesson learned from the PIT experience is that even if the selection of the actual projects was done after the approval of the programme, the territories and partners of the PIT should have been more taken into account in the drafting of the diagnosis and the strategy of the Operational Programme. *For ITI and CLLD, it is therefore important to make sure that the diagnosis and strategies of the programmes mention the territories (or type of territories) that can develop these types of tools, and take into account their challenges and priorities.*

## 5. Project themes

Each PIT has between three and six thematic projects that focus on a few key themes (axes financed by the ALCOTRA programme): in the first place tourism and environment, in the second, culture and rural economies, but also education and transport. However, PIT projects do not address other domains supported by the ALCOTRA programme like health, SMEs or natural hazards. One explanation is that some topics are better suited to territorialisation (tourism, rural development public services, culture) and others are based more on sectoral and vertical reasoning (research, innovation and economic competitiveness). **This means that the future programmes have to seriously anticipate which axes and priorities can and will be implemented through ITI and CLLD and maybe ask local actors which themes are better suited for territorial development.**

The multi-thematic approach of the PIT has significant strengths. First, this approach has promoted the integration between different public policy areas and between different economic sectors. Secondly, it reinforced the integrated implementation of existing cross-border development strategies (such as those of the *Espace Mont Blanc*, the *Maritime-Mercantour*, the *Hautes-Vallées*). However, it was sometimes difficult to determine the correct competence level and implementation level, because of the differences in approaches on each side of the border. Also, some of the PIT strategies are quite vague and do not have a sufficient thematic focus.

## 6. Funding, coordination, monitoring, facilitation, communication

The PIT are mono-fund, financed only by the INTERREG IVA ALCOTRA programme (EFRE). **Therefore, it cannot serve as good practice for multi-fund ITI or CLLD.**

The specificity of the PIT is that in addition to the individual thematic projects, each PIT has one more project dedicated specifically to coordination and communication between the thematic actions. Each project of this type has a budget of around 250 000 € (148 000 € in ERDF) and lead partner was one of the two main partners of the PIT (one Italian and one French). The coordination projects are programmed in different axes of the Operational Programme, not all in the same one or in the technical assistance axis.

These two main partners do not substitute the lead partners of each thematic project. Their role is to coordinate the partnership of the PIT, the launch and the implementation of the thematic projects, to act as referent to the managing authority, to draft an annual report on the implementation of the PIT, and to communicate and provide information on the PIT.

All partners agree that this project was very useful, but that the funds allocated were not sufficient. **For ITI and CLLD it is therefore important to allocate enough funds to the coordination and facilitation of the different actions that implement their strategies.**

The two partners of the coordination project also have the task to facilitate the greater partnership of the PIT (involved in the thematic projects) and ensure a good communication (periodical meetings, information documents). Experience shows that this task is very important as it improves the cohesion of the whole PIT and the integrated approach. However, the actual results vary greatly from PIT to PIT. **It is therefore important that the programmes support the communication and facilitation tasks, by allocating enough funds, drafting guidelines for the partners, training the teams in charge of communication, or even provide the necessary communication tools (IT programmes, video-conference material).**

The seven PIT had a better visibility towards the public and made greater efforts to communicate their activities and results to citizens, the civil society and economic partners than simple projects. However, the PIT partners agreed that it was easier to involve socio-economic actors than the inhabitants by and large (that imply greater costs, more ambitious tools for communication). **Therefore, future cross-border CLLD, for which the implication of the inhabitants and socio-economic sphere is crucial, should dedicate sufficient financial and human resources to this task.**

## 7. Project management know-how and capacity building

Although PIT are a great step toward integrated cross-border territorial development, they are still managed as simple projects and their main partners had no selection functions and very little management competencies. **Therefore, ITI and CLLD are more advanced in the delegation of selection, management and monitoring tasks, thus helping with the empowerment of local actors.**

The management of the PIT by the coordination team, as well as the partners of the thematic projects proved to be more time-consuming and complicated than that of simple projects, often the administrative tasks being a burden and an obstacle to the implementation of the actual actions. **Therefore, support from Joint Technical Secretariat and facilitation networks at programme level is very important and should be provided to future cross-border ITI or CLLD: the handbook containing the rules of implementation should be provided from the start of the programme and not modified later on to ensure the stability, the administrative procedures should be streamlined, ITI/CLLD leaders should be trained in the management of this type of tools at the beginning of the programme period and support should be offered throughout the duration on the projects. Building capacity of the ITI and CLLD leaders in one of the conditions for the success of this type of programming tools.**

Due to the complexity of the arrangements and the governance, there were many late completions for this type of projects. Thus, the two-year period proved insufficient for PIT projects and incompatible with the objective of integrated territorial development. **It the development of cross-border ITI and CLLD, the time factor has to be taken into account: the duration of the projects should be greater and there should be more flexibility to modify the implementation of the actions.**

## 8. Synergies between projects

The major innovation of the PIT is that they implement cross-border actions in a cross-cutting and integrated fashion in order to implement a territorial strategy, something that is more difficult to achieve through simple projects. An important feature of PIT is the research for synergies between projects and themes. The partners involved confirmed the importance of creating synergies that have a positive effect on the projects, but also on their territorial impact long term. Each PIT has projects whose aim is to develop other projects or to use or the results of other projects to feed their own actions. The synergies are, however, difficult to find and implement, as this exercise is new, time-consuming and prolongs the implementation time. Moreover, the obligation and incentives to research synergies lack and the means to implement these synergies are insufficient. [It is therefore important for cross-border ITI and CLLD to provide additional support to local actors to create and benefit from the synergies between projects by drafting guidelines, offering technical and financial resources, creating evaluation frameworks for synergies between actions.](#)

It is important to note that the perimeters of some PIT overlap (eg *Hautes Vallées* and *Monviso*, *Nouveau territoire d'itinérance* and *Monviso*, *Maritime-Mercantour* and *Tourval*). [For future cross-border ITI or CLLD on the same programme perimeter, this means that a dialogue between them is necessary to avoid inconsistencies and duplication, but also to exchange good practices.](#)

## 9. Learning from experience and evaluation

The added value of PIT was analyzed in a capitalization conducted in 2012-2013 for ALCOTRA projects. Firstly, PIT gave territories the opportunity to develop and implement cross-border integrated development strategies. This allowed partners to achieve common objectives through multiple actions in various sectors, as it also contributed to capacity building in the field of territorial engineering and border observation and data-production.

PIT also contributed to the constitution and strengthening of multi-thematic networks in the territories concerned. Furthermore, PIT involved a much broader range of actors than simple projects do (small municipalities, chambers of commerce, economic actors) alongside historical partners (example, parks and groupings of municipalities). Overall, there is a better adhesion of the PIT partners to the territorial project, than it would be the case for simple projects.

Finally, PIT were the opportunity to disseminate the idea and methods of cross-border cooperation to elected officials and sectoral services of public authorities, that were less involved in this type of actions, alongside the services that deal directly with European affairs and cross-border cooperation.

[It is therefore important to pursue the PIT experience in the 2014-2020 period in all cross-border programmes taking into account the local configurations and using the new tools proposed by the Commission, the ITI and CLLD.](#)

## II. EXPERIENCES FROM THE HUNGARIAN BORDERS

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### Contribution to the PIT-ITI discussion

The CECI (Central European Center for Cross-border Initiatives) is currently involved in the development of several cross-border ITIs around Hungary and considers the experiences of the ALCOTRA programme being very useful in starting to develop cross-border ITIs. It might be beneficial for all border regions and all cross-border cooperation (CBC) programmes across Europe and seems evident when trying to develop an ITI in an international context. .

#### The biggest problems and obstacles of cross-border ITIs

(1) When enumerating the biggest problems hindering the development of cross-border integrated projects one can face with the reluctancy of the governments concerning the spending of money on the other side of the border. While the derogation on location defined in the Art. 60 of the Common Provisions Regulation (CPR) gives an opportunity to allocate financial resources outside the eligible territory of a programme, the management structures of the main stream programmes are not interested in using this opportunity. By experiences of the CECI there is a so-called „sectorial prejudiced” approach which does not favour considerations of territorial aspects. ITI are even more important in countries where sectorial approached are very present.

(2) It is even more problematic if the decisions on the allocation of the financial support of the national main stream programmes is made partly in a foreign country (as it is the situation in the case of CBC ITIs). Managing authorities of those programmes often consider the stakeholders of a border region being not competent parties in making this kind of decisions.

(3) There is a lack of human capacity and programme management experiences at local level. Therefore, instead of realization of capacity building trainings, the Managing Authorities (MAs) of the programmes do not want to delegate the entirety or a part of the management tasks of a programme to an institution operating at local level.

(4) For the time being, there is not a clear guidance on ITIs at the level of European institutions. The European Commission seems to wait for clarification from the ground which we are very happy to provide via this position paper. At first glance it seems to be a good opportunity to determine the structure and the content of ITI. But when building ITI in the system of the national programmes (as it has happened in Hungary) the European Commission - instead of providing professional support - requests further clarifications, but which frightens the representatives of the programming.

(5) By the experiences of CECICI there is a general fear of realization of multi-fund programmes. Probably it is caused by the lack of experiences and knowledge of proper operation. In the case of ITIs multi-fund financing is evident.

### How the experiences on PIT can help to overcome these barriers?

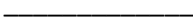
(1) PIT is a very good model for piloting the management of cross-border integrated developments. It is a proper way to gain experiences on partnership, on the use of integrated territorial approach and on the management of interconnected projects at local level. It is for strengthening cross-border cooperation and develop capacities at local level.

(2) In the case of PIT the management tasks are delegated to local level within the framework of a particular project. In this way the problem of competency is avoided, nevertheless, the management is partly delegated to local level.

(3) PIT might be an intermediary solution if the authorities are not in favour of ITIs. As a certain sort of „ITI light” the PIT can demonstrate the preparedness of local actors for managing ITI as well. It can resolve discredit of national level authorities concerning the viability of territorial projects. Therefore, in the case the national authorities do not support the use of ITI in cross-border context we strongly recommend to start to develop and realize PITs which can be included in the CBC programmes.

(4) The PIT is a mono-fund model avoiding thus the problems frightening the representatives of Managing Authorities.

(5) The use of the PIT model gives the opportunity of developing of integrated territorial strategy to the stakeholders of a particular border region. It is a proper tool to insist them to work together to take into consideration of the interest of people living on the other side of the border and to build up a common vision on their future. ITI is a harder task to do, PIT is a first step toward the realization of CBC ITIs.





## ANNEX B

# JOINT ACTION PLAN - EXPERIENCE FROM THE GERMAN- FRENCH BORDER

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### THE CROSS-BORDER LABOUR AND TRAINING MARKET APPROACH OF THE EURODISTRICT REGIO PAMINA

In the context of its activities in the area of the cross-border labour market, in particular via the cross-border GPEC-T (Gestion prévisionnelle de l'emploi et compétences sur le territoire, French approach on strategic workforce planning in the territory), the EURODISTRICT REGIO PAMINA started to work on the JAP directly after the publication of the draft document on the common strategic framework<sup>1</sup>.

### DIFFICULTIES OF USING JAP IN A MULTIFUND, CROSS-BORDER CONTEXT

Until summer 2013 **numerous talks** with all actors concerned took place:

- the DG Employment, Social Affairs & Inclusion,
- the three concerned ESF managing authorities (Alsace, Baden-Württemberg, Rhineland-Palatinate),
- the INTERREG programme in the Upper Rhine region.

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<sup>1</sup> Brussels, 14.3.2012, SWD(2012) 61 final, Part I, COMMISSION STAFF WORKING DOCUMENT, Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. Extract concerning Joint Action Plans:

“A Joint Action Plan is a new type of integrated operation implemented through a result based approach in order to achieve specific objectives jointly agreed between the Member State and the Commission. It comprises a group of projects which are carried out under the responsibility of a designated beneficiary. In practice the financial management of the Joint Action Plan will be exclusively based on the outputs and the results it seeks to achieve. The Joint Action Plan may be funded by the ESF and the ERDF. However, it may not be used to support infrastructure. It may be part of one or several operational programmes and thus may constitute a useful instrument to foster better integration of the different Funds towards a common objective.”

During these talks and via the related specific preparatory work it turned out, that the multi-fund approach brings along **advantages**, which nevertheless are **difficult to use in a cross-border context** – **only lump sum** payout of means based on the achievement of the milestones, outputs and targets bring along a simplification.

This however neither compensates the **complex control by a Steering Committee with representatives from four programs** nor the **request for means at the individual programs**. Moreover, **ESF funds cannot be distributed from one country to another or across borders**.

The discussion with the **program authorities** showed also they **assess the problem in a similar way** and that they **have not an increased interest in a cross-border JAP**.

## SOLUTION FOUND OTHER THAN JAP

As the cross-border labour and training market nevertheless still very much interests the authorities, their willingness to cooperate outside a JAP remains important.

Therefore the EUROSISTRICT REGIO PAMINA has organized a joint meeting of all four administrations (ESF + INTERREG), and further meetings are to follow. It seems to appear that the "**Opening clause**" for employment should be used **from article 6<sup>2</sup> of the draft regulation on ETC (INTERREG)**.

On the other hand, **additional ESF measures within the framework of transnational cooperation seem useful**.

<sup>2</sup> Brussels, 14.3.2012, COM(2011) 611 final/2, 2011/0273 (COD), CORRIGENDUM: Annule et remplace le document COM(2011) 611 du 6.10.2011 Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal {SEC(2011) 1138 final} {SEC(2011) 1139 final} Extract: "Article 6 Investment priorities

In addition to Article 5 of Regulation (EU) No [...] /2012 [the ERDF Regulation], the ERDF shall support the sharing of human resources, facilities and infrastructures across borders under the different investment priorities, as well as the following investment priorities within the thematic objectives:

(a) under cross-border cooperation:

- (i) integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives and joint training (within the thematic objective of promoting employment and supporting labour mobility);
- (ii) promoting gender equality and equal opportunities across borders, as well as promoting social inclusion across borders (within the thematic objective of promoting social inclusion and combating poverty);
- (iii) developing and implementing joint education and training schemes (within the thematic objective of investing in skills, education and lifelong learning);
- (iv) promoting legal and administrative cooperation and cooperation between citizens and institutions (within the thematic objective of enhancing institutional capacity and an efficient public administration);

(b) under transnational cooperation: development and implementation of macro-regional and sea-basin strategies (within the thematic objective of enhancing institutional capacity and an efficient public administration)."

One could imagine a **thematic call for projects on "PAMINA labour market"**, which would be funded by **INTERREG (thematic objective 8)**.

The coordination and administration of this approach seems simpler and more flexible than that of a JAP, especially with respect to the adjustment of objectives to existing problems and resources (internal governance). Only the advantage of the systematic use of lump sum and standard costs unit will be lost, even if they may occasionally find application within "normal" programs.

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# ANNEX C

## POSITION PAPER - A COMMON FRAMEWORK FOR EFRE FINANCED SMALL PROJECT FUNDS (SPF) IN EUROPE

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See Position paper from the Network of the Small Project Funds in Europe hereafter,  
position supported by the CECICN

# Network of the Small Project Funds in Europe

## POSITION PAPIER

### A Common Framework for EFRE financed Small Project Funds (SPF) in Europe

January 2013

## -Preamble-

The cross border Small Project Fund (SPF) under the European Territorial Cooperation (ETC) has matured over the last few years and has become an important instrument, which is applied to in many border regions. The last INTERREG evaluation has shown that the SPF promotes legal and administrative matters, as well as between citizens and institutions to a considerable extent. Thus, they were a driver in cross border co-operation in many subject areas. They are characterized, in particular, that they act locally/regionally and reach out to citizens in the border regions, hence make an important contribution to European integration. Through the promoted measures, the European funding policy for many citizens is palpable, since the concrete realizations can be seen in the cross-border regions in everyday life. Furthermore, the SPF gives the opportunity to involve civil society in project activities and to realize the ideas of citizens in projects.

Even though the SPF plays an important role in cross-border cooperation (CBC), as well as in the Structural Funds Period 2014-2020, it is important to identify known and potential problems that could be constructively solved. A comparison of the SPF in Europe shows that the funding practices sometimes is different, although all are based on the same SPF regulation. While the SPF in some border regions are established as a flexible and efficient tool for CBC, they are affected in other border regions by the SPF through restrictive specifications and cumbersome administrative mechanisms. With this in mind, it is vital to have a common framework for the SPF and apply it to the Structural Funds Period 2014-2020.<sup>1</sup>

This position paper contains six concrete proposals for the organization and the formation of the framework. They are based on the numerous experiences of the SPF administration, the affected operational programs and the enrolment in the Europe 2020 Strategy of the European Union. The implementation of the framework in operational programs 2014-2020 would give all Small Project Funds the opportunity to continue to be an important tool in the context of concentration within the EU strategy for smart, sustainable and inclusive growth.

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<sup>1</sup> The mentioned comparison and the need for a common framework was established under a technical meeting (March 29<sup>th</sup> and 30<sup>th</sup> in Lauterbourg) and through a conference (October 23<sup>rd</sup> 2012 by the euregia in Leipzig. Through these events and associated networking around 30 small project funds were involved.

## -Proposal 1-

The small project fund's **emphasis** is the **cross border cooperation of the people**. The thematic focus of this cooperation can be in different forms: sports, youth, culture, environment, science, tourism, transportation, education, social security, etc.

The existing small projects funds are dedicated to the cross border cooperation of the people throughout Europe in the respective areas of cross border cooperation. This focus should also be maintained in the future funding period so that European ideas are behind European 2020 Strategy for the citizens and its tangible projects, which are generated with large structured measures supported.

As cross border cooperation of the people is possible in many areas, it is suggested that the thematic focus of the cooperation is not too narrow. Local experiences have shown that good projects in many thematic areas are possible. The following areas are merely example areas for possible cooperation; sports, youth, culture, environment, science, tourism, transportation, education and social security. The spectrum should be expanded as needed.

The CBSPF administration has a lot of valuable experience and practical knowledge relating to the efficient implementation of small projects. They are in association with highly trained project managers in all areas and could assess what is best concerning local needs.

If the SPF should be promoted and advertised within the thematic objective 11 in the common structural funds regulation, a legal basis for the thematic diversity of funded small projects would be given, as the below mentioned *valorisation of the legal and administrative cooperation and cooperation between citizens and the institutions* do not contain restrictions.<sup>2</sup>

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<sup>2</sup> see Article 9 of the proposal for the Regulation on the Common Strategic Framework, COM (2011) 615 final / 2, Article 6 a) iv) the proposal for a Regulation laying down specific provisions for the support of the "European territorial cooperation" from the European Regional Development Fund (ERDF), COM (2011) 611 final / 2

-Proposal 2-

The small project fund's **objectives are to establish and improve long-term collaboration between actors on both sides of the border through the support of local / regional projects.**

The small project fund's objective should be clearly defined, and yet not be narrowly summarized. Experiences from different SPF show that the sole promotion of direct project meetings, as well as cross border cooperation's rights falls short and neither are their real needs met. The phrase "establishment and improvement of long-term cooperation" allows respective project types the necessary flexibility in practice, and at the same time, emphasizes the measures' sustainability and necessity.

The project partner's involvement of at least two neighbouring countries is a fundamental criterion, which needs no further explanation, but should be anchored in the framework. The reference to the local/regional project character appears to be appropriate due to the increasing focus on macro-regional measures. By helping the assisted areas of the small projects fund bit-by-bit at the local level, they can become the driving force of European integration, in civil society and in the new Structural Funds period.



### **-Proposal 3-**

The promoted projects could affect different **cross border cooperation policy areas**, for instance, the creation of a necessary regulatory framework, meeting of citizens (people-to-people), constructing functional networks of actors, exchanging expert and scientific knowledge or developing common approaches for common problems.

This proposal is directly related to proposal II and further elaborates which measures in the field of cross-border cooperation could be promoted by the SPF. The measures mentioned are already eligible in many SPF's, whereby the picture in Europe is mixed. The various involved bodies in national, regional and program levels interpret the legal framework differently and sometimes undertake restrictions, which are not always comprehensible.

The establishment of a regulatory framework is essential for efficient cross border cooperation. It is the foundation for the European Territorial Cooperation's (ETC) success. The SPF can make an important contribution through aid and by activities aimed at the acquisition of necessary skills (e.g. training for management employees, seminars for youth workers and workshops for association boards). Under these points, there are also prepared measures for the Tec's larger projects, such as preliminary projects, studies and so on. Such measures are in the current program periods eligible in some INTERREG program areas and are fixed explicitly in the relevant operational programs.<sup>3</sup>

Meeting citizens (people-to-people) is and remains as a vital component in practice. It is pivotal for cross-border activities. There are two things that must be carefully regarded. First, citizens should not be used in a limiting term, even teachers, professionals and administrative staff are citizens who can provide a significant cross-border added value. Second, these measures must be eligible to allow citizen's to contribute in meetings.<sup>4</sup>

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3 Refer to the operational program Lithuania-Poland, cross-border cooperation Poland-Czech Republic and Poland-Slovakia. In other program areas, preparatory measures are also eligible, although not explicitly mentioned in the OP, for example in the context of the Alpine Rhine-Lake Constance-Upper Rhine region and cross-border cooperation Bavaria-Czech Republic.

4 This indicates also the eligibility of investments in the physical infrastructure of the cross-border nature

The construction of functional networks of actors, of expert and scientific knowledge exchange and the development of common approaches to common problems can make a valuable contribution to cross-border cooperation through policy areas promoted by the SPF. In these areas it makes sense to extend the concept of citizenship to those players who come from a certain professional or thematic context.

The SPF can only achieve its full, positive effect when it takes into account all the referred policy areas. They complement and enhance the mutual trust between the people and organizations involved. In particular regarding bigger ETC projects, we can be quite certain that there are synergy effects. They are the foundation for learning about one another and gaining trust, which were developed in the framework of the first small project. Thus, the SPF could give important input for the success of the European 2020 Strategy.<sup>5</sup>

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<sup>5</sup> Is is not about multi-funds, but rather about synergy effects within a fund.

#### **-Proposal 4 -**

The SPF can also promote investment in the physical infrastructure, if cross border cooperation will be used and, to this effect, bring more additional value.

In practice, many small project funds have proven themselves over the last years as a financial investment in the physical infrastructure in a cross border nature. most cases it is about cross-border plans with financial needs that are much lower than the threshold for financial support in the framework of the INTERREG programs. This could, e.g. concern bilingual signs along a cross-border cycling or hiking trail, the creation of a small meeting point in a border town or village, or the restoration of a wooden bridge across a border creek.

Other small project funds, although unable to provide financing for such measures, observed a demand in this area that has mostly been communicated by communes and regional associations (e.g. tourism board). In this case, those projects are excluded from funding and therefore can not often be realized. This is for the initiators not only unsatisfactory and hard to comprehend, but also negatively redounds on the cross-border facility that can neither provide funding nor understand this case.<sup>6</sup>

The eligibility of the investments in the physical cross-border nature infrastructure is an important cornerstone for a more effective implementation of the SPF. Small infrastructure projects are tangible for the citizens and for their sustainable use of its characteristics. In particular, due to the fact that they are realized in many cases with and for the civil society, they have a great significance within cross-border cooperation. It only seems logical that they could be promoted in the framework of a SPF. The SPF administrations have enough experiences and relevant expertise, in order to assess the project and ensure proper use of funds, so that the program authorities can support them in case of need. In addition, the allocation of funds is relatively low due to the total cost limit for small projects.

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<sup>6</sup> A referral to the INTERREG programs is nearly impossible because the projects for a classic promotion are too small.

## -Proposal 5-

To **simplify the financial management** of the small projects funded program, the program offices shall lay down the **standardized unit costs and flat rates fixed in defined cost categories** and implement them. At the same time, the verification procedure must be simplified and duplications will be avoided. (In relation to the expenditure and total funds).

The small project's simplification of financial management is an important aspect for a more efficient implementation of the small project funds. The experiences made shows that the current approach gives many project partners problems and ultimately can lead to delays in the disbursement of funds. Some SPF are even faced with the fact that their payment requests must first go through three levels of control before coming to a disbursement.<sup>7</sup> Thus, the small scale projects have not only the complex financial requirements of large INTERREG projects, but they are also even more tightly controlled than this in some project areas.

This problem can be countered in the next structural funds period by having participating level checks internally, if and how processes can be simplified and accelerated in the financial transaction. In addition, the project authorities are asked to define standardized unit costs and flat rates within the cost categories and to apply it in practice. The EU provides the necessary legal framework for this and officially calls for simplification under the new Financial Regulation.<sup>8</sup> It would not be transparent if, in particular instruments that are close to the citizens as it is the case of the SPF, would not take profit of this in the future.

The systematic application of standardized unit costs and fixed costs is possible in many expenditure areas, especially the general and staff expenditures, as well as recurring cost categories (room rentals) that offer good starting points. There could also be a possibility to recognize contributions, which facilitate in turn the co-financing of projects.<sup>9</sup>

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<sup>7</sup> It may occur that the project manager must wait up to 18 months for the ERDF funds.

<sup>8</sup> see Article 57 of the proposal for a Regulation on the Common Strategic Framework, COM (2011) 615 final / 2; official position of the European Commission in the framework of the new Financial Regulation (MEMO 27 June 2012)

<sup>9</sup> As of now, the provision of rooms by one of the project partners is e.g. in some cases not accepted as contribution in turn. This is due to the fact that, according to national legislation, an expensive evaluation is required, which is often more expensive than (or: which often exceeds the value of) the contribution in kind (see article 4, paragraph 3, of the French Decree No. 2007-1313 for the definition of national rules on eligibility of expenditure of programs, which are co-

## -Proposal 6-

The small project fund's program authorities and the promoters are jointly responsible for making sure that the **application procedures and the administrative requirements are kept as simple as possible and that they are established to focus on a specific target group.**

The simplification must go beyond the financial implementation anchored in proposal V. It is the program authorities and the SPF administrations that form the application process and administrative development so that the possibilities are optimally utilized for simplification. Both must be designed so that promoters, who are inexperienced in the field of ERDF funds, can also apply for and complete a project.

SPF's targets municipalities, associations, schools and various civil society actors, who implement projects outside their professional contexts. The small project's application procedures and the administrative development should not be so complex and extensive so that the project manager has to devote more energy and attention to these points than to the project itself. The small project fund's tasks is to motivate cross-border cooperation and not to create excessive bureaucracy. However, this can only work if the simplification is continued and implemented on the SPF-level and at the program level. Therefore, speeding up the procedures is in the interest of all involved parties.<sup>10</sup>

Many SPF-administrations already apply target group instruments or simplification procedures, of which a few are listed as examples: shortened forms and project documents (application forms, project agreements), clear information leaflets and handouts instead of comprehensive manuals, documents to public relations (press releases, funding notes), yes-no check lists to control payment applications, prompt personal consultation and year-round application acceptance and processing.

The above mentioned instruments and procedures could however only unfold their full effect, if the processes within and between the SPF-administrations and the program authorities are successful by being prompt and uncomplicated. This good cooperation and a healthy degree of mutual trust are necessary.

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financed by the structural funds in the 2007-2013 period). In this case, the acceptance of flat rates could be a solution.

<sup>10</sup> The European Commission stated clearly for reducing administration burdens for beneficiaries (see European Commission Simplification of the cohesion policy in the time frame 2014-2020, February 2012, pg. 10).

### **-Program Specific Flexibility-**

It is beyond question that regionally specific reasons of different nature pose obstacles to a pan-European simplification of the SPF funding procedures. This is not the aim of the proposals for a common framework for Small Project Funds in Europe in any way. Rather it is actually extremely important to obtain a program specific flexibility with respect to various aspects.

In the sense of a rational and targeted funding policy, the program authorities must remain flexible to decide how high the maximum funding, the subsidy rates and the allocation for small projects funds are. They have to further decide which kind of direction is commissioned with the implementation of a SPF, whether thematic priorities are set and how many SPF are to be set up in the program area. There is a good possibility that further aspects falls under the program specific flexibility, if the fundamental objective or if the framework's intentions are not counteracted.

## **-Conclusion and Resolution-**

Cross-border small project funds, that will be financed by the ERFE-Middle, is a future instrument of the European Territorial Cooperation, which can be made as a joint concentration of an important contribution to territorial cohesion. The implementation of the existing proposals for a common framework in the Operational Programs will help give these instruments in the future absolute and necessary flexibility and a practical orientated structure.

Particularly, the funding practice' simplification up to the increase of disbursements plays a significant role. In regards to the SPF, it is mainly based on the definition and implementation of the flat rates and standardized unit costs, greater proportionality, legal certainty through clear laws, the reduction of administrative burdens for beneficiaries and the tightened verification process/levels. Also, the Commission takes a clear position on this matter, which is why the efforts for simplification and for the joint proposals should be promoted:

“The Member States, managers, certifiers and audit authorities will need to take steps to ensure that the national and regional context does not add unnecessary details. During the 2014-2020 period, all cohesion policy stakeholders will have to guard against the introduction of additional unnecessary checks or procedures.”

In addition to the clear commitment to simplification, the EU provides the thematic target 11 of the Regulation on the Common Strategic Framework as a legal framework for the further implementation of small projects fund in the structural funds period 2014-2020. Commission representatives have confirmed that the consideration of the thematic target 11 in the affected operational programs is therefore crucial for the existence of the SPF in the respective program areas. With this background information, target 11 may not be the bargaining chip.

The SPF will only be able to develop their full potential if they are maintained by the national and regional authorities and the programs concerned the adequate support in the form of open space and decision-making powers. For this purpose, a minimum level of trust is necessary in the SPF administrations,

It can only be stressed that in this context, it is not about the transfer of competences or acting outside the legal framework, but rather a practical funding policy by utilizing the legal framework based on the experience and expert competences of the SPF-administrations. At the same time, the INTERREG program authorities will be relieved from the applications and permits for small projects.

The internal control measures with regard to external audits and control can not happen due to the detriment of the projects. They build the basic essence of cross-border cooperation

The present position paper's signatories:

- commit to the Europa2020 Strategy and to the joint fund policies
- emphasize the importance of small cross-border measures for the territorial cohesion and European integration
- promote the significance of the thematic target 11 in all operational programs
- consider that a common framework for the Small Project Funds in Europe as necessary and sensible
- promote the anchoring of the above mentioned proposals for a common framework in the concerned operational programs or in other joint program documents
- support the efforts of the European Union to simplification and promote, in this respect, the simplification of the funding practice on the basis of the definition and implementation of the flat rates and standardized unit costs, greater proportionality, legal certainty through clear laws, the reduction of administrative burdens for beneficiaries and the tightened verification process/levels.





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EuRegio Salzburg – Berchtesgadener Land – Traunstein



Euregio via salina



EUREGIO Zugspitze – Wetterstein – Karwendel



EURODISTRICT Region Freiburg / Centre et Sud Alsace



EURODISTRICT REGIO PAMINA



EURODISTRICT STRASBOURG-ORTENAU



Euroregion Elbe/Labe



Euroregion Erzgebirge



EUROREGION Neisse-Nisa-Nysa



Euroregion PRO EUROPA VIADRINA



Euroregion Spree-Neiße-Bober



Regionální sdružení územní spolupráce Těšínského Slezska



Euroregion Śląsk Cieszyński-Těšínské Slezsko



Stowarzyszenie Rozwoju i Współpracy Regionalnej „Olza”



Hochrheinkommission



Inn-Salzach-Euregio



Internationale Bodensee Konferenz



Kleinprojektefonds Conseil Général du Haut-Rhin – Landkreis Breisgau-Hochschwarzwald



Regionalmanagement Oberösterreich



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