

Interreg Programme Management Handbook

Guide to the 2021-2027 period

The Interreg Programme Management Handbook comprises a series of factsheets. They can be read individually, or collectively, to understand the relevance of certain aspects of Interreg management. They cover the relevance, legal basis, key challenges and approaches to the given subject.

Factsheet |Territorial development and cooperation tools

1. What is it? What is the definition of this work?

In the current Regulations for the 2021–2027 period, the Commission continues to emphasize improving the efficiency of territorial development through tested and evolving tools and innovative approaches.

The Common Provisions Regulation (CPR) – Regulation (EU) 2021/1060 – provides the legal and technical background for the tools that we wish to explore.

Our work will be to define the terms of use for the activity/tool that can be implemented in the current programming period, as listed below:

- Community-led Local Development
- Integrated Territorial Investment
- Cooperation in Investment for Growth and Jobs goal (IGJ) according to Article 73 of Regulation (EU) 2021/1060
- Joint Action Plan (JAP)

2. Why are we discussing it?

The CPR introduces instruments to ensure an integrated approach to territorial development, with a focus on functional territories, and to encourage coordination of funds and cooperation among stakeholders.

Such frameworks and instruments are valuable for developing sustainable, bottom-up interventions that align with strategic EU goals such as the Green Deal and digital transition.

3. What are the Legal references and basis for this topic?

- Community-led Local Development – Regulation (EU) 2021/1060, Articles 31–34
- Integrated Territorial Investment – Regulation (EU) 2021/1060, Article 36
- Cooperation in Investment for Growth and Jobs – Regulation (EU) 2021/1060, Article 73
- Cooperation actions - Regulation (EU) 2021/1060, Article 22(3), point (d) (vi)

Some of these tools involve significant commitment and responsibility by local authorities, like the Integrated Territorial Investment (ITI). Other instruments, like Community-led Local Development (CLLD), are evolutions of older practices and emphasize the involvement of local stakeholders. A stronger focus on the use of these tools is required in each Cooperation Programme.

The provision in Article 73 of Regulation (EU) 2021/1060 builds on previous programming experiences, extending interregional and transnational cooperation possibilities beyond ETC and into ESF+ and ERDF-funded programmes. In fact, this formulation is an evolution of the 2007-2013 experience in the use of the art. 37.6 (b) of Regulation (EC) 1083/2006.

The very first example of programmes having implemented operations according to these tools is a specific call for cross-border local development strategies launched by the Interreg V Italy-Austria Programme. They, through this call, have successfully setup CLLD's in their programme area in the current programme period.

Legislative framework:

- EC Regulation 1303/2013, (CPR):
 - Art 32-35: Community-led Local Development
 - Art 36: Integrated Territorial Investment
 - 96.3 (d): Content, adoption and amendment of operational programmes under the Investment for growth and job's goal
 - Art 104-109: Joint Action Plan

4. What are the challenges, key considerations and frequently asked questions?

A Key consideration for using the different tools is weighing off which one works best for the programme. Programmes use different territorial instruments to have a successful territorial impact. It is surprising to note that the use of CLLD is currently still underrepresented in Interreg with only one single programme actively establishing CLLD's.

5. How are they addressed?

DG REGIO and Interact are continuously organising events trying to disseminate best practices and exchange on good solutions to have a more Territorial focus within Interreg. Some of the instruments are relatively new so it takes time for programmes to adopt these instruments and to see the benefit of them.

6. How does it work in practice?

CLLD continues to be a valuable tool for engaging citizens at the local level. It is based on the LEADER approach and enables civil society and local economic actors to design integrated strategies for sustainable development. The set-up of a Local Action Group (LAG) and the process of selecting and implementing strategies remains a key feature. 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 the transition to a more sustainable future.

The approach is borrowed from 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 between the LAG and the Member State. Firstly, at state level it is decided which objectives should be achieved through the CLLD and the support to this tool, how the management should be organized at local level, and what criteria shall be defined for the selection of the community-led local development strategies. Member States shall also indicate areas in which CLLD may be used.

The possible development strategies are formulated by the Local Action Groups (LAGs) themselves. Member States can select CLLD strategies no later than 31 December 2017: a first round of selection shall be completed within two years of the date of the approval of the Partnership Agreement.

Once approved, the strategies will be implemented by the LAGs themselves, in accordance with the responsible Managing Authority of the Fund (or Funds).

Members of the LAG are varied: public, private and so on, but none of them has the majority of representation in the group. They are responsible for many functions: drafting calls for project proposals under the strategy, deciding the strategies, checking on activities, selecting operations and deciding the

amounts of possible financial support. This instrument is focused on smaller areas and territories – thus possibly suitable for some cross-border areas - with fewer resources or limited attractiveness (e.g., an area that is difficult to intervene in, unless the stakeholders know it very well and set up micro-projects and small-scale interventions to make the best out of it and make use of its specific, maybe niche, assets).

ITI remains a powerful mechanism to bundle different ESI Funds to address specific territorial needs through coordinated, integrated actions. In the 2021–2027 period, it can be managed by EGTCs and is applicable in cross-border contexts. As stated in the regulatory framework, ITI is a territorial development tool designed for all types of territory. According to the CPR, all of the thematic objectives can become an object of an ITI. The ITI is an instrument that allows European Structural and Investment Funds (ESI funds) to be "bundled" together to perform activities aimed at supporting territorial sustainable development. It therefore offers the possibility to join and coordinate different funds and priorities, as allowed in this new programming period. The implementation of an ITI basically needs a pot of financial means to be bundled for implementing integrated measures, under different thematic objectives, aimed to address a specific territorial need. It is referred to be a "mini-programme": it can target focused areas, such as urban environments and peripheries, having a specific sum of money, and therefore perform some small-scale activities targeted on a limited area.

Although it is not clearly stated how such an instrument can be adopted by ETC in a project, 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 thanks to the fact that ITI can be funded not only by ERDF but also by ESF and the Cohesion Fund. As the CPR says that intermediate bodies can be responsible for managing ITI activities, an EGTC is also eligible to do so (a successful example already being implemented can be the EGTC GO acting as an intermediate body for ITI in the Italy-Slovenia Cross-border Co-operation Programme 2020–2014 and continuing in 2021–2027).

It has to be remembered that a Member State that plans to use this instrument must have already stated it in its Partnership Agreement and in the relevant Cooperation Programme that would be financing such a tool. A proper description is not required, and the creation of an ITI requires time for planning its related activities and deciding from which funds the resources can be taken.

By definition, the JAP is considered as one single operation, the scope of which is defined in relation to specific outputs and results to be achieved. This 'single operation' could be composed of a project or a group of projects (not consisting of the provision of infrastructures) carried out under the responsibility of one single beneficiary, as part of an Operational Programme (OP) or Programmes.

The outputs and results of a JAP shall be agreed between the Member State and the Commission, and shall contribute to the specific objectives of the related OP. Results shall be referred to direct effects produced through the joint action plan. The beneficiary of a JAP shall be a public law body. The JAP is not considered to be a major project.

Several points need to be considered in a JAP: first of all, the relation between the results it is supposed to deliver and the budget. Secondly, the JAP is part of one or more Programmes under Cohesion Policy, therefore it can benefit from different funds and priorities, similar 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 of specific management rules that apply - in particular, for financial management.

Thirdly, the creation of a JAP must be agreed in advance by the Commission, to ensure legal certainty for 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 beneficiaries 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 (or 20% of the public support of the OP). This can be reduced to EUR 5.000.000 for the purpose of undertaking a pilot project.

What is needed to build a JAP? Three elements should be present:

- a smartly-defined goal; i.e., what we expect to change or tackle through our plan.
- a well-thought-out intervention logic; i.e., the series of projects to be put in place to reach the goals.
- 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 that awards good results.

We can think of the JAP as a mini-OP, where several priorities contribute to the same objective.

Art. 106 of CPR describes how the content of a JAP should be planned and described.

Finally, a Joint Action Plan is another instrument that allows the use of several types of resources from the ESI funds, encouraging the integration and coordination of activities in a very organized manner. Essentially, it is meant to focus on the results, 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.

According to article 96.3 (d), an Operational Programme (OP) setting its objectives for the Investments for jobs and growth goal, therefore NOT an Interreg programme, can plan activities to be developed in cooperation with other regions belonging to the European Union.

This means that a region can perform joint cooperation 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 as stated in Article 70.2 of the CPR.

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 European Territorial Cooperation (ETC), which is the Investment for Growth and Jobs goal. Such a methodology can be very useful, but it is not an obligation. It is a choice.

In order to be successful, this type of methodology 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, and 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 activities a Region plans to carry out to improve the situation or tackle the difficulties: one 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 or 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.

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

The only obligation is to state the plan of working in cooperation in the OP. Should a Region want to dedicate a specific section of the OP or an annex 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 programme level. Such implementation can include: creation of calls for proposals, creation of specific application forms, creation of networking and partnership events, and set up of technical assistance centres.

To support cross-cutting benefits managing authorities of Interreg programmes and mainstream programmes under the IJG goal (Cooperation actions - Regulation (EU) 2021/1060, Article 22(3), point (d) (vi), Interact has developed several services, including Interactive map tool for searching of potential partners based on thematic priorities, regional or national perspective, partner profile, etc. To complement the potentiality of the tool, Interact provides coaching and consultancy on how to set up cooperation actions (Basilicata region in Italy with ERDF programme, Croatia with ESF+ programme, etc.). Periodically, Interact collects good examples in the field of cooperation actions and organises events showcasing good practices and allowing for exchange, inspiration and transfer of know how. All tools and documents are available at: <https://www.interact-eu.net/synergies-and-cooperation/investments-for-jobs-and-growth/cooperation-actions>

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 such services should be very well prepared and skilled in foreign languages.

The Region should choose as a cooperation partner a region that can exchange interesting and useful practices in the same field of 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.

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.

7. Good practice examples, innovative approaches

During the harvesting event organised by Interact, a paper was drafted together with programmes comparing the Territorial instruments: <https://www.interact.eu/library/367>

Disclaimer: Cooperation can be complex, and while Interact's job is to make it easier, Interact cannot offer assurances on the accuracy of our pan-European information in any specific context.

Furthermore, understanding and knowledge evolves throughout the programming period. If you spot something out of date or inconsistent, please contact us at communication@interact.eu

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Publisher | Interact programme
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Co-funded by
the European Union