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AdriGov

ADRIATIC GOVERNANCE OPERATIONAL PLAN

*Introduction to the Multilevel Governance Operational Document for the Adriatic/Ionian Macro-Region:
Adrigov and EUSAIR for the Revival of Territorial Cooperation*
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Federico Di Dario

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Introduction to the multilevel governance operational document for the Adriatic/Ionian Macro-Region: Adrigov and Eusair for the revival of territorial cooperation

1. The general objective of the Adrigov project is to define and implement a shared Adriatic Operational Plan for Governance to foster institutional cross-border cooperation by capitalising on existing networks and other ongoing initiatives, strengthening the planning capacity of local authorities also through specific paths of staff training, promote the acquisition of the *acquis communautaire* in the Adriatic partner countries in the process of joining the EU.

The Adrigov project therefore represents an important operational support to the political process of affirming EU Strategy for the Adriatic and Ionian Region (EUSAIR) insofar as it aims, with its multiple initiatives, to increase, using innovative governance models, the capacity to absorb EU funds by the regional authorities and local participants in Adrigov who adhere at the same time to EUSAIR.

To achieve that this document proposes an integrated approach that “connects” the EU sectoral policies of development, the concrete management of financial resources and the different institutional levels and other players involved in policies and resources within the Adriatic-Ionian Area.

The EUSAIR, in fact, does not have ad hoc funds so it would not be effective or useful to construct a “disconnected” governance with concrete projects to be activated on the individual pillars of the Strategy and the related funding sources.

It therefore seems essential (and innovative) to be able to align the existing financial resources with respect to individual action Pillars of the Strategy, and then explain to participants the different financing instruments and so to encourage joint project initiatives which intercept EU policies and cooperation programmes of interest for the Strategy.

Thus what is defined is a “variable geometry” governance, which provides a flexible and adaptable response depending on the specificities of the individual areas of intervention, the peculiarities of the partners involved and the governance of the fund/programme they want to use. In this way, the project, which was created to respond to a real need of communities and territories, is placed at the centre of the initiative and acts as an attractor of partners and resources.

In this way:

- The planning of the territories and citizens is stimulated and enhanced in a propositional logic from below;
- Organisational resources are used more efficiently insofar as all the stakeholders with the greatest interest are involved in the governance of the initiative (who are not always those with an abstract and potential interest);
- Proactive ideas are encouraged of inclusion of new objectives and new subjects for future programming.

The Governance Operational Document presented here have been prepared with the specific purpose of combining the general organisational aspects of the governance of EUSAIR with the more specific and operational objectives of the individual areas of intervention (Pillars) and the transverse axes on to which the various forms of financing are grafted.

From this perspective it was useful to proceed:

1. Towards a discussion of the mechanisms and models of governance between the institutional partners of EUSAIR;
2. Towards the analysis of the regulatory framework (national and supranational) of each pillar;
3. Towards the illustration of the system of EU funds, their management authorities and to non-European partner cooperation programmes with respect to each pillar, taking care to specify, for each of them, those profiles that involve governance (including individual funds) and capacity building;
4. Towards the identification of the means of forging links between the Pillars and the Operational Programmes (OP's) of the Structural Funds, to state, regional and local funds, as well as with European sectoral programmes;
5. Towards the indication of some best practices for other macro-regional strategies.
- 6.

The resulting mapping of the relationships that develop between the institutional partners of EUSAIR and the other subjects involved in the governance of financial resources is the NETWORK, formal and informal, which has to provide a way to allow that planning that stems from below, as an evolution of multilevel governance, which constitutes the truly innovative element brought by Adrigov to the EUSAIR.

Within the network of these relations, therefore, the PROJECT is reconstructed to draw up each time the FORM of its governance, and to affirm it within the institutional context.

The network of relationships is then completed by the connecting mechanisms, coordination and continuous exchange of information between all the components (institutional or otherwise) of the Pillars and transverse axes.

Gino Scaccia

EU cohesion Policy Governance

1. **EU Cohesion Policy** is also known as the 'EU Regional Policy', since it is intended to make an impact not on whole member States but on specific geographical areas of Europe. Going beyond national borders, it is aimed at those territories experiencing development delays, promoting an economic and social paradigm able to overcome disparities in some parts of the European Union.

When the EU identifies transnational development delays in zones sharing similar geographical features, then it encourages and helps in establishing Macro-regions, whose participating entities are member countries' or even non-EU States local institutional bodies.

Implementing a regional policy for the EU needs those countries participating in the network to play an active role. Actually, cohesion policies within the EU have boosted administrative decentralization, with lower governmental level in charge of an increasing number of responsibilities. In the entire EU, a trend towards a gradual political enhancement of local authorities has been registered.

Through Regulations on the functioning of EU Structural Funds and EU Investment Funds, the EU has fostered a multilevel model of governance, providing the obligation for the member States to adapt their legal orders according to a wide commitment of local – both public and private – actors, in the decision-making process. In so doing, the EU displays one of its founding principles: the principle of subsidiarity, stating that resources management and the choice of those objectives to stress on are to be allocated at the closest level to citizens. In enforcing Cohesion Policies, the EU has always encouraged not only local governments but also economic and social partnerships and civil society engagement.

However, it is unrealistic to believe that those local levels of government can enforce legislation without coordinating with superior and bigger entities, at a national level. For this reason, a multilevel network of governance was born in order to draft and enforce Cohesion Policies, engaging EU institutions, as well as national and regional ones, alongside with private representatives.

To set the institutional architecture of those networks, it is useful to note that schemes of participation and competence sharing vary from a member State to another. Providing an efficient governance organisation to govern Cohesion Policies and funds is clearly crucial for the participating bodies.

Becoming key actors in implementing EU Cohesion Policies, Regions are in charge of the operational management of most of the economic resources. They are responsible of developing Operational Programms (implementing social and economic development guidelines that had been previously deliberated) and launching tender notices, to allocate EU aids to final recipients.

As it seems clear, the mentioned stages lay at the bottom of the decision-making process. However, Regions and local actors take part in the procedure also upwards, by engaging their institutional representatives in negotiating Partnership Agreements with the EU institutions, by suggesting a comprehensive framework taking into account all the territories' needs able to be tackled by EU funding.

To this extent, it should be underlined that the State is in charge of establishing a governing model enabling different levels of government to play an active role in the complex EU Cohesion Funds shared management.

Roles and involvement within the procedure may vary according either to the specific stage of the process or to peculiar profiles of the policy to be implemented.

Such a governance is partly governed by the EU Regulation on the ESF and EIF. The EU Commission plays a key role, jointly deciding with the National governments on the actual amount of the funding. At this stage, Regional bodies play not much of a role.

Anyway, they start having a more central share when it comes to developing the Partnership Agreements. The subsequent phase, when the Agreement is to be negotiated with the EU Commission, sees only two interpreters: on the one hand the National government (the Italian one, in our case) and the Commission itself, with no room left for territorial autonomies.

National Governments have also the lion share as for the appointment of those authorities in charge of managing Structural Funds within the single States. However, here there is little room for Regions and other local bodies, as well as economic and social actors, improved by those Regulation norms aimed at fostering more dialogue also at this stage of the process.

The National level has more political weight than the autonomies in defining Operational Programs strategic goals, even though in cooperation with Regional authorities, without a real EU Commission involvement.

The 2014-2020 programming cycle enhance the local level more than ever. By underlining its importance to boost Cohesion Policies, the new ESF Regulation offers two new sub-regional governance tools: the Participatory Local Development (PLD) and the Integrated Territorial Investments (ITI), both providing for a coordination among local authorities and economic and social private actors in the resource management. Although optional, those instruments provide for new institutional framework to program development actions, being a valid try towards a better and effective inclusion of the sub-regional actors in the EU Cohesion Policy scheme.

Authorities leading the Operational Program will decide whether or not to activate the previously mentioned instruments.

Even though highly viewed and taken into high consideration, decentralization must be balanced with a more centripetal force, so to eventually comply with a strategic centre-outskirt equilibrium.

2. The first two Cohesion Funds programming cycles were 1989-1993 and 1994-1999. They were based on a strong centralisation of cohesion policies at State level and a low governance ability on the funds as well as low incisiveness of development measures.

In view of the above, with a view to the next programming cycle, in 1998 the Department for Development and Cohesion (DPS) was established, depending upon the Ministry for Economic Development (MISE). Within its duties, there were the technical assistance to programming and planning, the technical mediation between Brussels and the complex system of the central and local institutions responsible for expenditure.

The third programming cycle (2000-2006) saw the increasing role of Regions, which were given responsibility for developing their Operational Programmes and contributing to the definition of National strategies through the consultation undertaken by CIPE and DPS. However, the central institutions took the lion's share.

Throughout the fourth cycle of cohesion policies (2007-2013) there was an increasing strengthening of the role of regions in the planning stage and a new distribution between the State and the Regions of the resources devoted to Italy (Regions which had managed less the half the cohesion resources, during 2007-2013 managed two thirds). The consultation/conciliation, in some respects, was made at the State-Regions Conference. It is important to remind that the confrontation between State and Regions on programming resources from the Union also takes into account the national co-financing, namely those resources (which were named Fondo per le Aree Sottoutilizzate, FAS, and then Development and Cohesion Fund, FSC) made available by the Central Government, which has the first and last word on them.

The level of expenditure of European funds recorded at the end of 2007-2013 cycle was very low, so that in November 2011 the Government launched the "Action Cohesion Plan", in order to speed up the implementation of Operational Programmes and strengthen the efficacies of actions, also focusing financial resources on a limited number of priorities. A difference later emerged regarding the efficiency level of using resources between the more developed Regions, which achieved high levels of expenditure for their resources, and less developed Regions which were not able to plan and use European resources.

The Cohesion Policy governance changed many times during last years, always looking for more efficient settings. In fact, Italy has shown deficiencies about managing funds and has fallen behind to the point where, sometimes, allocated funds were not used.

The new governance framework on cohesion policies, which includes competent authorities for each sector (Central, regional and local governments), relies on new institutional subjects created to boost fund management.

They are the Cohesion Policy Department Agency for territorial Cohesion, two Assessment Centers, a Control Room and an Action-Cohesion Group.

The CIPE (Interministerial Committee for Economic Planning) continues to be involved in cohesion policies, as it has been for years.

On the account of the low efficiency of regional policies on managing the funds made available by the European Union, with art. 3 of Legislative Decree No. 88/2011 (in implementation of Directive n. 42/2009 about the so called "fiscal federalism"), the Minister responsible for cohesion policy was assigned the coordination thereof.

The article no. 12 of Legislative Decree No. 133/2014 conferred upon the Prime Minister (or one of ITS delegates) the possibility of taking over the task of local authorities unable to manage cohesion funds.

The STABILITY LAW of 2015 (law No. 190/2014, subparagraphs 703-706) gave more powers to the Presidency of the Council (defined as "Political authority for cohesion") to call back the final decisions about cohesion funds in case of a deadlock.

The Article no. 10 of Legislative Decree No. 101/2013 established the Agency for Territorial Cohesion. The same Decree (and two following Presidential Decrees of 15 December 2015) moved the Department for Development Policies from the Ministry for Economic Development to the Presidency of the Council, transformed into a Department for Cohesion Policies.

The Agency for Territorial cohesion aims at strengthening, planning, coordinating, surveilling and supporting actions of cohesion policies. The Agency, by reference to European Structural Funds and National Funds of cohesion policies, in agreement with the other involved administrations, "operates, in collaboration with competent administrations, the systematic and continuous monitoring of the operative programmes and actions of cohesion policies, as well as supervising the implementation of the programmes themselves and the realisation of the projects using structural funds; carries out supporting actions and technical assistance to the administrations managing European or national programmes, both through training of administrations' staff and the intervention of public qualified subjects capable of boosting the programmes.

It promotes the improvement of quality, timeliness, efficacy and transparency of planning and implementing activities; can take over the direct functions of managing authority of specific and experimental, as well if given the task of boosting the programmes”.

By establishing the Agency for the Territorial Cohesion, some concerns were raised amongst Regional authorities, even though the mentioned Agency managed to grant a representation of the territorial administration in its Steering Committee.

On the other hand, most of the experts, as well as the EU Commission, positively welcomed the introduction of such an institution, which could act as a propeller to boost Cohesion Policies management and expected results.

Keeping on this track, Evaluation Units were established to better manage 2014-2020 Cohesion Funds, as provided by firstly by art. 10 of the Legislative Decree 102/2013 and then by the Decree of the President of the Council of Ministers of the 19th November 2014.

Stability Law 2015 (L. n. 190/2014, par. 703) established a further actor in the Cohesion Policy Governance arena, that is the Control Room, being in charge of manage the Development and Cohesion Fund 2014-2020, which supports European Funds in achieving the results targeted by Cohesion projects.

The Control Room brings together representatives of the participating local administration, Regions and Autonomous Provinces of Trento and Bolzano, in so being a crucial body to link diverse territorial levels in managing Cohesion Funds. It has inherited those tasks previously attributed to the State-Regions Conference, which will now need to be consulted only on national topics and strategic objectives for each area.

It begins the main seat to foster confrontation among the States, Region, Autonomous Provinces and Metropolitan Cities to decide on Operational Programs for each National topic¹.

The Interministerial Committee CIPE has to approve OP as drafted within the Control Room.

The new governance framework concerning development and cohesion resources for the 2014-2020 programming cycles is provided by paragraphs 703-706 of the Stability Law 2015.

Lastly, the Action-Cohesion Group concludes the list, being specifically in charge of managing those funds gathered under the “Action Cohesion Plan” since 2011. It has been developed under the previous programming cycle (2007-2013) to accelerate European Funds’ use before their automatic ‘release’. Hence, the Group monitors e stimulates the usage of residual Funds from the previous programming cycle.

In the complex multi-layered Funds governance, a role is also tribute to the General Inspectorate on the Financial Relations with the EU (IGRUE), established within the Economic and Finance Ministry, in charge of managing the Rotational Fund to implement EU Policies, as provided by art. 5 of the L. n. 183/1987. Such a Fund supplies financing quotas at the expense of the State budget to public administration and public and private actors, in order to implement EU Policies Programs.

¹ D.P.C.M. 25 febbraio 2016.

3. After the previous EU Cohesion Funds Programming Cycles' unsatisfying performances, the new cycle (2014-2020 Programming Cycle) shows up as a chance to stabilize the multilevel governance architecture so to strengthen the territorial dimension of EU development policies.

Key points in the pathway for success are:

- Concentrate resources on a more limited number of strategic objectives with a long-lasting impact on the selected zones;
- Engage territorial entities since the first stages of the program
- Put into action new sub-regional governing schemes (PLD, ITI), for a place-based strategy able to respond to concrete needs from the territories, as requested by the EU Commission
- Identify result indicators to enable monitoring Cohesion Policies during their deployment

However, even a perfectly imagined governance architecture could end up to be ineffective, in case of non-fulfilment of the given duties.

To this regard, it is useful to remind that Italy as a member State is to be considered responsible for possible delays in implementation or other breaches of EU Law. As a result, art. 120 par. 2 of the Italian Constitution provide for the State taking over the non-fulfilling administration. Such a replacement power has been further specified in many Italian pieces of legislation, among which the so-called "La Loggia Law" (L. n. 131/2003) and the Legislative Decree n. 88/2011.

A lack of administrative willingness to tackle challenges towards goals in the less development Regions is one of the Italian chronic diseases, as also pointed out by the EU Commission.

Hence, managerial touch and qualified officers in public administration would play a revolutionary role in managing Cohesion Policies from the internal side, following all the stages from the deficits' identification to the verification of the results at the end of the programming cycle.

Even though supported by the EU Commission, a true engagement of Municipalities and other local authorities in the multi-layered EU Cohesion Policy governance is yet to come.

From the EU institutions point of view, it is crucial that those sub-regional subjects play a more dynamic and proactive role, not only at the bottom of the EU Cohesion Policies' funds allocation but also in the opening phase of the program, i.e., Partnership Agreements and Operational Programs.

However, in the Italian legislation, local authorities' engagement is subjected to the Regional will, and just for ROPs.

4. Title V of the Second Part of the Constitution, about the Republic's bodies, provides two crucial articles on the competence sharing between the State and territorial autonomies in Italy: article 117 on shared legislative power and article 118 on shared administrative powers.

Article 117 Const. affirms that both State and Regions have to comply with the obligations descending from the EU legal order. As a result, both of them have to take into account EU legislation in the management of EU Cohesion Funds.

Such a provision has been confirmed by the Constitutional Reform handled by the government and named after Prime Minister Mr. Renzi and Minister for Reforms Ms. Boschi. The Reform has been approved by the Parliament and is now to be subjected to a confirmative referendum next October.

Article 117 Const. also provides – in paragraphs two, three and four – the legislative competence sharing between State and Regions. It does not play a central role in the field we are dealing with, since Cohesion Policies Funds are mainly governed by a chain of political agreements (i.e., strategic EU documents, National Strategic Framework, National Reform Program, Partnership Agreements, National Operational Programs and Regional Operational Programs).

However, how subjects are divided between the two major governing levels within the Italian Constitutional order, offers an insight on those fields mainly ruled by the State and on those ones which see a more active role of the Regions.

In the following chart, on the left the current Constitution provisions are described, while on the right the reformed norms are summed up.

Regional Legislative Competence	
Current Constitution	Renzi-Boschi Reform
<p><u>Shared competence</u></p> <ul style="list-style-type: none"> • Regions' international relations and relations with the EU; • International trade; • Labour Security and Protection; • Education, but for the autonomy granted to schools and the exclusion of the professional education; • Professions; • Scientific and Technological Research to support Innovation in all the productive sectors; • Health; • Nutrition; • Sport; • Civil Protection; • Territorial Governance; • Harbours and civil airports; • Communication; • Big Transport network; • Energy (production, transport and national distribution); • Complementary Welfare; • Public Finance and Taxes; • Culture and environment; • Credit companies with regional character. <p style="text-align: center;">All those subjects not expressly reserved to the State are devolved to the Regions (residual competence clause).</p>	<p><u>Exclusive competence:</u></p> <ul style="list-style-type: none"> • Linguistic minorities representation; • Regional territorial planning and mobility; • Infrastructures; • Health and Social Services Programming and Organization; • Promotion of the local economic development and organisation of services targeted to enterprises and professional education; • Education and scholastic services, with respect of schools' autonomy; • Cultural and environmental promotion, accordingly to the Regional interest; • Regulation on the financial relations among the Region and the other territorial bodies in view of the respect of public finance objectives, following specific agreements. <p style="text-align: center;">All those subjects not expressly reserved to the State are devolved to the Regions (residual competence clause)</p>

The Constitutional Reform downsizes Regions' legislative competences, even though two important pieces of news are to be taken into account.

The legislative shared competence between State and Regions turns into an exclusive list of subject, while Regions will find direct representation within the newly-reformed Senate of the Republic, whose composition has been totally redesigned. It will also have link functions among Republic's bodies and with particular regard to the implementation of EU Policies.

The art. 117 Const., par. V, not being modified by the Reform, provides that local autonomies directly participate in the EU legislation, as far as it concerns their competences. They also implement and enforce international agreements and EU acts.

On a more detailed note, the Law that at a lower level provides for the procedure rules governing Regions' participation to the EU – L. n. 234/2012 – not only disciplines on Regions' role in the EU legislation procedure but in the whole EU Policies scenario. Hence, regarding EU Treaties and Regulations as well as National legislation, it seems certain that Regional and local actors can play an active role in the programming and subsequent implementation of the EU Policies, first and foremost the EU Cohesion ones.

Since the enforcement stage of the EU Cohesion Policies is conducted by tender notices (which are administrative acts) launched by Operational Programs Managing Authorities, a more crucial role is played by the art. 118 Const. According to the Constitution, the administration closer to the citizens are those in charge of enforcing the law, taking into account territorial and demographic specificities, as well as the administrative capacity of autonomies with regard to actions to be undertaken. In this sense, the Constitution echoes funding principles of the EU – subsidiarity and proportionality -, in so showing a common vision on the guidelines according to which public administrations act. No changes have been brought by the Constitutional Reform in this.

Being mainly supported by political rather than legal acts, EU Cohesion Policy Funds is mainly linked to the central government political will, since it's the national level arranging inter-institutional bodies duties and governance schemes.

5. As demonstrated in this dissertation, the Adriatic-Ionian Macro-region does not receive specific European funds and new agencies to represent it are not going to be established.

This means that, in the intentions of the European Commission, the Macro-Region should achieve development targets by using the cohesion funds already allocated by the Union to the member States. The single regions that make up the Macro-region should therefore address the resources of cohesion funds assigned to them for common development projects, creating synergies and partnerships between them.

It has to be noted however that some of the territorial entities belong to countries outside the European Union, thus they receive "neighbourhood policy" resources by the Union but not the ones part of the cohesion funds.

The allocation of European resources to Cohesion Policies is decided in the long strategic planning process that leads to the approval of key documents such as the Partnership Agreement and the Operational Programmes. The negotiations for the acceptance of these documents share bilateral character, taking place between the European Commission and national authorities, for each member State.

Finally, three innovations could be taken into account, in order to overcome the limited effectiveness detected in the establishment project of an Adriatic-Ionian Macro-region, which could really help the economic growth and the social cohesion in the concerned area. They are suggested as follows:

- The Macro-region should procure itself a real political authority, able to well represent the member States involved in EUSAIR, autonomous and with real decision-making powers, as the natural interlocutor of the European institutions and, as previously suggested, this authority could be properly identified in AII network (Adriatic-Ionian initiative).
- The EU Commission should consider to directly involve the Macro-Region Governing body in negotiating a Partnership Agreement specifically target to that certain area, in the future Cohesion Funds programming cycles, so to draft *ad hoc* Operational Programmes to tackle development needs of the Adriatic-Ionian basin.
- The Macro-Region Governing Body should be not only privileged speaker to the EU Commission, but also a crucial player in the multi-layered governance scheme of the Macro-Region, by engaging all those relevant subjects from the basin, going from regional and local authorities to economic, social and civil society actors.

Blue Growth

1. The concept of blue growth at European Union level is specifically referred to in the Communication from the *Commission Blue Growth - Opportunities for marine and maritime sustainable growth*, COM (2012) 494. In that document the areas of activity in which blue growth is articulated are five: blue energy; blue biotechnology; maritime tourism, coastal and cruising; marine mineral resources; and aquaculture. It is noteworthy that the Communication provides an indication of the financial instruments useful for the abovementioned areas of intervention by highlighting the European Maritime and Fisheries Fund (EMFF) and Horizon 2020 Programme.

As for the concept of blue growth under the Adriatic-Ionian Macro-Regional Strategy (EUSAIR), it is derived from what is indicated in the Commission Communication on the Strategy, COM(2014) 357, and in the connected Action Plan, SWD(2014) 190. In these documents blue growth is defined as innovative marine and maritime growth in the Adriatic-Ionian region through the promotion of sustainable economic development and entrepreneurial opportunities and employment in blue economy, including in the areas of fisheries and aquaculture.

Specifically, also in order to enhance the uniqueness of the geographical location and the specificity of the coastal structure of the region, accompanied by the wealth of marine biodiversity, the Pillar 1 of EUSAIR (Blue Growth) has three specific objectives that have present with a strong heterogeneity in content: **Blue technologies, Fisheries and aquaculture, Maritime and Marine governance and services.**

The **Blue Technologies** objective foresees the following actions:

- Developing R&D&I platforms on sustainable maritime mobility, deep-water resources, biosafety and biotechnology;
- Developing macro-regional technological maritime clusters;
- Promoting mobility of researchers;
- Improving access to financing and promotion of start-ups

The **Fisheries and Aquaculture** objective foresees actions such as:

- Promoting scientific cooperation on fisheries and fish stocks;
- Encouraging the sustainable management of fishing activities;
- Observing European compliance, standards and practices;
- Promoting the diversification and profitability of fishing and aquaculture;
- Developing an R&D platform for fishing;
- Developing maritime skills;
- Developing a fish produce market.

The **Maritime and Marine governance and services** objective foresees actions such as:

- Developing a governance of marine space;
- Harmonising the standards and regulations between different countries in Europe and beyond;
- Facilitating the spread of information and knowledge sharing;
- Developing maritime skills;
- Launching activities to inform and involve citizens.

In order to implement the actions provided for in the specific objectives in an effective and integrated way, it is essential to be in a position to access the different types of funding that the EU provides at various levels. The first specific objective, blue technologies, concentrates on the development of a common area of smart growth that prefers direct funding such as, to mention a few, Horizon 2020 which is primarily intended for research and innovation, or COSME for particularly innovative SMEs operating in the maritime and marine sector.

The second specific objective, fisheries and aquaculture, concentrates on the local level insofar as it focuses on competitiveness and the development/growth of markets (within the frame outlined by national policies and regardless of whether the process followed is top-down and/or bottom-up), but it refers to both the system of indirect financing (e.g., the EMFF) as well as direct because the context depends on the nature of the actions to be undertaken.

Finally, the third specific objective, Maritime and marine governance and services, concerns the role of cross-border cooperation between the countries of the region characterised by different administrative and political structures and systems of government and governance. In this sense, therefore, cross-border cooperation is essential for proper and better marine and maritime governance, also with a view to using existing resources more efficiently.

2. The setting of the governance system for Pillar 1 EUSAIR is articulated at European and national level through the strategic documents and financing instruments indicated below.

At European level:

- Integrated Maritime Policy
- Strategy for the Marine Environment
- Integrated Coastal Zone Management (ICZM)²
- Maritime Spatial Planning (MSP)
- European Regional Sea Conventions
- HORIZON 2020
- COSME
- ERASMUS +

²The Maritime Spatial Planning (MSP) is a public process designed to analyse and deploy in time and space, human activities in marine areas to achieve ecological, economic and social aims, usually defined through a political process (UNESCO-IOC Guidelines PSM 2009). Some "uses" of marine space: tourism, oil and gas, coastal protection, ports and navigation, military activities, heritage, conservation, dredging and disposal, submarine cables, fishing, renewable energy, recreation, extraction activities.

At national level:

- Blue Growth Technological Clusters (National Strategy for Smart Specialisation)
- National Strategy on Sustainable Development National Strategic Plan for Aquaculture
- Action plan for the development, competitiveness and sustainability of small-scale coastal fishing
- The Livorno Charter (transposing the Directive on the Strategy for the Marine Environment)
- NOP Research and Innovation
- NOP Enterprise and Competitiveness
- NOP Governance
- NOP Culture
- NOP Systems of active policies for Employment

The indications below may be of particular interest, in which are specified the connection and alignment mechanisms between national instruments and direct EU funds. The NOP RESEARCH proposes the alignment of the Horizon 2020 legislation with that of the Structural Funds.

To facilitate the participation of NOP subjects in the work of Horizon 2020, the Ministry of Education, as part of the administrative simplification measures, the need for which is becoming increasingly apparent, will identify the areas permitted by the Regulations (standard costs, lump sums, etc.), to make project management more homogenous and simple, regardless of the funding source, and to allow the possible financing of projects (by the ERDF), or parts of projects, evaluated as excellent in the setting of Horizon 2020, but which have not been funded due to a lack of resources.

This process of alignment will launch in a modular and experimental way, to then find progressive additions as experience is accumulated in this regard, and best practices being developed will be made available. The overall path of development will always take place after consultation with the relevant offices of the European Commission:

The NOP will seek to promote all possible synergies, including with the LIFE programme and other EU initiatives on the environment and climate. As is known, the LIFE programme seeks to mitigate climate change and to minimise the impact of humanity's actions on natural resources.

The integrated initiatives that will be promoted through the NOP will follow governance pathways involving national and regional administrations, under the direction of the LIFE National Contact Point. It is believed that these unifying actions between the two programmes will be implemented mainly through interventions targeting the KETs and national thematic clusters (green chemistry, Blue Growth).

Still on the theme of agreement between different programmes co-financed by the EU, the Ministry of Education intends to promote specific agreements with EUSAIR. These agreements will be processed by a technical group set up ad hoc and will involve, in line with the dispositions of the Partnership Agreement, the following types of actions:

- Support for business research projects involving the use of researchers (PhD students and graduates with technical and scientific profiles) at the businesses themselves; support for collaborative R&D for the development of new sustainable technologies, new products and services;
- Support to technological enterprises through the financing of pilot lines and early product validation actions and demonstrations on a large scale; system actions to support the participation of the territorial players in the concerted platforms and national networks of technological specialisation such as the National Technological Clusters, and in projects financed by other European programmes for research and innovation (such as Horizon 2020).

At sub-national level

- The Bologna Charter (initiatives for adaptation to climate change – the Charter of the European Regions for the promotion of a common framework of strategic actions aimed at the protection and sustainable development of coastal areas of the Mediterranean)
- Technological Maritime Clusters (identified in the ex-ante strategy RIS3 for each region);
- FARNET – the network of European fisheries [Local Management Plans (LMP) – Coastal Action Group (CAG) and others]
- ROP (ERDF, ESF and EMFF).

In fact the EMFF OP maintains that “The Strategy includes the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission 30 November 2012 [2], which covers the opportunities for blue growth for the marine basin [...]”. Given the strong interpenetration of the elements related to maritime strategy and blue growth as fundamental aspects of EUSAIR, the EMFF OP shows obvious synergies with the strategy and will be able to contribute significantly to the implementation of the action plan.

The Programme will contribute directly to the implementation of Pillar 1 relating to Blue Growth and related Topics (Blue Technologies, Fisheries and aquaculture, Maritime and marine governance and services). Strong connections can also be detected with Pillar 3 Environmental Quality (in particular the Topic of Marine Environment) and Pillar 4 Sustainable Tourism.

On the basis of governance outlined for EUSAIR, the Italian Ministry of Agriculture will be consulted, as the competent Central Administration, in the work of the Thematic Steering Committees referring to the individual pillars, and ensuring proper consultation with key stakeholders. In particular it aims to ensure:

- The coordination and efficient flow of information with the Italian national contact points;
- Monitoring, communication and evaluation measures aimed at testing the concrete contribution to the strategies;
- Active participation in functional meetings for national and macro-regional coordination for the implementation of the Pillars and Actions in the fields of competence;
- The inclusion of information and targeted communication dedicated to the stakeholders in the programme.

In the current 2014-2020 programming, positive ideas may be taken from projects started in the previous 2007-2013 multi-annual programming with regard to the integrated development of European maritime and marine policy. The table below provides some relevant information.

Project	Funding System	Objectives	Pillar EUSAIR
SHAPE “Shaping a holistic Approach to Protect the Adriatic Environment between coast and sea”	Project co-financed by the IPA Adriatic Programme	Promote the application and successful implementation in the Adriatic region of Integrated Coastal Zone Management Protocol (ICZM) for the Mediterranean (UNEP/MAP/PAP, 2008) and the proposal for a directive establishing a framework for Maritime Spatial Planning (MSP) and ICZM (EC COM (2013) 133)	MSP in the Adriatic and Ionian Region – Pillar 1 Topic 3 - Maritime and marine governance and services
Medgovernance	MED Programme (2007-2013)	Improve integration of regional policies in the development of Mediterranean macro-policies, based on the awareness that some types of public policies are difficult to apply and only achievable within the borders of the Member States	Pillars 1, 2, 3, 4
Maremed “MARitime REgions cooperation for MEDiterranean”	MED Programme (2007-2013)	Analyse and identify the problems and shared priorities between the member regions and propose axes of joint actions; make up for the lack of consultation and partnerships between Mediterranean regions	Pillar 1 Topic 3 Maritime and marine governance and services
ADRIPLAN	DG-MARE (MARE/2012/25)	Promote the harmonised implementation of the framework of European policies on marine and maritime issues, including the ICZM Protocol for the Mediterranean of the Barcelona Convention, the proposed new Directive on ICZM-MSP (COM (2013) 133 final) and the EUSAIR Action Plan	Pillar 1 Topic 3 Governance of Maritime Space – P1.3 ICZM/ MSP in the Adriatic-Ionian Region – P3
EMODNET “European Marine Observation and Data Network”	DG-MARE	Develop a European network of observation and marine data	P 1.3, P 3

It must also be borne in mind that at present the Planning of Space Marine is being defined and will be an integral part of the Adriatic-Ionian strategy (2016 is the deadline for each member state to approve it. This is followed by the monitoring phase up to 2020). PSM and ICZM are in fact the operational tools of the marine and maritime integrated European strategy, and therefore the hinge for an integrated and efficient management of resources. The roadmap drawn by the European Commission in 2008 identified ten key principles for adopting the PSM in the EU:

“5.1 Using MSP according to area and type of activity

Management of maritime spaces through MSP should be based on the type of planned or existing activities and their impact on the environment.[...]

5.2. Defining objectives to guide MSP

MSP should be used to manage ongoing activities and guide future development in a sea area. A strategic plan for the overall management of a given sea area should include detailed objectives. [...]

5.3. Developing MSP in a transparent manner

Transparency is needed for all documents and procedures related to MSP. [...]

5.4. Stakeholder participation

In order to achieve broad acceptance, ownership and support for implementation, it is equally important to involve all stakeholders, including coastal regions, at the earliest possible stage in the planning process. [...]

5.5. Coordination within Member States — Simplifying decision processes

MSP simplifies decision making and speeds up licensing and permit procedures, for the benefit of maritime users and maritime investment alike. [...]

5.6. Ensuring the legal effect of national MSP

MSP does not replicate terrestrial planning at sea, given its tri-dimensionality and the fact that the same sea area can host several uses provided they are compatible. [...]

5.7. Cross-border cooperation and consultation

Cooperation across borders is necessary to ensure coherence of plans across ecosystems. It will lead to the development of common standards and processes and raise the overall quality of MSP. [...]

5.8. Incorporating monitoring and evaluation in the planning process

MSP operates in an environment exposed to constant change. It is based on data and information likely to vary over time. The planning process must be flexible enough to react to such changes and allow plans to be revised in due course. [...]

5.9. Achieving coherence between terrestrial and maritime spatial planning — relation with ICZM

Achieving consistency between terrestrial planning (including coastal zones) and maritime planning systems is a challenge. Coastal zones are the “hinge” between maritime and terrestrial development. [...]

The respective services should cooperate and involve stakeholders so as to ensure coherence. [...]

5.10. A strong data and knowledge base

MSP has to be based on sound information and scientific knowledge. Planning needs to evolve with knowledge (adaptive management). [...]” Source EC COM(2008) 791.

These key principles are partly still in place, in particular the coordination between Member States and the participatory and transparent process, but have been updated with the roadmap that combines both instruments, i.e. MSP and ICZM as required by Directive 2014/89/EU establishing a framework for Maritime Spatial Planning.

Pending the approval of MSP, a comparison is possible at the operational level and/or the level of direction policies. What we can advance even now in the light of the capitalisation of the results of previous projects relates to the importance of transnational programmes as a glue between the territories, for the development of pre-conditioning and/or the economy itself.

Loredana Giani
Connecting the Region

Although belonging to the same Pillar, transport and energy are substantially different, not only in terms of “content” of the choices on the basis of sectoral specificities, but also the articulation of the model itself of governance, given the transversal nature of energy. This led to a distinct criterion of analysis of the financial instruments and programming levels.

The link between the two “sectors” is however very apparent. It is sufficient to recall the statement made by MISE at the presentation of the National Energy Strategy (NES) and referred to in the Agreement of Partnership (note 258, p. 216, Section 1A): *“Finally, in a broader sense but consistent with the theme of the mobility of goods in a fixed place, the actions defined by the National Energy Strategy (NES) seem to be relevant with reference to long-distance energy transport networks and interconnections with adjoining systems along the 5 energy corridors (2 electric and 3 gas) that cross Italy, part of the Trans-European energy Infrastructure initiative (known as TEN-E: see proposed Regulation of October 2011), for which is foreseen co-funding through the Connecting Europe Facility. The layout of the energy networks is relevant for the purposes of coordination with the linear transport infrastructures (and punctual ones in the case of offshore re-gasifiers), in order to minimise the impact on the territories and maximise the effectiveness of the service. See: National Energy Strategy: for a more competitive and sustainable energy (URL: <http://www.sviluppoeconomico.gov.it/images/stories/documenti/20121016SEN-Presentazione-CdMvOnlinexxx.pdf>), October 2012”.*

TRANSPORT

1. The objective of Pillar 2 – Transport is to connect the macro-region and reduce insular and rural distances by improving the governance of the interior and maritime corridors (including the interoperability of all modes of transport), as well as developing sustainable transport modes from an environmental point of view, with the interventions of “decarbonisation” (reduction of CO₂ emissions also related to the presence of heavy traffic), and improving the quality of passenger transport, also reducing travel times for reaching the tourist and cultural destinations of the Adriatic-Ionian area.

It is therefore evident the close correlation with the priorities and objectives of Europe 2020 which can be summarised as follows :

- Smart growth: developing innovative solutions in terms of transport that would reduce costs, improve efficiency and contribute to smart growth.
- Sustainable growth: support for the modernisation of the transport sector to make it more efficient and therefore more environmentally friendly (promoting, in particular, intermodality).
- Inclusive growth: establishment of better connections and support cohesion “by connecting” all the areas, including the most remote. This also allows, new business opportunities and, consequently, the creation of new jobs.

Given this background of a general nature, it is now possible to proceed to an analysis of the governance of the Pillar 2 – Transport.

European level

The transport sector is now widely considered to be the economic lifeblood of the single market which will allow not only the full realisation of the free movement of people and goods, but also the economic and social development of the areas involved. And it is for this reason that the stated purpose of the new transport policies does not just involve economic growth but also environmental and social sustainability throughout the EU.

With the adoption of the “package for new strategies on infrastructure and transport”, launched on 9 October 2011 by the European Commission, and the adoption of Regulation no. 1315/2013, the European Union laid the basis for a thorough overhaul of the transport system by focusing on the creation of a global network of connections that will ensure full coverage of the territory of the EU.

The new EU strategy foresees a transport network, which has as the basis of its system the so-called corridors, a network that is much leaner and defined in detail and with rigour, so as to facilitate the selection and arrangement also of the projects that can be financed, so as to direct expenditure towards a reduced number of projects that provide the assurance of added value.

European Strategy - CEF Connecting Europe Facility 2014-2020

The Connecting Europe Facility (CEF) 2014-2020 supports the development of trans-European networks, focusing on the construction of cross-border missing links and the elimination of bottlenecks along major trans-European transport corridors. This is in order to build a new “truly European” central network that guarantees an organic network of connections at both regional and national level.

The programme provides innovative financial instruments (project bonds), which can also be awarded for actions to be implemented in the countries in the process of joining, except that in this case it is necessary that the projects be of common interest with the actions of the Horizon 2020 programme.

National level

Among the 11 Thematic Objectives (TO) in the Partnership Agreement, one unquestionably linked to the transport sector is TO 7 “Promoting sustainable transport and removing bottlenecks in key network infrastructures”, but also contributing to the achievement of the EUSAIR objectives are TO 3 “Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector and the fisheries and aquaculture sector” (Action 3.3.6), and TO 11 “Enhancing the institutional capacity of public authorities, interested parties and an efficient public administration”.

An examination of the Partnership Agreement, and in particular of the table of correlation with the EU-SAIR, allows the identification of synergies and governance of the national level, since it permits the identification of funding instruments that contribute to achieving the objectives of the Transport sector of Pillar 2.

NOP Infrastructure and networks: the NOP objectives are integrated completely with those of the EUSAIR Pillar 2: “[...] The MIT is providing its contribution to the technical committee for the implementation of the priority “Connecting the region”, of which Italy and Serbia are the coordinators, developing a technical-political programme of interventions aimed, by 2020, at:

- Doubling the market share of the containers of the Adriatic-Ionian region, limiting its environmental impact;
- 50% reduction in waiting times at regional borders.
- All three lines of action of the specific Objective II.1. of the OP “Improving the competitiveness of the port and interport system” can contribute to the achievement of the macro-regional objectives, carrying out interventions of:
- See II.1.1. – improving infrastructure and port and interport facilities of the Core nodes also covered by EUSAIR strategy, including their compliance with the highest environmental, energy and operational standards;
- See II.1.2. - strengthening of the multimodal connections of these nodes with the global network (“last mile”), favouring a unified logic of the system;
- See II.1.3. - optimisation of the procedural chain of freight transport, including customs, through the interoperability between telematic systems platforms being developed, in a logic of single window/ one-stop shop.

In order to establish a practical EUSAIR strategy, the Managing Authority will identify the projects located in less developed regions, which will ensure maximum added value for the achievement of the strategy's objectives. These operations will be submitted to the Commission and appropriate information will be given to the Supervisory Committee”. [Source: NOP Infrastructures and Networks]

The coordination of funds and national governance with those of the Connecting Europe Facility will be guaranteed, at programmatic level, by the Multi-annual Planning Document and, operationally, by MIT, in charge of both funding mechanisms: within the same general management are incardinated the Authority for the OP management, the focal-point agency for the Connecting Europe Facility, and the division in charge of Territorial Cooperation Programmes.

The NOP states: *“The Directorate in charge of CEF management, before officially nominating a project, will coordinate internally with the Authority for the NOP Management, also involving those responsible for identifying the national strategic priorities, at a time of concrete sharing, in order to ensure the proper identification of funding sources, including ERDF and CEF, for each candidate intervention”.* [Source: NOP Infrastructures and Networks]

In particular, consistency with EUSAIR is assured by the existence of the “Committee for the single regional policy”, which, for the whole programming period, plays the role of guaranteeing a unified approach for all ESI 2014-2020 Fund programmes, as well as the activity of monitoring and support of the Agency for Territorial Cohesion (Article 10, Law no. 125 of 30 October 2013).

NOP Enterprise and Competitiveness: “As for macro-regional strategies, the programme, where consistent, will be implemented in conjunction with the relevant pillars of EU strategy for the Adriatic and Ionian region (EUSAIR), taking into account the coordination of activities carried out at national and regional level. The appropriate connections, in accordance with what is laid down in the Partnership Agreement, will relate to the following types of actions in connection with the relevant pillars of the strategy:

[...] Action 3.3.6, Modernisation of the system of freight logistics to support the competitiveness of SMEs, including by promoting the coming together of companies (Pillar 2 – Topic 1: Developing ports, optimising port interfaces, infrastructures and procedures/operations), where the interventions provided by the NOP also cover the financing of activities located near port facilities [...].”

In this case as well, the programme provides the tools for coordination with other programmes, providing that this is ensured by the management authority entrusted with the task of carrying out assessments and monitoring, both quantitatively and qualitatively, of the actions set up in the funding instruments of the EU “in order to identify areas of complementarity and possible synergies. Where appropriate, consideration will be given to encouraging cooperation with beneficiaries located in at least one other Member State, through inter-regional and transnational cooperation activities”.

NOP Governance and institutional capacity: the programme strategy has synergies with the EUSAIR objectives with respect to the transverse axis of strengthening administrative capacity.

Also contributing to achieving the objectives of the Pillar 2 Transport are NOP Education, NOP Systems for Active Employment Policies and NOP Social Inclusion.

European Territorial Cooperation Programmes - ERDF Objective Territorial Cooperation

The territorial cooperation programmes integrate with the objectives of Pillar 2 of EUSAIR insofar as they aim at the strengthening and development of governance between countries in and outside of Europe, as well as achieving sustainable and interconnected interventions.

In compliance with the provisions of Parliament and Council Regulation no. 1299/2013, “Where Member States and regions participate in macro-regional and sea-basin strategies, the cooperation programmes concerned should determine the manner in which the interventions could contribute to such strategies [...]”.

Sub-national level

- Planning of a bottom-up approach instruments and/or a wider participation for the use of SIE Funds.

ENERGY

2. The objective of Pillar 2 – Energy is to connect the macro-region and reduce insular and rural distances through the improvement of energy networks, as well as to develop modes of transport and environmentally friendly energy supply.

As reported at the event organised by the Marche Region (coordinator for the Italian regions in EUSAIR), in the context of the work of the “National Management of EU Strategy for the Adriatic-Ionian Region” in July 2015, the theme of “Energy networks” is divided into electricity and gas supply:

- Electricity, that is, the European and non-European transnational connections to promote the formation of an integrated system for an energy single market with harmonised tariff rates;
- The gas supply, or the diversified use of energy sources including natural gas and electrical infrastructures and the use of liquefied natural gas in the ports.

Specifically, at the Conference of Regions and Autonomous Provinces of June 2014 [14/076/CR07/C3], the priorities identified by the regions for the sub-objective 2.3, are:

- Realisation of energy transport networks and complementary structures equipped with digital communication systems, smart metering and monitoring and control (smart grids) as an infrastructure of smart low-emission “cities” and “rural areas” – smart cities and communities;
- Realisation of smart storage systems in the service of RES production facilities;
- Promotion of energy efficiency also through district heating and cooling and the installation of cogeneration and trigeneration plants, including those for farms or associations thereof;
- Mapping the renewable energy resources available for each territory with indications on the sources to which each territory is more suited and methods of interconnection and integration with neighbouring territories to help ensure the optimal use of resources;
- Bottom-up routes of participation to promote listening and dialogue, at all levels, on the TAP gas pipeline proposal.

Therefore the close correlation with the priorities and objectives of Europe 2020 is evident and can be summarised as follows:

- Smart growth: developing innovative solutions in the energy sector that would reduce costs, improve efficiency and contribute to smart growth.
- Sustainable growth: interconnection of energy networks in order to create conditions for a better functioning of the energy market and, therefore, the development of energy production from renewable sources.
- Inclusive growth: support for cohesion through the implementation of better and safe energy connections.

Given this background of a general nature, it is possible to proceed now to the analysis of the governance of Pillar 2 – Energy.

European Level

The new policy on energy infrastructure of the European Union, defined by the Commission Communication entitled "Priorities for energy infrastructure for 2020 and beyond – A Blueprint for an integrated European energy network", from the Council conclusions of 28 February 2011 and the European Parliament resolution of 5 July 2011, culminating in the approval of Regulation no. 347/2013 on guidelines for trans-European energy infrastructure, has as its objective the optimising of the development of the network at European level, for the period up to 2020 and beyond, in order to enable the Union to achieve its main objectives in energy policy: competitiveness, sustainability and security of supply.

In the Energy sector then a fundamental role is assumed by SET (Strategic Energy Technology) Plan, a strategic plan of European governance to reduce emissions and accelerate the development of "low-carbon technologies" through the development of technological innovation.

European funding for the sector is guaranteed by:

HORIZON 2020 for research and innovation in the energy sector - Societal Challenges.

The Program provides funding for innovative projects in the areas of energy efficiency, low-carbon technologies and Smart Cities & Communities.

As regards the last of these, these are transversal interventions in the energy and digital field not only of technological impact, but also relating to social change/innovation: intelligent technologies that manage the power grid and distribute energy to users efficiently.

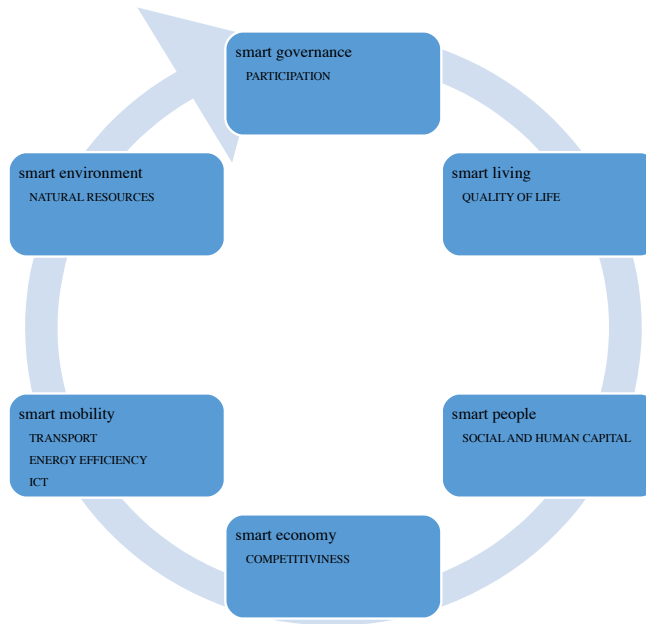


Figura 1: <http://www.smart-cities.eu/model.html>

CEF Connecting Europe Facility 2014-2020

The Connecting Europe Facility – Energy supports the realisation of trans-European energy infrastructure for the period 2014-2020, in order to achieve the goals set by the Union in the climate and energy sector. This also means the elimination of bottlenecks in the network. The programme also aims to improve the interconnections that will enable the development of the internal energy market, security of supply, and reduction of energy transport costs.

SIE Funds

The funds finance investments in energy efficiency, renewables, smart and urban mobility networks, including research and innovation in complementary areas with Horizon 2020. Worth noting is one of the key features of the 2014-2020 programming period, i.e. the integration of the different programming instruments and SIE funding in order to maximise the available resources.

National Level

Among the 11 Thematic Objectives (TO) foreseen by the Partnership Agreement, the one related to Pillar 2 under objective 2.3 of EUSAIR, is TO 4 “Supporting the transition to a low-carbon economy”, insofar as it is focused on energy networks. Specifically, the expected results of OT 4 are:

RA 4.3	Increase in the generation of energy needs covered by distributed generation developing and implementing smart distribution systems
RA 4.4	Increase in the share of energy needs covered by cogeneration and energy regeneration
RA 4.5	Increase in the sustainable use of bioenergy
RA 4.6	Increase in sustainable mobility in urban areas

By reason of the European policy framework briefly outlined above, there also emerges however a close correlation between the dimensions of the innovation on the one hand and competitiveness on the other. This means integrating the framework of governance not only in terms of players but also of instruments and funds with those devoted to these two dimensions, both nationally (NOP Research and Innovation and NOP Enterprise and Competitiveness, which then refer to the TO and RA 1, 2 and 3 of the Partnership Agreement) and regionally (a cross between the regional energy plan and ERDF).

In this regard, it must however be noted that the TO4 is not present in the correlation table of EUSAIR attached to the Partnership Agreement.

- Correlation between National Energy Strategy and NOP Research and Innovation and NOP Enterprise and Competitiveness

The National Energy Strategy, in collaboration with what was identified at the supranational level with the Union's energy strategy, defines seven priorities for action until 2020. These are:

1. Promotion of Energy Efficiency, the ideal instrument for pursuing all of the objectives mentioned above, as a result of which it is expected to take the place of the European objectives.
2. Promotion of a competitive gas market, integrated with Europe and with its prices aligned to it, and with the opportunity to become the main South European hub.
3. Sustainable development of renewable energy, with which we intend to surpass the European goals (20-20-20), while limiting the effect on costs.
4. Development of an electricity market that is fully integrated with the European one, efficient (with competitive prices compared to Europe) and with the gradual integration of renewable energy production.
5. Restructuring of the refining sector and fuel distribution network, aiming for a more sustainable system and European levels of competitiveness and quality of service.
6. Sustainable development of the domestic production of hydrocarbons, with important economic and employment benefits and in accordance with the highest international standards in terms of safety and environmental protection.
7. Modernisation of the industry's system of governance, with the aim of improving the effectiveness and the efficiency of our decision-making processes.

In this framework the NOP Enterprise and Competitiveness aims to increase investment in key areas in the less-developed regions (Basilicata, Calabria, Campania, Apulia, Sicily) and those in transition (Abruzzi, Molise, Sardinia) articulating actions on four thematic objectives:

- TO 1 - strengthening research, technological development and innovation;
- TO 2 - improving access to and use of ICT, as well as the use and quality of the same;
- TO 3 - enhancing the competitiveness of small and medium-sized enterprises;
- TO 4 - supporting the transition towards a low-carbon economy in all sectors.

The NOP Research and Innovation too is aimed at the less-developed regions and regions in transition, but takes into account the fields of Intelligent Specialisation identified in the pre-conditionality strategy RIS3 (Research and Innovation Smart Specialisation Strategy) at national level (PNR - National Research Plan) and region level.

The areas are:

- Intelligent and sustainable industry, energy and environment
- Health, nutrition, quality of life
- Digital Agenda, Smart Communities, smart mobility systems
- Tourism, Cultural Heritage, made in Italy and the creative industry
- Aerospace and defence

The NOP Research and Innovation promotes the nationwide multi-dimensional diffusion of innovation, in the same way as what is encouraged by the Horizon 2020 programme at European level.

Regional level

Each region has had to come up with, over the years, a Regional Energy Plan, many of which are updated to the planning period 2007-2013. The task now is to investigate the degree of consistency of the POR with respect to these strategies. In fact, as reported in the document “Comments of the European Commission on the proposal of the Partnership Agreement for Italy 2014-2020”, of July 2014, at para. 80 it states “*The PA should indicate that any investment in sustainable energy must be consistent with the relevant EU legislation and must be in line with the priorities agreed in the national and regional plans on the subject (the National Action Plan for energy efficiency, the National Action Plan for renewable energy, regional energy plans, air quality plans)*”.

An analysis of the ROP ERDF Regions affected by EUSAIR found that only some of them have actually planned the integration of energy and environmental objectives of the Regional Energy Plans with those of the ROP. This confirms that, despite the European effort to integrate the various policies in the energy sector, the gap remains wide at sub-state levels, insofar as wide discretion is left to the local legislature.

The remaining regions lack the substantial step, such as in the Abruzzi the involvement of ARAEN (see 8.4 of Chapter 3 of the Energy Plan of the Region of the Abruzzi, “Regional Energy Agency established by Regional Law no. 6 of 8 February 2005, is the operating means of activating and developing regional strategies provided in this plan and to support and promote the development of renewable energy sources to which can be added an active role within the production itself of energy from renewable sources to be developed also with the local authorities”) at the consultations for the definition of the objectives of the ROP ERDF 2014-2020 (Abruzzi Region, Concluding Report Consultation B, 2013).

On the contrary, the Emilia-Romagna region in which the PER, drawn up in 2011 (Emilia-Romagna Region, the second three-year plan for implementing the Regional Energy Plan 2011-2013, 2011), in which the actions have been explicitly “aligned with ROP-ERDF 2007-2013 programming period” (see p. 118), and a document “Consistency of the regional energy plan with objectives/actions of the national energy planning” and other “details” was drawn up (see p. 259).

The other inter-regional programme, though it has only affected the Convergence objective regions, namely Calabria, Campania, Apulia and Sicily, is the Interregional Operational Programme 2007-2013 on Renewable Energy and Energy Conservation (Energy IOP).

This has focused on investing in energy efficiency and energy production from renewable sources, support for investment, upgrading the network, carrying out studies and evaluations of the energy development potential. With ERDF co-financing for 2007-2013, 1,887 projects have been funded by local government and enterprises of the Convergence Regions. The Energy IOP, as reported in the NOP Enterprise and Competitiveness 2014-2020, had the dual aim both of introducing the concept of energy sustainability in the less-developed regions and aiming to contribute to development and competitiveness by reducing energy costs and encouraging the use of renewables.

Local level

Sustainable Energy Action Plan (SEAP): a key document that shows how the signatories of the Covenant of Mayors (an initiative that began with the European Union in 2008 to involve European cities in the path toward energy and environmental sustainability) will comply with the greenhouse gas reduction targets set for 2020.

Multi-Level Governance (MLG) is a key instrument for sustainable energy planning. After the adoption of the 20-20-20 climate and energy package by the European Commission in 2008, updated in 2015, local and regional authorities have been given the responsibility of contributing to these objectives, developing their own goals and strategies at level local. Since 2008, more than 5,000 local and regional authorities have undertaken to adopt Sustainable Energy Action Plans (SEAP) with the signing of the Covenant of Mayors, while others have developed both voluntary and mandatory energy policies.

Enzo Di Salvatore
Environmental quality

1. The objectives of Pillar 3 are: to ensure a good environmental and ecological status of the marine and coastal environment by 2020 in line with the relevant EU acquis and the ecosystem approach of the Barcelona Convention; to contribute to the goal of the EU Biodiversity Strategy to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restore them in so far as feasible, by addressing threats to marine and terrestrial biodiversity and to improve waste management by reducing waste flows to the sea and, to reduce nutrient flows and other pollutants to the rivers and the sea.

The sea, with respect to the environment in general, has several peculiarities: it offers numerous resources, but there are many activities that can take place in it. It is also a context which is affected by various levels of legislation and subject to different centers of allocation of power such as the International Community, the EU and individual Member States involved with their own territories.

The exploitation of marine resources, in addition, from a technical point of view, sees today the coexistence of tradition and innovation, as it's the result of secular activities, such as fishing, transport and tourism, together with other more modern, such as extraction of hydrocarbons on offshore platforms or the production of energy from renewable sources. The anthropic effect is also amplified by the coastal population and so by the activities, industrial and fisheries, which have found location in marine areas.

This is to say that environmental protection cannot be considered as an absolute interest, which has to be considered radically prevalent on other interests that gravitates around it including, for example, the economic exploitation and social resources.

So, while drawing up policies for the protection of natural heritage shouldn't be underestimated the importance of giving relevance to the necessary preservation of important economic activities that already take place in the marine environment, being well established the principles that environmental protection and economic development should be accorded to.

In this context takes a crucial role the legal framework of environmental constraints to human activities, the importance of which is already largely covered by the *Biodiversity Strategy* adopted by the European Union in 2011. The marine protected areas represent a measure used in all European Seas for the protection of species and sensitive habitats. More specifically, the Habitats Directive³ requires the designation of special areas of conservation, including coastal and marine habitats, and the *Marine Strategy Framework Directive*⁴ (MSFD) focuses on the protection of marine biodiversity, by binding the Member States to adopt by 2020 programs of measures to achieve good ecological status of waters.

The scientific literature has clearly demonstrated that the presence and the proper management of marine protected areas, from the environmental point of view, has produced effects more than positive. In European marine reserves the number of plants and animals has increased of an average of 116%, the amount of animal or vegetable organisms of 238%, the size of the animals of 13% and species richness of 19%⁵.

³ Dir. 92/43/CEE.

⁴ Directive 2008/5 /EC of the European Parliament and of the Council establishing a framework for Community action in the field of marine environmental policy.

⁵ See P.B. Fenberg et al., *The science of European marine reserve: Status, efficacy, and future needs*, in *Marine Policy*, 36, 2012, 1012 ss.

The data provided gives not only the evidence that proper nature management may result in positive outcomes in terms of environmental quality. What is reported is in fact the representation of a whole series of benefits that directly results from the correct storage or from the recovery of marine areas, primarily from the economical point of view. The European Commission has highlighted that from 2011 marine sites of the *Natura 2000 network* have made about 1.5 billion of euro per year⁶. Not only: some data confirm the increase of approximately 10% of catches in fishing grounds that surrounds the protection areas. The increase in marine protected areas should also bring some increase in the tourism industry with every benefit from the employment point of view.

2. According to Art. 1 of the *Barcelona Convention*, the bindings effects of the Treaty are extended to the whole of the Mediterranean Sea area; and so the maritime waters of the Mediterranean Sea proper, including its gulfs and seas, bounded to the west by the meridian passing through *Cape Spartel* lighthouse, at the entrance of the *Straits of Gibraltar*, and to the east by the southern limits of the Straits of the Dardanelles between *Mehmetcik* and *Kumkale* lighthouses (Par. 1), with the exception of inland waters (Par. 2).

The EU's accession to the Barcelona Convention, expressly provided by art. 24 of the same (the reference is to what was EEC), has not affected the geographic extent of the Barcelona framework, which remains confined within the physical space delineated by the baselines of the Mediterranean Sea.

More precisely, according to the legal basis (Art. 235, Tr. EEC) on which the EEC has based the decision 77/585/EEC to join the *Convention for the Protection of the Mediterranean Sea Against Pollution* (Barcelona Convention) and the *Protocol for the prevention of the pollution of the Mediterranean Sea by dumping from ships and aircraft*, the environmental protection and quality of life are seen as objectives to be pursued in Europe, despite the absence of specific powers provided for do that by the EEC Treaty.

On the same legal basis, in addition, there was also an EEC Council decisions concerning the accession to some of the following additional protocols; namely: Decision 81/420/EEC on the conclusion of the Protocol concerning cooperation in the fight against pollution of the Mediterranean Sea by oil and other harmful substances in cases of emergency; Decision 83/101/EEC on the conclusion of the Protocol for the Mediterranean Sea against pollution from land; as well as the Decision 84/132/EEC, about the conclusion of the Protocol concerning Mediterranean specially protected areas.

As, however, the accession to the Protocol to the Barcelona Convention concerns the cooperation in preventing pollution from ships and, in cases of emergency, to combat the pollution of the Mediterranean Sea, the legal basis of decision (2004/575/EC) of accession, adopted by the EU Council, was set up by Art. 175, Par. 1, EC Tr., in conjunction with Art. 300, Art. 2, Par. 1, first phrase, and Par. 3, Part. 1, of the EC Treaty.

It's evident, therefore, that the objective pursued by the Union with such this measure has been oriented (in accordance with Art. 174 EC Tr., to which Article. 175 refers) to preserve, protect and improve the quality environment and the protection of human health; to promote the prudent and rational utilization of natural resource as well as measures at international level to deal with regional or worldwide environmental problems.

Another discourse deserves the Decision 2010/631/EU by which the EU Council approved, on behalf of the European Union, the «Protocol on Integrated Coastal Zone Management» (a.k.a. ICZM Protocol) annexed to the Barcelona Convention. The legal basis for this measure, in fact, was established by Art. 192, Par. 1, TFEU, in conjunction with Art. 218, Par. 6, letter. a) TFEU.

⁶ See: European Commission, *The Economic Benefits of the Natura 2000 Network*, 2013, in www.ec.europa.eu

The fact that the EU (now) is a Contracting Party to the Barcelona Convention and its additional protocols resulted in alignment of its environmental policies and with the provisions contained in the international agreement.

With specific reference to the Adriatic macro-region, the legal instruments used in order to extend the protection of the waters cannot ignore the international will of the Barcelona Convention (and already considered the European Council's decisions which have provided for the EU accession) .

Coastal states involved in the *Programme EUSAIR* and placed in the Adriatic macro-region, therefore, will be able to use the instruments predisposed by Articles 3 and following of the Convention; as well as those offered by the Protocol concerning *Specially Protected Areas of Mediterranean Importance*, (SPAMI Protocol - 1995), and the *Protocol on Integrated Coastal Zone Management* (ICZM Protocol - 2008).

On that basis, and with the aim of addressing in a coordinated way the marine and coastal pollution, the erosion of the coastline, as well as that of the fragility of the marine ecosystems, and thus protect the environment in the Adriatic area, It would be different viable solutions. These could be implemented jointly or severally, on three levels: a) the State level, b) Regional (or infra-State) and c) infra-regional.

a) At the *national level*, and so the level of governance of the States belonging to the Adriatic Macro-Region:

1. It may enter into bilateral or multilateral agreements, merely programmatic or even proper binding, for the promotion and enhancement of *Specially Protected Areas of Mediterranean Importance* (acronym SPAMI; provided by the aforementioned Protocol on specially protected areas and biodiversity in the Mediterranean) in the Adriatic Sea.
2. Where it is considered that the existing SPAMI's areas are not sufficient to ensure the conservation of the biological characteristics of the area considered, in order to protect natural resources and the preservation of species and their habitats there located, it may conclude agreements to expand the "SPAMI's List", identifying - on the basis of the provisions of art. 8 of its Protocol and Annex 1 of the same - the sites and areas not yet provided the international legal *status* that guarantees their protection.

b) At the *regional* (or infra-State) level, and so the level of governance which includes the Italian regions, concerning also their coordination with local authorities counterparts and the Countries participant to the Adriatic Macro-Region, it could:

1. Take out - similar to that proposed at the state level - bilateral or multilateral agreements, merely programmatic or even strictly binding, for the promotion and enhancement of the already considered SPAMI.
2. To promote and implement awareness activities, training, education and interdisciplinary scientific research, aimed at developing educational programs on environmental protection and biodiversity of seas and coasts.

3. Urge States, since economic Operators in the Mediterranean, to draw up “codes of good practice” to be implemented respectively in relation with public authorities and market dynamics.
 4. Urge States to the revision of national legislation, in order to develop a common system of rules and procedures aimed at the establishment of additional National Marine Protected Areas along the entire coastline of the Macro-region.
- c) At *infra-regional* level, so the level of governance which includes the coordinators of MPA (municipalities, NGOs, etc.) and private operators (businessmen operating in MPAs), in order to promote sustainable development capable of combining environmental needs with those of the market:
1. It could even practice a continued international exchange of information and scientific expertise in the field of protection of water and coastal management, upon solicitation by the Regions (or Foreign Bodies counterparts).
 2. It may promote the study of the tools deemed impacting and their experimentation in the areas outside the reserves, taking in account the principle of “gradualism” of the protection of protected areas, which is expressed through the zoning of the same, and through the precautionary principle that informs any activity herein permitted. This is in order to verify their capacity (in terms of harmfulness), and assess the feasibility of the same within the areas of greatest natural value, or in order to calculate the “odds” of their viability within the reserves (ex. the “fishing quotas”, within the “partial reserve” zones).

Financial instruments in support of pillar 3:

The actions of Pillar 3 mainly refer to the use of programs, while for the most transactional is made of the ESI funds, specifically the ERDF and EMFF.

Funds managed directly by the EU:

- LIFE
- HORIZON 2020
- COSME
- EU Civil Protection Mechanism
- European Neighbourhood Instruments (ENI)
- BEI Resources: between the actions between the actions pursued by the Bank there is also technological innovation and environmental research.

ESI Funds:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Common Agriculture Policy: European Agricultural Fund for Rural Development (EAFRD); European Maritime and Fisheries Fund (EMFF)
- European Territorial Cooperation (ERDF + IPA)

The range of proposals just enumerated is obviously made of operational opportunities with different capacity. Each of these, in fact, would be able to allow the safe development of environmental policies so far practiced in the geographical areas of the Adriatic Macro-Region. The *governance* tools already available at European level, in fact, could combine themselves with those that the present work offers; in order to prepare a joint action of States that could be better able to pursue the need to protect the environment and its resources, without neglecting, however, the economic development and progress. On the other hand, only if the development is accomplished through the integration of market instruments with environmental policies it will be said to be “sustainable.”⁷

⁷The support for such legal instruments in the field of environmental protection policy has emerged at European level with the *Green Paper* of European Commission on *market based instruments* used for environmental policy and for other purposes connected (COM (2007) 140, 28 March 2007), in which the “protection of biodiversity” is included among the possible areas of application (Par. 4.3, entitled *The use of MBI to protect biodiversity*). In this document is specifically suggested the use of certain market-based instruments (taxes, subsidies and tradable permits), both for the conservation of habitats and ecosystems, and for the protection of certain species. In point of preservation and enhancement of natural and biological resources of marine areas, there are some different market based instruments practicable. For example: a) *environmental agreements* or management contracts of areas, that intervene between the managing body of the protected area and the entrepreneurs operating within them, with the aim of highlighting certain economic initiatives through the provision of useful contributions to supplement the loss of earnings resulting from the inability to carry out some activities deemed incompatible with the objectives of protection; b) *The certification systems in the MPA*, such as the “mark of MPA sustainability” that identifies the accommodation services, catering and tourist brokerage whose bid appears sustainable; c) the “*Marine easements*”, as agreements between fishing companies and environmental protection associations, which undertake to not to pursue certain dangerous fishing practices on the marine environment in exchange for economic benefits; d) *The fishing quotas*, as a system of allocation of fishing rights to companies, cooperatives or individual fishermen, which is based on the prior definition by the competent public authority of the maximum amount of biological resource withdrawable by each operator in a given period of time and in a defined area; e) the *Habitat banking*, as a “credit” system, resulting from positive actions on the protection of biodiversity, which can be used to compensate any “debt” that derives from activities that has, however, negative environmental effects. An excellent survey of these instruments is carried out by G. G. GARZIA, *Le aree marine protette*, cit. pp. 95 ss..

Sustainable Tourism

1. Tourism is counted by the Treaty on the Functioning of the European Union as one of the areas in which the Union plays a role that is supporting and integrative to the actions of Member States. Although that Treaty refers exclusively to economic goals and cooperation between Member States with regard to tourism, the policies developed by the Commission in this matter were not limited only to those dimensions.

In this regard it may be useful to recall the Commission communications relating to tourism in order to strengthen policy coordination and cooperation between Member States: COM (2001) 665 final, *Working together for the future of European tourism*; COM (2003) 716 final, *Agenda for a sustainable and competitive European tourism*; COM (2006) 134 final, *Renewing EU Tourism Policy: Towards a stronger partnership for European tourism*; COM (2007) 621 final, *European Agenda for a sustainable and competitive tourism*; COM (2010) 352 final, *Europe, the world's top tourist destination - a new political framework for tourism in Europe*.

The last mentioned document is of particular importance given that it is consistent with the clarification of the powers on tourism came with the Lisbon Treaty. The Communication was occasioned both by the current economic crisis and a number of natural events that have caused considerable damage to the sector. Although the primary concern of the document is to develop a strategy to strengthen the competitiveness of European tourism, it does not lose sight of the fact that *long-term, competitiveness is closely linked to the sustainability of its development model*. In this respect the document enucleates the concept of sustainable competitiveness of European tourism, in which it tries to balance – not always successfully – the need to stimulate demand in the industry and the sustainability of tourism. The main actions outlined by the Commission for sustainable tourism are:

1. Development of a system of indicators for the sustainable management of destinations by leveraging existing networks (Network of European Regions for a sustainable and competitive tourism (NECSTouR), EDEN);
2. Awareness campaigns;
3. Developing a European brand for tourism quality (see in this regard, the Commission press release of 20 February 2014 which defined the European principles for quality tourism, the proposal for a Council recommendation on this subject was withdrawn!);
4. Facilitating an understanding of the risks for companies related to climate change;
5. Proposing a sustainable tourism charter;
6. Proposing a coastal and maritime tourism strategy (on this point see COM (2012) 494 final) on blue growth and, above all, COM (2014) 86 final outlining a *European strategy for more growth and employment in coastal and maritime tourism*;
7. Strengthen regional and international cooperation.

In terms of macro-regional strategy, Pillar 4 of EUSAIR related to sustainable tourism is divided into two sub-objectives: the diversification of tourism products and services of the macro-region to address and overcome the challenges of seasonality in tourism demand for the inland, coastal and maritime areas; improving the quality and innovation of tourism and strengthening sustainable and responsible tourism capacity and of the tourism players throughout the macro-region.

The sub-objectives at issue are highly diverse in their content testified to, among other things, by the great difference in the actions provided for their implementation.

The first sub-goal involves the realisation of the following actions:

- Creation of a brand for products and services of the Adriatic-Ionian region;
- Initiative to improve the quality of sustainable tourism;
- Diversification of nautical and cruise sectors and enhancement of yachting;
- Development of a platform relative to research and development in the field of sustainable tourism on new products and services;
- Creation of sustainable and thematic itineraries;
- Promoting the Adriatic-Ionian cultural heritage;
- Improving accessibility for tourist products and services in the region;
- Updating of Adriatic-Ionian tourism products.

The realisation of the second sub-objective can be traced to the following actions:

- Network of companies and clusters in the field of sustainable tourism;
- Facilitating access to finance for new innovative start-ups in the tourism sector;
- Promoting the macro-region in the world markets;
- Expand the tourist season to the whole year;
- Training in vocational and entrepreneurial skills in the tourism sector;
- Adriatic-Ionian cooperation to facilitate tourist travel;
- Adriatic-Ionian action for a more sustainable and responsible tourism.

The setting of the governance system for Pillar 4 EUSAIR on sustainable tourism is much more complex than that indicated for the other pillars of the strategy. This is mainly due to the fact that tourism is not an autonomous dimension of funding but, given its transversal nature, it can intercept direct and indirect financing from the European Union. Obviously this has no consequences in terms of European, national and sub-national levels which still have to interact and align for a proper and efficient planning and management of resources.

By way of examples the following table shows the financial instruments on which to draw for the promotion of tourism projects with more details of some particularly relevant examples.

Financing instrument	Typology	Eligible activities	Examples of funded projects
European Structural and Investment Fund	EIB and Commission Initiative. (REG. (UE) 2015/1017)	Tourism infrastructure and transport; improving energy efficiency for accommodation; revitalisation of industrial areas for tourism purposes.	soft loans to improve the energy efficiency of hotels approved by the EIB; funding for the strengthening of a port facility in Spain.
European Regional Development Fund	European Structural and Investment Fund (ESIF)	Research in tourism; ICT; support to employment and mobility in tourism; investments in environmental and energy efficiency; education and training.	Conversion of a mining site into a centre of innovation with several tourist attractions; WW2 Heritage project for the enhancement of war sites in the North Sea.
Cohesion Fund	ESIF	Investments in energy, transport and environment (v. Operational Programmes developed by Member States)	Flood management and environmental monitoring in support of an area with potential for tourism
European Social Fund	ESIF	Activities related mainly to the training and mobility of certain categories of workers including in the tourism sector and the innovation and research in the social sphere (see Operational Programmes)	Inclusion of alternative tourist sites in a European capital in order to develop multicultural paths.
European Agriculture Fund for Rural Development	Structural	Investments in non-rural activities (tourism) in rural areas; studies on the maintenance and promotion of rural areas;	Projects related to the conversion of rural areas in tourist areas.
European Maritime and Fisheries Fund	Structural	Seminars; sharing of best practices; professional training;	Professional training to retrain fisheries workers for the tourist sector
LIFE+	Direct	Pilot projects; demonstration projects; best practice projects; information, awareness and dissemination projects	Studies to seasonally adjust the inflow of tourists in national parks
HORIZON2020	Direct	research and innovation on the part of university authorities, research institutions, SMEs etc.	Analysis and development of a security system for underground tourist attractions.
COSME	Direct	Various actions including promotion of transnational tourism products, thematic tours, niche tourism, promoting accessibility to tourism ...	Development of European pathways of astronomical interest.

Loredana Giani
Capacity Building

1. In relation to the above scenario what emerges is the peculiar characterisation taken by governance, on the one hand, and the capacity building itself on the other.

With reference to the first, defined in the White Paper of the European Commission (2001/C 287/01) in terms of rules, processes and behaviour “*that affect the way in which powers are exercised at European level, particularly with reference to the principles of openness, participation, responsibility, effectiveness and coherence*”, the EUSAIR, as evidenced by the analysis conducted for the individual pillars, also implicitly, focuses on strategies of consensus building and on inter-institutional cooperation.

It has to be said that already in the strategic document for the South of Italy, it is possible to grasp clearly the inspiring guidelines of the Community plan which are also found in the strategy being examined: “*in the coming years, the Regions will have to increase their activities of programming, regulation, surveillance, monitoring, strategic control and evaluation; local authorities will have to produce strategy planning and correctly practise horizontal subsidiarity, also improving their ability to carry out negotiated planning to become capable of governing a civil society and entrepreneurial landscape that still have a strong need to be helped to innovate. All the institutions will need to expand their activities of negotiation, planning, study, research, communication and human resources management; to implement the re-engineering of the procedures and working methods to support the weight of the race to technological modernisation*” (p. 94).

In this sense what is specified is the need to develop these “skills” particularly with a view to the outsourcing of certain services. Where by capacity what is meant, in fact, is the potential ability to perform an action that, in the Community declination, can relate to the institutions, whether formal or informal, that is, their ability to set goals while creating the conditions for their achievement; the organisation of the different existing structures, from the point of view of the creation of an efficient system, or even widening the field of their choices (empowerment).

And in EUSAIR capacity building it is one of the transverse axes of intervention, aimed, in line with what is determined with “Agenda 21”, at building capacity for sustainable development and greater European integration.

From this perspective, in the *Report on the governance of macro-regional strategies* [COM (2014) 284 final] it is stated that the fundamental elements of governance include:

“the involvement at senior political level (i.e. ministerial) of the Member State and the Commission, which confirms the political undertaking and strategic orientation;

the national contact points, or high-level officials responsible, in each of the participating countries, for coordinating activities at a high administrative level;

experts and those responsible for each priority theme (for example, the environment, transport, research and innovation, etc.) or horizontal issue (e.g. climate change, land-use planning) of all the countries concerned which usually constitute a steering group for the theme of their expertise at a macro-regional level”.

MONTENEGRO

Montenegro is a parliamentary republic in which it is possible to identify two levels of government: a) national; b) local.

The interlocutor at national level is the Government or, more precisely, the competent Ministry and the Ministries whose representatives are part of the TSG of the EUSAIR Pillars.

At local level, Montenegro has 22 local municipalities and two urban municipalities, as well as a special form of local government granted to the Capital City of Podgorica and the Historic Capital of Cetinje. Under Article, 117 of the Constitution of Montenegro, municipalities have autonomy and are attributed functions.

Capacities of the municipalities (Law on Local Self Government of 2010): Local development; Urban and spatial planning at local and regional level; Construction permitting; Construction land development and management; Performance and development of communal affairs, maintenance of communal buildings and communal order; Environmental protection; Water management; Agricultural land; Social welfare; Transport; Tourism; Culture and sports; Investment policy; Protection and rescue of the local population; Consumer protection.

Cooperation between local authorities

According to the Law on Local Self Government of 2010, municipalities are free to enter into partnerships in order to execute common interest actions. The Government, for the period 2011-2016, adopted a development strategy for intermunicipal cooperation.

SERBIA

Serbia is a parliamentary republic in which it is possible to identify three levels of government: a) national; b) regional; c) local.

The interlocutor at national level is the Government or, more precisely, the competent Ministry and the Ministries whose representatives are part of the TSG of the EUSAIR Pillars. The regional level is represented by the Autonomous Provinces (Autonomous Province of Vojvodina and the Autonomous Province of Kosovo and Metohija).

Capacities of the Autonomous Provinces (constitution – Article 183): urban planning and development; agriculture, water economy, forestry, hunting, fishery, tourism, catering, spas and health resorts, environmental protection, industry and craftsmanship, road, river and railway transport and road repairs, organising fairs and other economic events; education, sport, culture, health care and social welfare and public informing at the provincial level.

The local level is represented by the municipalities and cities (150 Municipalities, 23 cities and the capital city of Belgrade).

Constitution – Article 189 Municipalities shall be established and revoked by the Law. A town shall be established by the Law, in accordance with the criteria stipulated by the Law regulating local self-government.

The status of the City of Belgrade, the capital of the Republic of Serbia, shall be regulated by the Law on the Capital and the Statute of the City of Belgrade.

The City of Belgrade shall have competences delegated to the municipality and city by the Constitution and the Law, and other competences may be delegated to it in accordance with the Law on the Capital.

Capacities of the municipalities: Regulation and provision of municipal services; Urban planning; Local roads; Education; Culture; Healthcare; Social welfare; Child welfare; Sport; Tourism; Agriculture; Other tasks specified by the law.

Capacities of Towns: Constitution – Article 189: A town shall have competences delegated to the municipality by the Constitution, whereas other competences may be delegated to it by the Law.

Cities also have competence in the field of local police.

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina consists of two state entities: the Federation of Bosnia-Herzegovina (FBiH) and the Republika Srpska, along with the District of Brcko, separate and autonomous.

Four levels of government can be identified:

BOSNIA HERZEGOVINA CENTRAL STATE		
FEDERATION OF BOSNIA HERZEGOVINA	REPUBLIKA SRPSKA	BRČKO DISTRICT
CANTONS (10)	MUNICIPALITIES AND TOWNS (62)	
MUNICIPALITIES (84)		

The interlocutor at national level is the Government or, more precisely, the competent Ministry and the Ministries whose representatives are part of the TSG of the EUSAIR Pillars.

The regional level is represented by the two “Entities”.

Capacities of the Entities and the Brčko District:

- **Both Entities:** Special relationship with neighbouring states provided that they are consistent with the sovereignty and territorial integrity of Bosnia and Herzegovina; assistance to the central Government as regards the execution of its international obligations; Ensuring a safe and secure environment by the maintenance of civilian law enforcement agencies; Some international agreements, and All the fields that are not expressly assigned to the central Government.

- **Federation of Bosnia and Herzegovina:**

Exclusive functions: citizenship of the Federation; economic policy, including planning, reconstruction, land use policy at the federal level; finance, financial institutions and fiscal policy of the Federation Combating terrorism, inter-cantonal crimes, drug trafficking and organised crime; allocation of electronic frequencies for radio, TV and other purposes according to BiH Constitution; energy policy, incl. inter-cantonal distribution matters, and providing and maintaining the related infrastructure; financing activities of or under the aegis of the Federation Government by taxation, borrowing or other means.

Shared functions with Cantons (which may be exercised either jointly or separately): guaranteeing and enforcing human rights; health; environmental policy; infrastructure for communications and transport in accordance with the BiH Constitution; social welfare policy; implementation of laws and regulations concerning citizenship and passports of citizens of BiH from the Federation territory and on foreigners staying and movement; tourism, and use of natural resources.

Republika Srpska: Exclusive functions: integrity, constitutional order and territorial unity of the Republic; security; measures falling under its jurisdiction in case of the state of imminent threat of war or state of emergency constitutionality and legality; implementation and protection of human rights and freedoms; property and obligation relations and protection of all forms of property, legal status of enterprises and other organisations, their associations and chambers, economic relations with foreign countries, which have not been transferred to institutions of Bosnia and Herzegovina, market and planning; banking and tax system; main objectives and directions of economic, scientific, technological, demographic and social development, the development of agriculture and the village, the use of space, politics and measures for direction of the development and commodity reserves; control of legality of the disposal of means of legal entities and the collection of statistical and other data of general interest; organisation, competence and the work of State bodies; public services system; work relations, safety at work, employment, social insurance and other forms of social care, healthcare, soldiers and invalid protection, child and youth care, education, culture and cultural resources protection, physical culture; environmental protection; public information system; international cooperation, with the exception of the one transferred to institutions of Bosnia and Herzegovina. Financing the exercise of the rights and duties of the Republic; other relations relevant for the Republic, in accordance with the Constitution; police; local media.

Shared functions with Municipalities: education (preschool, primary and secondary school); public administration; fire fighting; civic affairs registry; healthcare centres; culture (Theatres and galleries); planning (Gas supply); trade and tourism; employment; local media.

- **Brčko District:**
District economy; District finances; public property; public services/infrastructure; culture; education; health care; environment; social welfare; judiciary and legal services; police services; housing; urban development and zoning; other competences necessary for the functioning of the District as a single administrative unit of local self-government in accordance with Article 1 of the Statute of District.

The **local level**, as is clear from the scheme reported above, acts differently in the two Entities:

A) Federation of Bosnia and Herzegovina:

- **Capacities of Cantons:** education policy, including decisions on regulation and provision of educational services; cultural policy; housing policy, including decisions on regulation and provision of housing; regulation and provision of public services; regulation of usage of the cantonal territory, including land planning; regulation and promotion of local companies and charity activities; regulation and contribution to the sustainability of local energy production services; implementation of a social well-being policy, and the provision of social well-being services
- **Capacities of Municipalities and towns:** The Cantons may delegate their functions to a municipality or a town. Sarajevo and Mostar have a special status: these towns include several municipalities.

B) Republika Srpska:

- **Capacities of Municipalities and Towns:** Adoption of the local government's budget, development programme, land and urban planning, and regulation plans; establishment of municipal bodies, and organisation and coordination of services; adoption of tax regulations, fees, duties and tariffs; identification of public goods use policies as well as associated fees; drafting and implementation of construction sites use and management policies; organisation of communal policy; provide pre-school education services; management of natural resources;

All the fields of local interest that are not explicitly excluded from their competences or expressly assigned to other levels of power.

ALBANIA

Albania is a parliamentary republic in which it is possible to identify three levels of government: a) national; b) regional; c) local

The interlocutor at national level is the Government or, more precisely, the competent Ministry and the Ministries whose representatives are part of the TSG of the EUSAIR Pillars.

The regional level is made up of 12 regions. The Regions behave more than like a level of devolved government, as a mix between a decentralised body of the state and a grouping of municipalities and councils (at the head of the region is a prefect appointed by the Government, while the Regional Council is composed of the mayors elected by municipalities and councils, renewed every four years).

Capacities of Regions: development and implementation of regional policies; harmonisation of regional policies with the national level; any delegated function by the central Government.

The **local level** consists of 375 municipalities (urban) and councils (rural).

- **Capacities of the municipalities: Exclusive functions:** Infrastructure and public services: water supply, waste water and refuse disposal system, public transportation, street lighting, parks and public areas, and urban development plans; local economic development; civil protection. **Shared functions (with central administration):** pre-primary school and pre-university teaching; priority health services; social welfare; environmental protection. **Delegated functions:** Any delegated function by the central Government.
- **Cooperation between local authorities:** Constitution – Article 109: “The organs of local government units have the right to form unions and joint institutions with one another for the representation of their interests, to cooperate with local units of other countries, and also to be represented in international organisations of local powers”. The Article 14 of Law 8652 on organising and functioning of local governments, setting out the precise terms.

Organisations: Albanian Association of Municipalities (AAM); Albanian Association of Communes; Albanian Association of Regions; Association for Local Autonomy, including socialist mayors from the AAM. These associations (excluding the Albanian Association of Regions) are members of NALAS (Network of Associations of Local Authorities of South East Europe).

PILLAR 1 – BLUE GROWTH⁸				
	MONTENEGRO	SERBIA	BOSNIA HERZEGOVINA	ALBANIA
	Coordinator with Greece Administration: Ministry of Agriculture			
NATIONAL LEVEL	Ministry of Agriculture and Rural Development	- Ministry of Economy, Assistant Minister (TSG) - Ministry of Agriculture and Environmental Protection	- Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina; Department for Agriculture, Food, Forestry and Rural Development	- Ministry of Agriculture, Rural Development and Water Resources; - Ministry of Economic Development, Tourism, Trade and European Integration & IPA funds Dept - Fishing and Aquaculture Agency; -National Agency of the Coastline EP; -National Agency of the Coastline
REGIONAL LEVEL		Autonomous Provinces (Vojvodina; Kosovo and Metohija): environmental protection; fishery.	FBiH: Ministry of Agriculture, Water -Management and Forestry REP. SRPSKA: Ministry of Agriculture, Forestry and Water Managment BRČKO DISTRICT	Regions: In case of delegated function by the central Government
LOCAL LEVEL	Municipalities and Urban municipalities: local development; environmental protection.	Municipalities: agriculture Towns: in case of delegated competence	FBiH: Cantons; Municipalities and Tows, in case of delegated functions REP. SRPSKA: Municipalities and towns: in case of delegated functions	Municipalities: -Exclusive Functions: local economic development -Shared Functions: environmental protection - Delegated Functions: (?)

⁸ For the purposes of identifying the internal institutional competences, we will limit the reference to the division of competences in terms of the regulations, in the awareness that any possible change will necessarily have “to be coordinated” with the push from the EU which favours strengthening at regional level. In relation to blue growth, understood as a long-term strategy to support sustainable growth in the maritime and marine sectors, up to also involving growth sustainability in the sector of maritime transport and tourism in the EU, it is evident that the interconnection with environmental protection come, therefore, under the exclusive competence of the State. It cannot be overlooked that the text of Article 117 of the Constitution in force reserves to concurring legislation the regulations for the sectors of ports and airports, which might be affected by projects relating to the implementation and improvement of maritime transport. Regulations which, in the text of the parliamentary bill of constitutional reform which was approved, have been changed with the suppression of the concurring legislation and their insertion into that which is exclusive to the State.

PILLAR 2 – CONNECTING THE REGION ⁹				
	MONTE NEGRO	SERBIA	BOSNIA HERZEGOVINA	ALBANIA
		Coordinator with Italy Administration: Ministry of Mining and Energy; Ministry of Construction, Transport and Infrastructure		
NATIONAL LEVEL	Ministry of Transport and Maritime Affairs	- Ministry of Mining and Energy - Ministry of Construction, Transport and Infrastructure; - Ministry of Finance, Department for Contracting and Financing of EU Funded Projects	- Ministry of Communications and Transport - Ministry of trade and economic relations	- Ministry of Transport and Infrastructure; - Ministry of Energy and Industry
REGIONAL LEVEL		Autonomous Provinces (Vojvodina; Kosovo and Metohija): road, river and railway transport and road repairs	FBiH: Ministry of Energy, Mining and Industry; Ministry of Transport and Communications REP. SRPSKA: Ministry of Industry, Energy and Mining; Ministry of Transport and Communication BRČKO DISTRICT	Regions: In case of delegated function by the central Government
LOCAL LEVEL	Municipalities and Urban municipalities (Transport)	Municipalities: local roads Towns: in case of delegated competence	FBiH: Cantons; Municipalities and Towns, in case of delegated functions REP. SRPSKA: Municipalities and towns: in case of delegated functions	Municipalities: -Exclusive Functions: infrastructure and public services; public transportation; local economic development -Shared Functions: environmental protection - Delegated Functions (?)

⁹ For the purposes of identifying the internal institutional competences, we will limit the reference to the division of competences in terms of the regulations in the awareness that any possible change will necessarily have “to be coordinated” with the push from the EU which favours strengthening at regional level. As to the transport and energy sectors, the constitutional regulations bring under concurring legislation between state and regions the regulation of transport (civil ports and airports; large transport and navigation networks) as well as those of the production, transport and national distribution of electrical energy. On the contrary, in the new there is an attraction to the sphere of state competence not only of matters relating to strategic infrastructure and large transport and navigation networks of national interest and their relative security norms, but also those of civil ports and airports of national and international interest, and the production, transport and national distribution of electrical energy.

PILLAR 3 – ENVIRONMENTAL QUALITY				
	MONTENEGRO	SERBIA	BOSNIA HERZEGOVINA	ALBANIA
			Coordinator with Slovenia Administration: Ministry of Foreign trade and Economic Relations	
NATIONAL LEVEL	Ministry of Sustainable Development and Tourism Ministry of Agriculture and Rural Development	Ministry of Agriculture and Environmental Protection	Ministry of foreign trade and economic relations	Ministry of Environment
REGIONAL LEVEL		Autonomous Provinces (Vojvodina; Kosovo and Metohija): environmental protection; forestry; agriculture; culture.	FBiH: Ministry of Environment and Tourism REP. SRPSKA: Ministry of Agriculture, Forestry and Water Managment; Ministry of Spatial Planning, Civil Engineering and Ecology BRČKO DISTRICT	In case of delegated function by the central Government
LOCAL LEVEL	Municipalities and Urban municipalities (Environmental protection)	Municipalities: agriculture, culture. Towns: in case of delegated competence	FBHi: Cantons; Municipalities and Tows, in case of delegated functions REP. SRPSKA: Municipalities and towns: in case of delegated functions	Municipalities: -Exclusive Functions: local economic development; parks and public areas; -Shared Functions: environmental protection; - Delegated Functions (?)

PILLAR 4 – SUSTAINABLE TOURISM¹⁰				
	MONTENEGRO	SERBIA	BOSNIA	ALBANIA
				Coordinator with Croatia Administration: Ministry of Economic Development, Tourism, Trade and SME
NATIONAL LEVEL	Ministry of Sustainable Development and Tourism	Ministry of Trade, Tourism and Telecommunications	Ministry of foreign trade and economic relations	
REGIONAL LEVEL		Autonomous Provinces (Vojvodina; Kosovo and Metohija): environmental protection, culture, tourism	FBiH: Ministry of Environment and Tourism REP. SRPSKA: Ministry of Trade and Tourism BRČKO DISTRICT	In case of delegated function by the central Government
LOCAL LEVEL	Municipalities and Urban municipalities (Tourism)	Municipalities: culture, tourism. Towns: in case of delegated competence	FBiH: Cantons; Municipalities and Towns, in case of delegated functions REP. SRPSKA: Municipalities and towns: in case of delegated functions	Municipalities: -Exclusive Functions: local economic development -Shared Functions: environmental protection - Delegated Functions (?)

¹⁰ For the purposes of identifying the internal institutional competences, we will limit the reference to the division of competences in terms of the regulations in the awareness that any possible change will necessarily have “to be coordinated” with the push from the EU which favours strengthening at regional level. In relation to sustainable tourism, the profiles encountered are the same, the protection of the environment, the ecosystem and biodiversity, to highlight, as in the case of blue growth, the transversality of the subject which brings with it an evident shifting of competences in favour of the central authorities. Although under the present constitutional setup, tourism, considered on its own, is not among those matters that come under the exclusive legislation of the state and concurring legislation. In the new text of the constitution, which will be put to a referendum in October, the protection and fruition of the cultural and landscape wealth of the country remains an exclusive competence of the State, flanked by the regulations regarding the environment and ecosystem as well as the general and shared dispositions on cultural activities and tourism. Instead, the regulations insofar as they are of regional interest, are exclusive to the regions regarding cultural activities, the promotion of the environmental, cultural and landscape assets, and of the regional fruition and organisation of tourism.

In order to ensure better coordination between the parties to the strategy, in the document mentioned above two main areas of intervention have been identified: the strengthening of the political leadership and the decision-making process in the countries concerned; the increase of transparency in the organisation of work through a clear definition of responsibilities.

The reason for this choice is clearly stated in the document itself, and confirmed in the analysis conducted on the individual pillars in the previous pages: *“Better governance of macro-regional strategies does not mean new funds or new institutions. It should instead focus on a more intelligent use of existing resources”*.

From this perspective, the primary areas of intervention are: the definition of a *political leadership and the definition of its ownership* in order to have a clear definition of the general approach, priorities and, consequently, the fundamental decisions, so as to gradually abandon the model currently in place that counts on inputs from the Commission; *coordination*; the daily *implementation* of the strategy.

In relation to the first point, in the document mentioned above, it is suggested that the systematisation of “ministerial meetings” identified as a good practice in other strategies, attributing strategic functions to the ministries hosting the national contact point and identifying the different steps that should be taken by the individual national institutional partners for the implementation of good practices.

As for coordination, based on existing experience, what is identified as good practice is the establishment of “a national coordination platform that brings together interested parties at national/regional level to facilitate the implementation steps”, and the creation of “a high-level group” which brings together representatives (national contact points) of the countries that are party to the strategy in order to “more actively ensure consistency between macro-regional strategies and actions and the EU’s general objectives” by sharing “good practice on issues such as governance, the definition of objectives and indicators, monitoring and evaluation, as well as public awareness”. The priority tools for coordination are identified in transnational cooperation programs and INTERACT.

With reference to the implementation, its centrepiece is identified in the “thematic experts and steering groups” whose duties are summarily identified in “facilitating the development and implementation of initiatives and projects, defining indicators and objectives, strengthening connections with corresponding funding programmes, such as the structural and European investment funds, Horizon 2020, LIFE and COSME as well as participating in the programme committees”.

And it is from this perspective, of course, a central role is assumed by “capacity building”, declined mainly with reference to the individual pillars in order to ensure the development of forms of cooperation and sharing of best practices between countries involved in the strategy, operating, therefore, not only at executive level, but also at the level of the programming and planning of actions to be taken for the implementation of the strategy as well as individual skills development (so also including profiles that affect education, life-long learning, etc.).

Thus are also included two levels of institutional and individual intervention, including programmes for developing the skills of the human, scientific, technological, organisational and financial capital essentially aimed at creating the conditions for the implementation of the policy choices that require a different approach, essentially based on planning, following a place-based approach, already adopted in the 2014-2020 programming which, in stressing the importance of the local level in cohesion policies, introduces the local partnerships formula (SLTP – CLLD and ITI), built on the LEADER method, identifying them as key instruments of sub-regional governance, with the exception of the EAFRD which provides for the obligation to develop local partnerships in the framework of the PO.

Andrea Ciccarelli – Gianmarco Cifaldi

Research, Innovation and Smes development

1. There is strong evidence that countries that have historically invested most in research and innovation have outperformed those that have invested less.

The EU is the main “knowledge factory” in the world: it accounts for almost a third of the world’s science and technology production. Nevertheless, we are experiencing a kind of “innovation emergency”: EU spending in Research & Development (R&D) is 0.8% of GDP less than the United States and 1.5% less than Japan every year. EU market is the largest in the world, but it remains highly fragmented, with a high burden of small enterprises (especially in some countries, such as Italy) with a low propensity to innovation. The risk is falling behind the major global players, and that least advanced countries (such as China and South Korea) reach us fast.

We must invest in R&D and innovation because this could improve Europe’s competitiveness, boost growth and create jobs. Our future is strictly connected to Europe’s power to innovate and its capacity in turning (great) ideas into products and services that will bring growth and create new jobs.

In the framework of EU strategy, research and innovation contribute to make Europe a better place in which to live and work.

In order to achieve these targets, EU countries are encouraged to invest 3% of their GDP in R&D by 2020 (1% public funding, 2% private-sector investment); it is estimated that this will lead to a GDP growth of around 80 million Euros and the creation of about 3.7 million new jobs.

Since the 1950s, provisions for research are included in the European Coal and Steel Community (ECSC, 1951) and the European Atomic Energy Community (Euratom, 1957) treaties. In 1957 the treaty setting up the European Economic Community led to a large number of research programmes (e.g. on energy, the environment and biotechnology). 1984: The first ‘framework programme (FP)’ for research was launched. These programmes became the EU’s main funding instrument for research. FP1 focuses on research in biotechnology, telecommunications and industrial technology. 1986: Research becomes a formal Community policy, with a specific chapter in the Single European Act.

The objective is to ‘strengthen the scientific and technological basis of European industry and to encourage it to become more competitive at international level. From 2000 onwards, the EU agrees to work towards a European Research Area (ERA – a unified research in which researchers, scientific knowledge and technology can circulate freely), creating the European Research Council (ERC) (in order to support the frontier research across all fields, on the basis of scientific excellence) and the European Institute of Innovation and Technology (IET – with the aim of fully integrate all three sides of the ‘knowledge triangle’: higher education, research and business). In the last few years, EU has launched the Innovation Union (an initiative consisting of more than 30 action points aimed at improving conditions and access to finance for research and innovation in Europe) and – in 2014 – Horizon 2020, the biggest EU research and innovation framework programme ever launched.

Horizon 2020 will manage a total of nearly €80 billion of funding over 7 years (2014 to 2020), most of it in three pillars:

- a. Excellent science
- b. Industrial leadership
- c. Tackling societal challenges

It's assumed that these investments will attract additional private and national public investment.

Horizon 2020 combines all research and innovation funding in one integrated programme.

Its main goals are:

- a. To strengthen the EU's position in science (€24.4-bn of funding – including €13-bn for the European Research Council)
- b. To strengthen industrial innovation (€17-bn) - including investment in key technologies, greater access to capital and support for small businesses
- c. To address major social concerns (such as climate change, sustainable transport, renewable energy, food safety and security, ageing populations – €24.4-bn)

Through these projects, Horizon 2020 aims at improving international cooperation in research and innovation, thus further developing the European Research Area (ERA).

The institutions involved in these mechanisms are:

- Joint Research Centre (JRC) – the Commission's in-house service providing independent, evidence-based scientific and technical support for EU policies;
- European Research Council (ERC) – it supports especially ambitious and novel research;
- Research Executive Agency (REA) – it manages about half of all EU-funded research grants;
- Executive Agency for Small and Medium-sized Enterprises (EASME) – it manages several EU programmes to help businesses;
- Innovation & Networks Executive Agency (INEA) – it manages the implementation of the EU's trans-European transport networks.
- European Institute of Innovation & Technology – it sets up partnerships of higher education institutions and research/innovation bodies: 'Knowledge and Innovation Communities'.

EU policies for Research and Development and Innovation are linked to the provisions favouring SMEs in a certain territory. Policies supporting SMEs have become widespread in all advanced economies since 1980s.

If we consider only the last years, in 2000 the General Affairs Council approved in Lisbon the European Charter for Small Enterprises, which recognizes the pivotal role SMEs have in European economy growth, and asks to Member States and the Commission to adopt all the initiatives to foster SMEs' creation and development. To this end, the Heads of State or Government and the European Commission are committed to acting according to ten action lines (including the strengthening of innovative and technological capabilities of small businesses, cooperation among businesses and cooperation between businesses, education and research centres).

Such acknowledgement affects directly innovation policies as well: since the 6th Framework Programme, horizontal research activities have been scheduled where SMEs participate, aiming at helping European SMEs in traditional and new sectors, strengthening their technological capabilities and developing their ability to operate at a European and international level.

In 2008 the European Commission developed an instrument to strengthen SMEs: the Small Business Act (SBA). It is an Act defining the action lines of the European Union in favour of SMEs so that they could develop themselves and create jobs. Between 2008 and 2010, the Commission and the Member States implemented actions aimed at reducing administrative burdens, facilitating SMEs funding and favouring their access to new markets.

The SBA provides for ten action lines, including the no. 8 on the promotion of upgraded skills and all kinds of innovation in SMEs. Action plans start from a law simplification aiming at fostering research, development and innovation; then they speed up the process of emergence of high growth enterprises. This is possible by developing SMEs' capabilities of research and innovation, above all thanks to a wider coordination of programmes and national initiatives.

Over the last few years, the European Commission has introduced the new ten-year socioeconomic strategy of the European Union, Europe 2020 - A strategy for smart, sustainable and inclusive growth, formally adopted by the European Council on 17 June 2010. The objective of the strategy Europe 2020 is to create more jobs and better lives. It proves that Europe is able to promote smart, sustainable and inclusive growth, to find the path to create new jobs and to offer a sense of direction to our societies.

Furthermore, the Strategy envisages the launch of the new Framework Programme "Horizon 2020", paying particular attention to SMEs: they may collaborate to projects as part of a consortium and may be supported by a purposely-created instrument for smaller highly-innovative businesses, namely the SME instrument, to support research and innovation activities and SMEs' capabilities during the various steps of the innovation cycle; such instrument helps SMEs with a high potential of development of innovative ideas for products, services or processes, ready to cope with global market competition.

The institutions involved in these mechanisms are:

- *European Parliament*
 - Committee on industry, research and energy
- *Council of the European Union*
 - Competitiveness (internal market, industry, research)
- *European Commission*
 - Internal Market, Industry, Entrepreneurship and SMEs
- *Economic and Social Committee*
 - Single market, production and consumption section
- *Committee of the Regions*
 - Commission for Economic Policy (ECON)
- *European Investment Bank*
 - European Investment Bank
 - European Investment Fund
- *EU agencies*
 - Executive Agency for Small and Medium-sized Enterprises (EASME)
 - Enterprise Europe Network
 - Research Executive Agency (REA)
 - European Chemicals Agency (ECHA)
 - European Satellite Navigation Agency (GSA)
 - European Food Safety Authority (EFSA)
 - European Defence Agency (EDA)

As highlighted before, the Strategy does not rely on one specific EU budgetary line or funding instrument; the Strategy can use various forms of EU funding such as:

- the European Structural and Investment Funds (ESIF)
- the Instrument for Pre-accession Assistance (IPA)
- the EU programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME)
- the Programme for the Environment and Climate Action (LIFE)
- Links between the Rural Economy and Development Actions (LEADER)
- Trans-European networks-Transport (TEN-T)
- Trans-European Networks-Energy (TEN-E)
- HORIZON 2020

All these EU funding are relevant to the four Pillars.

SMEs and Institutions can also obtain resources from some financial institutions at international level (such as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Council of Europe Development Bank (CEB), the World Bank (WB)); then, the Strategy must also seek resources at regional, local, public and private level.

A good practice of financial coordination is represented by the Western Balkans Investment Framework (WBIF): it is a joint initiative of the EU, International Financial Institutions, bilateral donors and the governments of the Western Balkans, formed to support economic and social development and the EU integration of the Western Balkan countries by providing technical and financial assistance for strategic projects in the areas of infrastructures, energy efficiency and private sector development.

At national level, the Ministry of Economic and Social Development provides for incentives and support for production which can be summarized as follows:

- Instrumental goods (“New Sabatini Law”): established by “Fare” Decree (Article 2 Decree-Law 69/2013), it aims at increasing the productive system’s competitiveness and to improve access to credit for micro, small and medium enterprises (SMEs) through the acquisition of new machineries, plants and equipment. SMEs have the opportunity to benefit from the guarantee on the bank loan by the “Guarantee Fund for SMEs” to the maximum extent provided by law (80% of the amount of the loan – with access priority). The budgetary provision, for the years 2014-2021, for the payment of the contribution to cover part of the interest on bank loans (initially equal to 191.5 million euros) is now equal to 383.6 million euros.
- *Guarantee Fund for SMEs*: an instrument established by Law 662/96 (operating since 2000). Its purpose is to promote access to financial sources for small and medium enterprises through the granting of a public guarantee that complements (and often takes the place of) the real guarantee flown from businesses. The company has a real chance to get funding without additional guarantees on the amounts guaranteed by the Fund, which doesn’t provide monetary contributions. The Guarantee Fund is a very effective instrument of industrial policy which has a cost / benefit ratio lower than any other subsidy: for every euro of the Fund about 16 Euros are activated to finance SMEs. The final granted beneficiaries must be located on the national territory, must be economically sound and could belong to all sectors, with the exception of sensitive sectors established by the European Union.

- *Special section EIB*: the Special Section of guarantee “Research projects and innovation” is dedicated to the granting of guarantees on a portfolio of loans granted by the European Investment Bank (EIB), for the construction of large projects for research and industrial innovation. Direct funding can be granted to companies of any size, with particular focus on SMEs, business networks and enterprise clusters.
- *NOP Enterprise and Competitiveness*: in line with the priorities of the Europe 2020 for a Smart, Sustainable and Inclusive Strategy, it intervenes with a total budget of about 2.3 billion euros for the strengthening of firms in the South; it represents a milestone of the Italian industrial policy with the aim of territorial cohesion and the Central-North and South convergence. This programme wants to increase investment in key sectors in the less developed regions (Basilicata, Calabria, Campania, Puglia, Sicily) and those in transition (Abruzzo, Molise, Sardinia). The PON Enterprise and Competitiveness, initially with a total budget of over 2.4 billion euros (of which 1.7 billion from the European Regional Development Fund (ERDF) and 643 million national co-financing), has been rescheduled in November consequently to the Italian accession to the so-called SME initiative and has now a total budget of EUR 2.3165 billion euros, of which 1.676 billion euros of ERDF and 640.5 million euros of national co-financing resources from Law 183/87. The Ministry of Economic Development (MED) - DG for business incentives - Division IV (DGIAI) is the Programme Management Authority, owner of the implementation of actions relating to:
 - Innovation (Axis 1)
 - SMEs Competitiveness (Axis 3)
 - Energy efficiency (Axis 4.2)
- *NOP SMEs Initiative*: in October 2015 the proposal of reprogramming PON Enterprise and Competitiveness, in favour of the National Operation Programme “SMEs Initiative” 2014 – 2020, was formalized. The new Programme has been approved by the European Commission early in December with a total budget of 102.5 million euros (including 100mln/€ ERDF and 2.5 mln/€ in national return) to boost southern Italy’s small and medium-sized enterprises competitiveness, improving the conditions to access to credit.
- *National Fund for Innovation*: it is an instrument dedicated to micro, small and medium enterprises to allow them to access to funds for innovation, in the form of participation to risk capitals or subsidized funding without guarantees. The activity lines of this fund are two, respectively pertaining risk capitals and debt capitals.
- *Aid regime for productive investments*: it is a regime in favour of SMEs addressing the priority technological areas of the “Industrial Innovation Projects” and interventions connected to them, whose aim, among others, is to foster the development of newly-born SMEs. The aid regime helps also the realization of productive investments in highly innovative initiatives, components production in the field of renewable energy and energy saving, as well as innovative initiatives in the biomass supply chain.

Strengthening R&D and Innovation and enhancing SMEs competitiveness are core issues of all four Pillars. In particular, innovation was considered crucial for blue growth, for developing new transport options, for improving environmental quality and for bolstering the tourist sector. While relevant for all four pillars, the business dimension was considered especially important for Pillar 1 and 4, i.e. in the context of smart specialisation.

Activities linked to strengthening cross-border links between existing clusters involving SMEs were identified as crucial for developing new services and products.

The cross-cutting issue “Research, innovation and SMEs development” can intervene inside the four Pillars in this way:

Pillar 1 – Blue Growth: the first (blue technology) and the second topic (fisheries and aquaculture) have a strong focus on research and innovation. Actions may involve the transfer of R&D results to seafood processing and to new products, so driving SMEs competitiveness in the sectors concerned. There is also a strong focus on “brain circulation” and on establishment of joint research and innovation platforms in the Region. In the third topic, research can improve the capabilities in collecting data and sharing knowledge.

The Actions in which the cross-cutting issue is more involved within each pillar are the following:

- Blue technologies: all the Actions
- Fisheries and aquaculture: all the Actions
- Maritime and marine governance and service: Data and Knowledge sharing; Maritime skills

Pillar 2 – Connecting the Region: Innovation in management of transport infrastructure and energy could have a central role in all the pillars; improving transport and energy connection represent a key driver in economic and social development and small and medium size enterprises could have both direct (i.e. through work, services and supplies contract) and indirect benefits (more efficient energy and transport network could increase investment, growth and jobs).

The Actions in which the cross-cutting issue is more involved within each pillar are the following:

- Maritime transport: all the Actions
- Intermodal connections to the hinterland: Improving the accessibility of the coastal areas and islands
- Energy networks: Gas pipelines

Pillar 3 – Environmental Quality: many of the Actions in the topics depends on innovation and research activities; building a common platform is crucial in order to enhance scientific cooperation and to share existing knowledge; disseminations of research results could be improved through the creation of an integrated observatory and data exchange platform across the Region and the sectors involved.

The Actions in which the cross-cutting issue is more involved within each pillar are the following:

- The marine environment: all the Actions
- Transnational terrestrial habitat and biodiversity: all the Actions

Pillar 4 – Sustainable Tourism: the “Sustainable tourism” Pillar is closely integrated with the others, and embodies substantial research and innovation activities, vitally important in terms of SMEs development. The research activities can be essential in fields such as the creation of an Adriatic-Ionian brand or the implementation of information and communication technologies in order to increase the attractiveness of territories and SMEs competitiveness.

The Actions in which the cross-cutting issue is more involved within each pillar are the following:

- Diversified tourism offer (product and services): all the Actions
- Sustainable and responsible tourism management (innovation and quality): all the Actions



AdriGov

ADRIATIC GOVERNANCE OPERATIONAL PLAN



This publication has been produced with the financial assistance of the IPA Adriatic Cross-Border Cooperation Programme. The contents of the documents and the publication are the sole responsibility of Molise Region and can under no circumstances be regarded as reflecting the position of the IPA Adriatic CBC Programme Authorities as well as the European Union.