

Implementing PO5!

Notes from the meeting December 9, 2021

The document has been prepared by Interact following an event and discussions with colleagues from DG Regio. It is thus not an official document of the European Commission nor an official position of the European Commission.

According to our information (as of 9 December 2021) 15 programmes have opted for Policy Objective 5 in 2021-2027:

Internal CBC Programmes

- CBC POCTEFA (Spain – France – Andorra)
- CBC POCTEP (Spain - Portugal)
- CBC ALCOTRA (France – Italy)
- CBC Grande Région
- CBC Italy – Austria (CLLD)
- CBC Austria - Bavaria
- CBC Romania-Bulgaria
- CBC Italy – Switzerland (to be confirmed)

External CBC programmes

- Interreg NEXT Karelia CBC
- IPA CBC Bulgaria-Turkey
- IPA CBC Bulgaria – Republic of North Macedonia
- IPA CBC Bulgaria - Serbia
- IPA CBC Greece - Albania

Transnational programmes

- Interreg Atlantic Area
- Interreg Caribbean - Interreg Caraïbes

In addition, regarding interregional programmes

- Interreg Europe can support exchange of experience related to the development and implementation of Policy Objective 5 for practitioners of the Investment for jobs and growth goal's programmes.
- Interact will continue support of exchange activities among Interreg programmes implementing Policy Objective 5.

PO 5 and Functional Areas

- Territories should primarily be defined bottom-up . The key rationale for PO5 is the mobilisation and empowerment of local and regional actors and the participatory approach; territories should be defined according to their specific needs, possibilities and desire to work together. PO 5 provides more freedom to territorial and local

strategies to address their needs as it encompasses all measures eligible under the other Policy Objectives.

- The perspective on functional areas (FA) is a way to look at territories! The concept of FAs supports a comprehensive view on territories, their specificities and the interrelationships between different policy fields. The functional area approach is developed along linkages, interdependencies and interactions in a territory. Definition of FAs focusses on functions instead of administrative units and boundaries. The approach is useful to define needs of a territory in a multi-sectoral and strategy-based approach. It is an approach focussed on what's happening in the territory! Hence, the identification of these functional areas should not cause too many difficulties for those knowing the region.
- Changes in functional areas at a later stage in implementation do not require a programme modification but a new decision of the MC on the strategy / territory addressed with the strategy and possible implications for the budget allocated to the strategy
- Don't feel obliged to "find" a functional area which does not exist. Defining functional areas should be a natural exercise, not an artificial one. Hence, where there are no linkages, interdependencies, interactions etc., there is also no functional area. A functional area cannot be artificially "created" without these given preconditions.

Strategy development

- If you start strategy development from scratch it may take about two years until it becomes operative
- Upon submission of the programme it is not required to have finalised strategy/ies but the minimal information to be included in the programme is: (a) the territories (not only the types of territories, but really the geographical area concerned); (b) the main challenges/ potentials and how it is planned to address them (foreseen actions or operations); (c) the authorities or bodies which would be responsible; and (d) the state of play of the strategy and a possible timeline for finalisation in case it has not yet been prepared (is it ready, under preparation, to be prepared).
- The list of pre-defined operations can be part of the integrated territorial strategy or the development of a project pipeline can be part of a rolling process; in any case projects should be developed and decided by the representatives of the territories (i.e. not the monitoring committee of the programme)
- The integrated territorial strategy can also include projects not intended for funding from Interreg but from different programmes / sources; in such cases it is good if such links to other funding sources are indicated in the strategy (e.g. major infrastructure investments clearly exceeding the funding options in Interreg)

- Strategy development can be funded from PO5, alternatively also from ISO 1; Technical Assistance (TA) from the period 2014-20 may also be used for that purpose.

Budget per strategy / territory

- There are hardly any recommendations on the funding per strategy / territory. There is some experience from CLLD. In general, very small budgets (e.g. 1 MEUR) per strategy cannot be recommended: the administrative burden related to the set-up of strategies and actors is disproportionate compared to the potential outcomes in terms of a critical and visible cluster of projects. It is not worth the effort and related work if funding per strategy / territory is too small. Experiences from programmes discussing it (total programme volume about 150 MEUR: 10 MEUR per strategy / territory allows developing something visible and a coherent set of projects. Experience from LEADER and Local Action groups (LAGs) is: about 2.5 MEUR for a seven years strategy and a territory of about 150 000 inhabitants), thereof up to 25% for management. For Interreg IPA programmes, this indicative threshold might be lower since PO 5 will then primarily aim at supporting innovative and integrated projects in regions on external EU borders and may allow for better synergies between different funding sources (Interreg IPA, IPA 'mainstream', IPARD, etc).

Governance

Building trust

- Building trust between the stakeholders of the strategy and the MA is essential; supportive actions can be that there are initial presentations as well as regular reports on the implementation of the strategy for the MC to enable the MC to regularly review the territorial dimension of the programme
- The bodies implementing the strategy could demonstrate accountability by turning the strategy into an action plan, prioritising projects, presenting and keeping time schedules in the submission of applications, selection and implementation of projects
- The financial allocation to the strategy could also be split into two tranches – the first instalment being released upon approval of the strategy by the MC, the second one linked to a mid-term evaluation or when certain key performance indicators and targets have been met

Task division & responsibilities:

- PO5 is about the empowerment of territories, i.e. about empowerment of local and regional actors; territories should be empowered to set up their strategies and define the key projects to implement the strategy; hence, representatives of the territories should be the ones to select the projects, or be involved in the selection process to ensure compliance with their territorial strategy.
- The committee deciding on projects should be distinct from the MC (as the territory, strategy and stakeholders are different); in case of numerous rather small territories

an efficient approach should be proposed and discussed with the Desk Officer 'e.g. for IPA); it is evident that the management of a large number of very small territories might become quite challenging

- One option to establish the relationship between the implementing bodies under PO5 and the MA is a Memorandum of Understanding (MoU) clarifying the tasks and responsibility for each side in the implementation process
- The MA signs the grant agreement (contract). Prior to the signature the MA carries out an assessment of the project (not on its opportunity but on whether it meets the requirements for funding by Interreg). The check on operational criteria and compliance with programme rules should be done like for any other project (fair and equal treatment)

Funding of the governance structures:

- Funding in PO5 can be also used to finance the implementing body for the strategy. This can be done as part of the funding of the integrated territorial strategy (one single project with a part to finance management costs and one part for finance operations) or through two distinct projects (one for the governance - i.e. management costs - and one for the operations).; in accordance with article 63.1 (CPR) the eligibility of cost for the period 2021-27 starts on January 1, 2021, even if the programme is adopted later
- Implementing bodies, i.e. the body/bodies representing the territory are not Intermediate Bodies: the implementing bodies under PO5 do not implement tasks of the programme authorities.

Indicators and intervention codes, monitoring

- There should be some indicators for the implementation of the integrated territorial strategy. These indicators should be at the level of the programme (how does the programme deliver PO5?), but also at the level of the integrated strategy (how do the partners deliver the strategy?).
- Intervention codes might be difficult to decide but since PO5 is thematically open all intervention codes might be chosen (and information in the IP is indicative)
- Project implementation monitoring at programme level is part of the regular monitoring system (no difference for projects under PO5); it might be important to set user rights in the programme's monitoring system accordingly. Allowing territorial stakeholders to actively access and work with the monitoring system might strengthen their accountability.