TERRITORIAL WIDE AREA COOPERATION IN THE ADRIATIC-IONIAN REGION

Lessons from the Implementation of the
EU ADRION Transnational Cooperation Programme

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ANALYSIS REPORT

25 January 2018

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Acronyms and abbreviations

ADRION	Interreg VB Adriatic-Ionian Transnational Co-operation Programme 2014 - 2020
AF	Application form
CP	Co-operation programme
ENI	European neighbourhood instrument
ERDF	European regional development fund
ERDF partner states	Croatia, Greece, Italy, Slovenia
ESI FUNDS	European structural and investment funds
ETC	European territorial co-operation
EUSAIR	European Union Strategy for Adriatic and Ionian Region
FP	Facility point
GB	EUSAIR Governing Board
HA	Horizontal Action
HAC	Horizontal Action Co-ordinators
IA	Indicative action
IP	Investment priority
IPA II	Instrument for Pre-Accession Assistance
IPA partner states	Albania, Bosnia and Herzegovina, Montenegro, Serbia
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member state
NCP	National contact point
PA	Priority axis
PA	Priority Action
PAC	Priority Action Co-ordinators
Partner states	ADRION and EUSAIR partner countries (i.e. Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia)

"the project"	OECD project aimed at improving the impact of territorial wide area co-operation in the Adriatic-Ionian region
RER	Emilia Romagna Region
SO	Specific objective
TA	Technical Assistance
TO	Thematic objective
TSG	EUSAIR Thematic Steering Group

Introduction

The OECD LEED Trento Centre is undertaking a review to identify the needs and priorities for policy improvement and to foster the exchange of experiences, the capitalisation of acquired know-how and the generation of new and fresh thinking in the Adriatic-Ionian macro-region. This exercise is carried out by the OECD in co-operation with the Emilia Romagna Region (Managing Authority of the ADRION Programme) and ERVET (Emilia Romagna in-house agency in charge of the technical assistance for the ADRION Programme).

The approach adopted by the OECD in this project assumes that in general terms integrated, locally-tailored approaches prove to be more effective in stimulating growth and tackling exclusion issues than one-size-fits-all, top-down and uncoordinated programmes. Effective local policy design and implementation can stimulate investments, build resilient labour markets, and improve entrepreneurial and business ecosystems. This requires a deep understanding of how policies interact and how different levers can be combined for maximum impact.

The European Union pursues the co-operation between EU territories in the framework of its Regional Development and Cohesion Policy, funded through the European Structural and Investment Funds (ESI Funds) and aimed at strengthening economic and social cohesion by correcting imbalances between regions. In fact, the European Territorial Co-operation (ETC) is one of the two goals of Cohesion Policy and provides a framework for the implementation of joint actions and policy exchanges among national, regional and local actors from different partner states. The overarching objective of ETC is to promote a harmonious economic, social and territorial development of the EU as a whole.

In the framework of the ETC, the Interreg VB Adriatic-Ionian 2014-2020 Operational Programme (ADRION), was set up including 31 regions from 4 ERDF partner states and 4 IPA II partner states (from the Western Balkans). The overall objective of the ADRION Programme is to act as a policy driver and governance innovator fostering European integration among partner states (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia), taking advantage of the rich natural, cultural and human resources surrounding the Adriatic and Ionian seas and enhancing economic, social and territorial cohesion in the programme area.

The body responsible for the overall management of the ADRION implementation is the Regional Government of Emilia Romagna (North-East Italy), appointed as Managing Authority of the programme (MA) and in charge of all the duties needed for the effective and efficient implementation of the programme.

The ADRION Programme is one of the 15 transnational co-operation programmes approved by the European Commission. It involves regions from four EU member states (Croatia, Greece, Italy and Slovenia) and four non-EU member states (Albania, Bosnia and Herzegovina, Montenegro and Serbia) and has the following four priorities:

- Innovative and smart region.

- Sustainable region.
- Connected region.
- Supporting the governance of the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

ADRION's operational programme was approved by the European Commission (EC) on 20 October 2015. The programme launched its first call for proposals and 35 projects have been approved under conditions. A second call for proposals is planned for 2018.

Moreover, as part of the European regional development policy context the EC adopted the European Strategy for the Adriatic and Ionian Region (EUSAIR), the macro-regional strategy endorsed by the European Council in 2014. The strategy was jointly developed by the Commission, together with Adriatic-Ionian Region countries and stakeholders, in order to address common challenges together. The strategy aims at creating synergies and fostering co-ordination among all territories in the Adriatic-Ionian Region.

EUSAIR is the third EU macro-regional strategy. Like ADRION it covers four EU member states (Croatia, Greece, Italy and Slovenia) and four non-EU member states (Albania, Bosnia and Herzegovina, Montenegro and Serbia) and addresses four pillars:

- Blue Growth.
- Connecting the Region.
- Environmental Quality.
- Sustainable Tourism.

Two cross-cutting aspects were also identified:

- Capacity-building, including communication, for efficient implementation and for raising public awareness and support.
- Research and innovation to boost high-skilled employment, growth and competitiveness. Co-operation within transnational networks can bring ideas to markets, and help develop new products and services.

Furthermore, climate change mitigation and adaptation as well as disaster risk management are horizontal principles for all four pillars. Each pillar has at least two Pillar Co-ordinators from different countries and defines specific topics and relevant issues that should be taken into account.

The EUSAIR is described in two documents: (1) a communication from the European Commission to the other EU Institutions, and (2) an accompanying Action Plan from 2014 which complements the communication and will be periodically revised ("on a rolling basis") and updated as new needs emerge. The current Action Plan (2014) is one of the outputs of the strategy approach. Its aim is to go from "words to actions" by identifying the concrete priorities for the macro-region. Once an action or project is identified and endorsed by the strategy, it is implemented by the countries and stakeholders concerned, provided that suitable funding sources are identified and made available.

Both the ADRION Programme and the macro-regional strategy aim at fostering co-operation, creating synergies and enhancing the economic, social and territorial cohesion of the area. The ADRION Programme shall support the governance and the implementation of the EUSAIR mainly under the Thematic Objective (TO) no. 11. The EUSAIR's co-ordination mechanism will be eligible for institutional and administrative support from the ADRION Programme.

It is worth mentioning that the European Commission, DG REGIO, requested the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) to undertake a *Review of Multi-Level Governance for EUSAIR*. The project is currently being implemented by an OECD team based in Paris. Its first phase, consisting of eight EUSAIR country case studies on multi-level governance practices, is quite advanced, whereas the final report is not expected until the end of 2018. A close collaboration has been established between the OECD Trento Centre team working on ADRION and the team dealing with the EUSAIR Governance review, and continuous smooth circulation of information is ensured between the two complementary projects.

The current ADRION implementation and the progress made so far has highlighted a twofold challenge to be tackled in the near future:

- Pursuing the enhancement of the alignment and overall consistency between the selected projects, ADRION and the EUSAIR, also taking into consideration how to address and target the next ADRION call for proposals.
- Envisioning the post-2020 Adriatic and Ionian co-operation space, based on the lessons learned through the ETC area relevant programmes and on the current policy framework in place in the region.

The present document is intended to contribute towards approaching the former of the two challenges and has been elaborated by the expert team set up by the OECD, operating from the OECD LEED Trento Centre for Local Development in close co-operation with the ADRION Managing Authority, its Joint Secretariat and ERVET, Development Agency of Emilia Romagna, supporting the programme's implementation.

The OECD expert team first defined and agreed the methodological approach to be adopted in undertaking the research that is outlined in **Chapter 3**. This chapter is preceded by a general introduction to EU Cohesion Policy, European Territorial Co-operation and macro-regional strategies, complemented by a short insight into the ADRION Programme and the EUSAIR (**Chapter 1**) and the detailed formulation of the objectives of the project (**Chapter 2**).

In undertaking the research activity, a pilot mapping of selected projects from the first ADRION call for proposals was carried out as pilot research in order to discuss the results and first findings with the MA during the project kick-off meeting. The pilot mapping was elaborated based on the 10 highest ranked project proposals selected for EU co-financing following the first ADRION call for proposals under Priority Axis 1 "Innovative and Smart Region" and served to fine-tune the methodology.

The main aim of the analysis was to verify the compliance of each of the 10 selected projects with the pillars, topics and actions foreseen in the EUSAIR Strategy and Action Plan.

Consistent with the proposed methodology, the pilot mapping of the 10 sample selected project applications highlighted initial evidence of projects' thematic focus, composition of partnerships, territorial coverage and alignment with ADRION and EUSAIR objectives.

During the kick-off meeting, the focus of the gap analysis was discussed and agreed also leveraging the first pilot mapping. Accordingly, the gap analysis focused primarily on the first 35 projects selected to be funded by ADRION and was aimed at verifying their compliance with the 4 pillars and 10 topics/specific objectives of the EUSAIR.

At a later stage, as requested by the ADRION Managing Authority, a further gap analysis of ADRION selected projects was also undertaken, in this case dealing with the same ADRION Co-operation Programme objectives and results and complementing the first one.

The results and findings of the gap analysis are outlined in **Chapter 4**.

Chapter 5 is devoted to a comparative analysis of ADRION vis-à-vis other relevant transnational co-operation programmes, which are considered useful reference for leveraging on other experiences, particularly those where ETC programmes are implemented in European contexts where a macro-regional strategy is in place (i.e. the Baltic, the Danube and the Alpine spaces).

Finally, **Chapter 6** provides conclusions and recommendations resulting from the research, addressing measures to be taken to improve the performance of ADRION, in particular how to enhance the achievement of the expected results. At the same time, issues around the possible stronger co-ordination and alignment between ADRION and the EUSAIR are considered and suggested.

As a final remark, it is important to highlight that the data on the implementation of the ADRION Programme and on the project applications considered in the present research are updated until May 2017. Since ADRION is under implementation, its basic data are subject to change quite often over time.

Notwithstanding, the relevance of the conclusions and recommendations of Chapter 6, as well as all the supporting analysis, is fully valid and up to date.

1. The context of the ADRION Programme

1.1. European Cohesion Policy

The European Cohesion Policy is the main European investment policy. It is funded by the European Structural and Investment Funds (ESIF) with the aim of promoting a wide array of projects designed to enhance growth, eliminate regional imbalances and contribute to meeting the targets outlined in the Europe 2020 Strategy (EU 2020). The strategy establishes the general guidelines and objectives the EU will be pursuing for the year 2020, revolving around the concepts of smart, sustainable and inclusive growth. All EU member states are taken into consideration.

The core principles of the European Cohesion Policy are laid out in the Treaty on the Functioning of the European Union (art. 174), where it is stated that the Union should "*develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion*" in order to reduce disparities between regions and promote even and harmonious growth. Thus, the European Cohesion Policy constitutes a pivotal instrument for the Union to strengthen its identity as a global actor and face all the key challenges posed by the 21st century.

The ongoing policy framework is comprised within a timespan of seven years (2014-2020), and the overall ESIF budget for this period amounts to EUR 351.8 billion, a third of the total EU budget. The ESIF comprise five different funds: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF).

The Cohesion Policy is made up of 11 thematic objectives channelling and targeting the support of the ESIF:

1. Strengthening research, technological development and innovation.
2. Enhancing access to, and use and quality of, information and communication technologies.
3. Enhancing the competitiveness of SMEs.
4. Supporting the shift towards a low-carbon economy.
5. Promoting climate change adaptation, risk prevention and management.
6. Preserving and protecting the environment and promoting resource efficiency.
7. Promoting sustainable transport and improving network infrastructures.
8. Promoting sustainable and quality employment and supporting labour mobility.
9. Promoting social inclusion, combatting poverty and any discrimination.
10. Investing in education, training and lifelong learning.
11. Improving the efficiency of public administration.

The ERDF supports all of the 11 objectives, though having a specific focus on objectives 1-4 with regards to more developed regions. The ESF's main priorities are 8-11, and the Cohesion Fund supports objectives 4-7 and also objective 11. Finally, the EAFRD

focuses on resolving particular challenges affecting the EU's rural areas, whilst the EMFF aims to improve the quality of life along coastlines and to take actions with respect to fishermen and fisheries.

Overall, the guidelines and the procedures for the disposal of ESI funds by each member state are outlined in Partnership Agreements stipulated by each state for the period 2014-2020. Each agreement thoroughly examines the economic and institutional context in order to outline a strategic framework whereby the impact of Structural Investments within the Cohesion Policy will be maximised, in line with the targets of Europe 2020.

1.2. European Territorial Co-operation

European co-operation works at different levels. To maximise the benefits that come with shared resources and increasing interconnection, it is essential to have a functional policy framework. The European Territorial Co-operation (ETC), also known as Interreg, serves to accommodate this need. Through ETC, regions are drawn together and encouraged to co-operate vis-à-vis common challenges, tightening the relationships between member states and contributing to harmonious growth of the EU, further reinforcing its unity, in accordance with the EU 2020 goals.

Its inception dates back to 1990, when the first version was launched as a Community Initiative, with funding of EUR 1 billion. Its area of action was originally limited to cross-border co-operation. Over the years, the scope of the programme has been expanded to include transnational and interregional co-operation.

The current set of programmes (2014-2020) is labelled Interreg V. It constitutes one of the two goals of the EU Cohesion Policy, and is financed by the ESI funds to a total of EUR 10.1 billion, distributed as shown in Figure 1.1.

Figure 1.1. Interreg 2014-2020 infographic
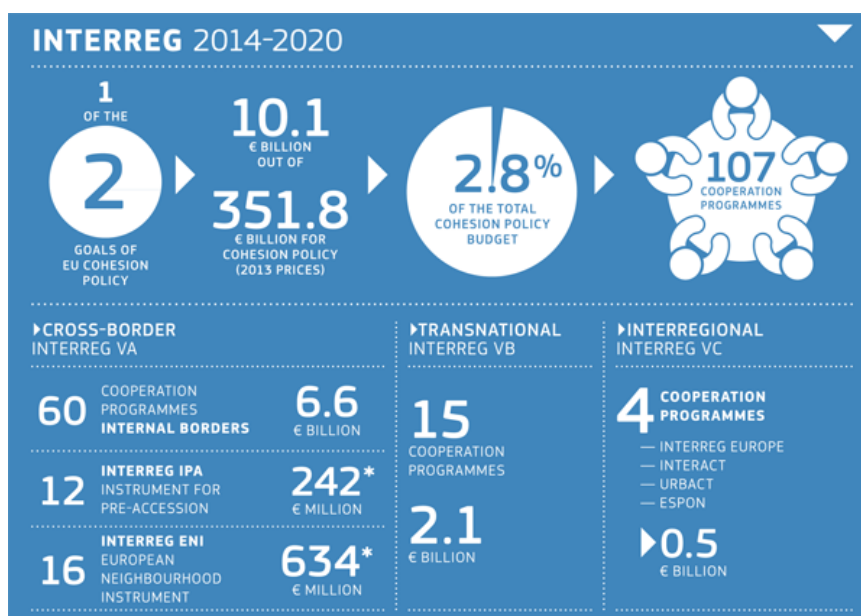
Source: EC (2015b), http://ec.europa.eu/regional_policy/it/policy/cooperation/european-territorial.

As the picture illustrates, the ETC operates at three levels of territorial co-operation: cross-border, transnational, interregional. The ETC is thus split into three strands.

- **Interreg VA**: is the instrument for **cross-border co-operation**. It affects all NUTS 3 regions from at least two different member states along their border areas. Interreg VA is of great strategic significance, as borders often represent the socio-political imbalance the EU is committed to eliminating. Thus, the aim of this instrument is to unlock the potential of these areas that, on account of their shared resources, may disclose opportunities to improve the lives of many. Cross-border co-operation foresees investments in the following areas: innovation, health care, education, employment, environment and labour mobility, among others.

- **Interreg VB**: is the instrument for **transnational co-operation**. It covers wider regions across several countries (Danube, Adriatic-Ionian etc.), with a total of 15 co-operation programmes, financed with EUR 2.1 billion of ERDF. The rationale behind this instrument, and its goals, are not dissimilar to the ones set forth by Interreg VA, albeit in a broader scale. The themes encompassed are in some respects similar. The VB programme also has a strong focus on education, research and innovation, as it does for the environment, which has become somewhat of a horizontal theme in EU policies. Furthermore, this instrument also stresses the importance of the development of communication networks and sustainable urban centres.

- **Interreg Europe**: rather than being a policy instrument designed to target a specific geographical area, Interreg Europe works at the pan-European level in order to develop positive networks that facilitate the exchange of expertise, know-how and good practices. It is a policy learning programme aimed at promoting a constructive exchange of practices and experiences, and creating an environment of mutual support that benefits all the relevant stakeholders Europe-wide.

Further specific initiatives have been conceived with the purpose of enhancing the ETC and the EU Cohesion Policy by developing and exchanging tools, good practices and methods:

Interact III: is designed as a supportive mechanism to assist the ETC. Its primary aim is to enhance the effectiveness and institutional capacity of these programmes, helping the managing authorities, audit authorities and administrators of co-operation programmes, and first level controllers to understand EU rules defined for 2014-2020 in order to improve the management of such programmes.

Espon 2020: is a pan-European research programme aimed at assisting the implementation of the EU Cohesion Policy, though efficient networking between researchers, public authorities and other stakeholders.

Urbact III: is a network of exchange at the urban level, whereby regional and local public authorities share mutually beneficial information (such as know-how, case studies etc.), in order to benefit urban centres that may be facing similar problems.

1.3. ADRION Programme

The Adriatic-Ionian Programme (ADRION) is part of Interreg VB (2014-2020). It covers eight countries, four of which (Croatia, Greece, Italy and Slovenia) are members of the European Union, while the other four (Albania, Bosnia and Herzegovina, Montenegro and Serbia) are non-EU countries, but are eligible for EC IPAII funding (Instrument for

Pre-Accession Assistance) since they undertook the *acquis communitaire* process[1]. Like other ETC programmes, ADRION grants subsidies to beneficiaries through calls for project proposals. When a call for proposals is launched, interested applicants submit their project proposals via an application form in accordance with programme requirements. The programme should act as a policy driver and governance innovator, fostering European integration and enhancing growth and economic performance of all the partner states.

1.3.1. Context

The Adriatic-Ionian region is characterised by large economic disparities between countries as much as by an abundance of shared resources and untapped potential. Some countries are already quite competitive in terms of governance and capacity of the private sector, whereas others are still lagging behind in terms of governance, growth and employment. The morphology and the natural resources of the territory can act as a catalyst for all partner states, and help them overcome their structural differences.

The ADRION Programme draws on previous and ongoing efforts to connect European regions and to establish the basis for a sustainable and harmonious growth in the area.

As a result of such efforts, the territorial context of the programme has been subject to macro-regional strategic frameworks to be considered as a reference. Over time, these frameworks have evolved. Worth considering in particular are:

- The **European Strategy for the Adriatic and Ionian Region** (EUSAIR, see further details in this chapter). EUSAIR is the current EU strategy for the Adriatic-Ionian macro-region and lays out an overarching vision for the harmonious development of the region, as well as a strategic framework within which all programmes should operate.
- The **South East Europe Strategy** (SEE 2020), developed by the Regional Co-operation Council under the auspices of the EU. SEE 2020 targets the Western Balkans to achieve a higher degree of convergence with the EU 2020 goals.

As the territories of the EUSAIR and ADRION coincide entirely, ***the two are expected to operate in synergy***. In account of this, the fourth priority axis of the programme is dedicated to supporting the governance of the EUSAIR and to facilitating the smooth alignment of the two.

1.3.2. Structure

The programme is result-oriented and addresses four priority axes (PA): innovative and smart region, sustainable region, connected region, and supporting the governance of the EUSAIR. Each PA is characterised by its thematic objective (TO), specific objective (SO) and investment priorities (IP), accompanied by indicative actions to be supported, expected outputs and results. The priority axes, with their respective objectives and priorities, are listed below.

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[1] We refer to the countries that are undertaking the process of joining the EU. Before entering into the EU as full members, the interested countries acquire the status of "Potential Candidate" and "Candidate Country" and through a negotiation process, they adopt the body of common rights and obligations that is binding to all the EU member states. The non-EU ADRION partner countries are currently in this status.

Priority Axis 1: Innovative and Smart Region

TO 1: Strengthening research, technological development and innovation by:

IP 1b: Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation (…);

SO 1.1: *Support the development of a regional Innovation system for the Adriatic-Ionian area.*

Priority Axis 2: Sustainable Region

TO 6: Preserving and protecting the environment and promoting resource efficiency by:

IP 6c: Conserving, protecting, promoting and developing natural and cultural heritage;

SO 2.1: *Promote the sustainable valorisation and preservation of natural and cultural assets as growth assets in the Adriatic-Ionian area;*

IP 6d: Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure;

SO 2.2: *Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation and the safeguarding of ecosystem services in the Adriatic-Ionian area.*

Priority Axis 3: Connected Region

TO 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures by:

IP 7c: Developing and improving environmentally friendly (including low noise) and low carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility;

SO 3.1: *Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area.*

Priority Axis 4: Supporting the Governance of EUSAIR

TO 11: [article 7 (b) Regulation (EU) No 1299/2013] Enhancing institutional capacity of public authorities and stakeholders and efficient public administration (…);

IP 11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and co-ordinating macro-regional and sea-basin strategies;

SO 4.1: *Facilitate the co-ordination and implementation of the EUSAIR by enhancing institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities.*

1.3.3. Funding

The overall programme budget amounts to EUR 117 918 198, of which EUR 99 156 616 are EU public resources (ESIF). The remaining part consists of national resources. Funds are thus allocated as follows:

- EUR 83 467 729 European Regional Development Fund (ERDF).
- EUR 15 688 887 Instrument for Pre-Accession Assistance (IPA II).
- EUR 18 761 582 national contributions.

The graph below shows the European financial support for the programme with respect to each pillar, together with the same data but only relative to the first call.

Table 1.1. ADRION EU funding (Overall budget and first call allocations)

Priority axes	ADRION Budget (EU funding)			ADRION first call (EU funding)		
	ERDF	IPA	Total	ERDF	IPA	Total
Priority Axis 1	16 693 547	2 998 111	19 691 658	6 677 418.80	1 199 244.40	7 876 663.20
Priority Axis 2	38 395 155	7 077 221	45 472 376	15 358 062	2 830 888.40	18 188 950.40
Priority Axis 3	15 024 191	2 684 333	17 708 524	6 009 676.40	1 073 733.20	7 083 409.60
Priority Axis 4	8 346 773	1 429 222	9 775 995			
Priority Axis 5	5 008 063	1 500 000	6 508 063			
TOTAL	83 467 729	15 688 887		28 045 157.20	5 103 866.00	
Total EU funds			99 156 616			33 149 023.20

Source: ADRION official documents (Programme Manual).

1.3.4. Relevant bodies

Managing Authority: is in charge of the general implementation of the programme, organising the call for proposals and co-ordinating the assessment of the received applications as well as monitoring the funded applications. It also oversees the correctness of the financial operations. The Emilia Romagna Region, Italy has been appointed to cover this role.

Monitoring Committee: is the main decision-making body, and is in charge of monitoring the programme's implementation as well as defining its guidelines. The Monitoring Committee defines selection criteria for the selection of projects and reviews the programme's annual implementation to propose improvements where needed. It is equally represented by all partner states.

Joint Secretariat: is responsible for relationships with beneficiaries, by guiding them through the funding process, assisting and supporting the project applicants in all stages of project implementation, collecting data and overseeing the overall process.

National controllers: control the expenditures of beneficiaries.

National contact points: act on behalf of the programme at the national level, by assisting the Joint Secretariat and acting as intermediaries with national stakeholders and beneficiaries.

Audit authority: check the audit compliance with EU rules.

1.4. Macro-regional strategies

In 2009, the European Commission decided to take action against environmental degradation of the Baltic Sea. This resulted in the creation of the EU Strategy for the Baltic Sea Region (EUSBSR), the first European macro-regional strategy. The success of the initiative encouraged similar actions to be taken in other areas in the years to follow.

A macro-regional strategy can be defined as a framework of action, endorsed by the European Council, aimed at mobilising regional actors and institutions around common challenges faced by a specific macro-region, such as the need for integrated infrastructures or the deterioration of common natural assets. The rationale behind macro-regional strategy is embedded in the European Cohesion Policy, and is grounded on the belief that co-operation and integration should work simultaneously at different levels. It is paramount for the project of European integration not only for states to co-operate with each other, but also for regions themselves to work closely with each other, in order to accomplish results aligned with the needs and specificities of distinct geographical areas (macro-regions). This highlights the importance of co-ordination between the principle of subsidiarity and strategic overarching visions in European governance.

Building on an extensive knowledge gained from cohesion programmes such as Interreg, macro-regional strategies are designed as an integrated framework endorsed by the European Council, to address common challenges faced by a defined geographical area covering member states and third countries, which thereby benefit from strengthened co-operation contributing to achievement of economic, social and territorial cohesion. They can be supported, among others, by the European Structural and Investment Funds, and benefit from integration with other programmes such as Interreg and Interact.

Furthermore, good governance is crucial for macro-regional strategies to be effective. Such governance has to operate on different levels, involving co-operation between cities, regions, civil society, universities and businesses. In order to deliver the best results, strategies have to be result-oriented. Setting clear targets, indicators and parameters is essential for the evaluation and the effective monitoring of all the operations, and the likelihood of the outcome being aligned to the initial targets.

Actors and institutions should work in synergy on the following three levels of governance:

- **Political leadership and ownership**: Who gives strategic direction? Who takes the major decisions? How to ensure identification with, and communication and accountability of the strategies?
- **Co-ordination**: Who is responsible for overall administrative co-ordination at participating country (or region) level?
- **Implementation**: Who should lead day-to-day implementation, who needs to be associated and how should it be supported? How can full involvement of non-EU countries participating in the strategies be ensured?

1.4.1. Current macro-regional strategies

EU Strategy for the Baltic Sea Region (2009)

The first macro-regional strategy, launched in 2009, includes Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland. Its main goals are improving the connectivity of the region, the protection of the Baltic Sea and increasing the economic

prosperity of the region. Achievements so far include: support for new projects, including co-operation between farmers to reduce eutrophication and improved planning for transport infrastructure, greater involvement of Russian partners and improved co-operation between regions and other partners, including the private sector.

EU Strategy for the Danube Region (2010)

The second macro-regional strategy, launched in 2010, includes nine EU countries (Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Bulgaria, Romania and Croatia) and five non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova). Unlike the Baltic Region, the Danube Area is characterised by stark social, political and economic contrasts between its countries. Thus, the programme comprehends 12 priorities and a wide scope of action. Among the benefits of the strategy, we can enlist better, safer and more ecological transport, solid energy networks, economic development and improved governance.

EU Strategy for the Adriatic and Ionian Region (2014)

The Strategy for the Adriatic-Ionian Region affects eight countries along the Adriatic-Ionian coast, with the purpose of enhancing the performance of their economies, improving their governance and their infrastructure, and creating a framework for investment relying on the large untapped potential of the area. At the same time, it highlights the importance of preserving the natural environment of the area, which is itself an invaluable asset for the economy. The strategy is articulated in four pillars (Blue Growth, Connecting the Region, Environmental Quality and Sustainable Tourism), and is co-ordinated with the Interreg ADRION Programme covering the same wide area.

EU Strategy for the Alpine Region (2015)

This strategy involves seven countries (Austria, France, Germany, Italy, Liechtenstein, Slovenia and Switzerland). Unlike other regions, the Alps are characterised by rather even prosperity and development. However, there is a series of challenges, such as those posed by globalisation, demographic changes, environmental changes, energy and logistics that have to be tackled though collective action. Its key priorities are competitiveness and innovation, environmentally friendly mobility and sustainable management of energy, natural and cultural resources.

1.5. EUSAIR

The European Strategy for the Adriatic-Ionian Region (EUSAIR), the third of the macro-regional strategies, benefits from the experience gained from the work carried out on the Baltic and Danube region. The strategy was envisioned by the European Council which, during its sitting of 13-14 December 2012, urged the European Commission to present a new strategic plan for the Adriatic and Ionian region before the end of 2014. On 17 June 2014, the Communication on the EU Strategy for the Adriatic-Ionian Region was presented, together with an Action Plan. Subsequently, on 24 October 2014, EUSAIR was endorsed by the European Commission and the strategy passed to its eventual implementation phase.

1.5.1. The strategy

The strategy is defined in two key documents: the communication from the European Commission to the other EU Institutions (EC COM(2014)357) and the Action Plan (EC SWD(2014)190).

The Adriatic-Ionian Region comprises eight countries along the sea basin. These countries, albeit characterised by notable political and economic differences, also share a great deal of common natural and cultural resources, which could provide immense potential for the future development of the region. The aim of the EUSAIR is to provide local, regional, national and European stakeholders with a framework of reference for the implementation of a wide range of operations which could unlock this potential and boost the economy of the region. Thus, the cornerstone of the EUSAIR is all that concerns the natural asset of its marine environment (blue growth, biodiversity, maritime transport). Furthermore, capacity building, energetic networks, infrastructure and transport are also of great importance. Generally, all common assets are seen as an essential part of the strategy, for its primary aim is to bring the region closer together.

The communication from the European Commission identifies both challenges and opportunities with respect to the strategy. The region has notoriously been through extremely tough and brutal years. The after effects of wars and conflicts are still present to this day in some countries, and some parts of the region are characterised by a very different background than others. Thus, the strategy inevitably faces some major **challenges**, concerning:

- Socio-economic disparities.
- Transport.
- Energy.
- Environment.
- Natural and man-made hazards and risks entailed by climate change.
- Administrative and institutional issues.

However, together with these challenges, also comes a bundle of **opportunities** which can be decisive for the growth of the region. Such opportunities are:

- Blue economy.
- Connectivity.
- Cultural and natural heritage and biodiversity.
- Tourism.

1.5.2. Countries

Eight countries are involved in the strategy. Four of them (Croatia, Greece, Italy, Slovenia) are members of the EU, while the other four (Albania, Bosnia and Herzegovina, Montenegro and Serbia) are not, though they will be benefitting, to different extents, from the Instrument for Pre-Accession Assistance.

Figure 1.2. Map of EUSAIR

Source: EUSAIR (2017b), http://www.adriatic-ionian.eu/about/the-adriatic-ionian-region

1.5.3. Pillars

The strategy is characterised by four pillars: Blue Growth, Connecting the Region, Environmental Quality and Sustainable Tourism. Each topic is supervised by representatives from two countries, with a three-year mandate. It is envisaged a general rotation of supervisors over the years of implementation of the strategy. Furthermore, the Action Plan also incorporates topics under each pillar, followed by specific actions and examples of possible projects.

Blue Growth (Greece and Montenegro)

The objective of this pillar is to drive innovative and sustainable growth in the fields of blue technologies, fisheries and aquaculture, maritime governance and the protection of the natural environment and the ecosystem of the Adriatic-Ionian Sea basin. The topics under this pillar are the following:

- *Topic 1 Blue technologies*: actions aimed at improving and creating clusters of research and innovation to modernise the region's current expertise.
- *Topic 2 Fisheries and aquaculture*: co-ordination, monitoring and planning of fisheries and aquaculture sector in order to align it to EU standards and promote sustainability not to endanger the marine environment.
- *Topic 3 Maritime and marine governance and services*: to improve current administration of marine administrative bodies.

Connecting the Region (Italy and Serbia)

The objective is to connect the region through improvements in transport and energy networks. Energy networks within the region and with the rest of Europe are an essential prerequisite for growth, as is transport. Thus, the following topics are considered:

- *Topic 1 Maritime transport*: to boost competitiveness of ports in the region there needs to be an effective network of monitoring and co-operation, in order to co-ordinate and manage all operations and boost their efficiency, with positive effects on the economy of the region.
- *Topic 2 Intermodal connections to the hinterland*: to cope with increased flow of goods, due to improved maritime networks, it is also essential to improve connections to the hinterland, whilst still considering the environment.
- *Topic 3 Energy networks*: investments to improve energy infrastructure in the region and achieve the three EU energy policy objectives: competitiveness, security of supplies and sustainability.

Environmental Quality (Slovenia and Bosnia and Herzegovina)

The goal of this pillar is to address the problem of environmental quality at all levels (sea pollution, marine ecosystem, air quality, soil, biodiversity). It incorporates the following topics:

- *Topic 1 The marine environment (two issues): Threats to the coastal and marine biodiversity*: supports actions aimed at facilitating joint action to promote knowledge of the marine ecosystem and thus promote effective measures in this sense. *Pollution of the sea*: co-ordinated investments in water and solid waste treatment plants, joint efforts to deal with the entire life cycle of marine litter, shared capacity to prevent and react to oil spills and other large-scale pollution, limitation of underwater noise, as well as raising farmers' awareness on the negative impacts of excessive use of nitrates, will significantly lessen threats to marine wildlife and human health.
- *Topic 2 Transnational terrestrial habitats and biodiversity*: actions aimed at protecting the different ecosystems present in the macro-region. The Adriatic-Ionian macro-region is likely to be affected more than other EU regions by the effects of climate change. Furthermore, it is characterised by many frail ecosystems which make the area one of the most remarkable in Europe in terms of biodiversity. Hence the urgency to take action in this sense.

Sustainable Tourism (Croatia and Albania)

Taking into account the large potential offered by tourism, which today constitutes a solid part of the region's GDP, this pillar aims to further strengthen this, though investments and diversification:

- *Topic 1 Diversified tourism offer (products and services):* tourism in the region is currently seasonal with large losses during low season. This is why a series of actions is envisaged to promote the diversification of tourism during the rest of the year, with great benefits for the overall region.
- *Topic 2 Sustainable and responsible tourism management (innovation and quality)*: a series of actions aimed at promoting methods and practices to modernise tourism and mitigate its negative effects on the environment.

Furthermore, two cross-cutting aspects were also identified:

1. Capacity-building, including communication, for efficient implementation and for raising public awareness and support.

2. Research and innovation to boost high-skilled employment, growth and competitiveness. Co-operation within transnational networks can bring ideas to markets, and help develop new products and services.

Finally, climate change mitigation and adaptation as well as disaster risk management are horizontal principles across all four pillars.

1.5.4. Governance

Rather than being focused on additional funds, the strategy should dispose optimally of the funds already in place. Thus, in order to do so, there has to be effective governance which consists in both monitoring and effective implementation. Three needs were identified, with respect to governance, by the Commission Report of May 2014:

1. Strong political leadership.
2. Effective decision making.
3. Good organisation and implementation.

The two main bodies of EUSAIR are the Governing Board and the Thematic Steering Groups.

The **Governing Board** (GB) provides co-ordination to the Thematic Steering Groups and manages the implementation of the overall strategy. The GB is co-chaired by the country currently chairing the Adriatic and Ionian Initiative – a former similar initiative that has been re-adapted for the new strategy – and by the European Commission (Directorate-General for Regional and Urban Policy, DG REGIO, DG MARE and DG NEAR. Other Directorates-General (DGs) may participate as appropriate). Its other members are drawn from national administrations (National Co-ordinators, Pillar Co-ordinators) and representatives from European Union institutions (European Parliament, Committee of the Regions, European Economic and Social Committee), from the ADRION Programme Managing Authority and the EUSAIR Facility Point.

There are four **Thematic Steering Groups**, one for each pillar, consisting of two relevant representatives from member countries, chosen on a three-year rotating basis.

1.5.5. Funding

Funds for the strategy are drawn from existing funds such as ESIF and the Instrument for Pre-Accession Assistance. The Partnership Agreements of member states involved in the EUSAIR – outlining the modalities through which the state can benefit from European Structural Funds – make sufficient mention of the EUSAIR's strategic meaningfulness for the development of the region, and of its alignment with the broader Europe 2020 strategy. Furthermore, other funds and instruments relevant to the pillars are available, notably Horizon 2020 for all pillars, the Connecting Europe Facility for Pillar 2, the LIFE Programme for Pillar 3, as well as for mitigation and adaptation to climate change, and the COSME Programme for SMEs for Pillar 4. Other means are available, notably from the Western Balkan Investment Framework, the European Investment Bank and other international financial institutions. To be considered are also national and regional funds that can be used to implement the EUSAIR, e.g. within national and regional ESIF programmes.

2. Objectives and issues addressed

In co-operation with the Emilia Romagna Region (Managing Authority of the ADRION Programme) and ERVET (Emilia Romagna in-house agency in charge of the ADRION Joint Secretariat and technical assistance for the programme), the OECD LEED Trento Centre has conducted a research project (hereinafter "the project") aimed at identifying the needs and priorities for policy improvement and to foster the exchange of experiences, the capitalisation of acquired know-how and the generation of new and fresh thinking in the Adriatic-Ionian macro-region.

The overall objective of this project is to contribute to a more effective co-operation in the Adriatic-Ionian macro-region through fostering integrated local development and improving the consistency and the effectiveness of the ADRION Programme, with particular regard to the EUSAIR Macro-Regional Strategy.

In particular, this research analysed the alignment of ADRION with the EUSAIR, based on the results of the first call for proposals, studied other international examples of alignments between macro-regional strategies and Interreg programmes, and offers conclusions and recommendations on how to improve the alignment and consistency of ADRION with the EUSAIR in the future, in particular with regard to the second call for proposals (early 2018).

At the specific request of the RER ADRION Managing Authority in October 2017, it was agreed to complement the gap analysis with an insight of ADRION selected project applications in the framework of the same ADRION Co-operation Programme in order to ascertain possible gaps resulting from the first call to be then considered in designing the second call.

3. General approach and methodology

To achieve the above-mentioned objectives, a specific methodology was developed to analyse the contribution of projects to ADRION programme objectives, the alignment of ADRION with the EUSAIR, and to learn about specific gaps and possible ways to improve the consistency of ADRION with the EUSAIR within the given Programme Framework 2014-2020.

The methodology to carry out the analysis included the following methodological tools:

- Mapping of projects and gap analysis of the 35 approved projects under the first call a) regarding the EUSAIR priorities and b) regarding ADRION's output indicators, indicative actions, expected results, target groups and expected partner involvement.
- Review of documents, application forms, procedures and routines of ADRION call management.
- Benchmarking with other relevant macro-regional strategies and their alignment with relevant Interreg programmes.
- Analysis of the possible options to improve alignment and consistency of ADRION with the EUSAIR in the future, in particular with regard to the second call for proposals (early 2018).

In the framework of this methodology, a gap analysis describes the comparison between the actual/current performance with the desired/envisaged performance. It is a tool to understand the actual performance of the ADRION selected projects against the programme's objectives and expectations, as well as the performance of the ADRION Co-operation Programme vis-à-vis its strategic and operational alignment with EUSAIR priorities and goals.

To best perform the gap analysis and develop a useful outcome, the project team applied a mixed methodological approach of desk research and interviews/groups discussions. Therefore, we did not only analyse existing documents, studies and literature, but also conducted individual interviews and group discussions to clarify and refine findings. More details about this methodological approach are described in the sections below.

The organisation of work comprised four tasks and several steps that were partially carried out in parallel. The tasks and steps are described below:

3.1. Task 1: Mapping of successful project applications

This task was based on desk research and looked at the programme from a strategic and operational perspective.

Step 1.1: The projects of a programme are its main implementation mechanism. So far, 35 projects have been selected under conditions for the ADRION Programme. The first task of the analysis included the mapping of the 35 selected project applications and a gap analysis. In a first step, the mapping of the selected projects under the first call for

proposals was intended to verify compliance of the 35 successful applications to pillars, topics, and specific objectives of the EUSAIR. This step was intended to provide initial insights regarding the contribution of successful applications to the implementation of the EUSAIR while allowing for the identification of EUSAIR dimensions not addressed by mentioned applications. Annex 3 of the Programme Manual – Alignment between ADRION and EUSAIR indicative actions – was the basis for mapping and the gap analysis.

Step 1.2: The second task of the analysis was later added to the original set of tasks at the request of the ADRION MA/JS. It included the mapping of the 35 selected project applications and a gap analysis regarding the ADRION priorities and objectives. In this second step, the mapping of the selected projects under the first call for proposals was intended to verify:

- Compliance of the 35 successful applications to ADRION's expected results, output indicators, target groups and indicative actions.
- Composition of project partnerships and contribution of successful applications to involvement of the wide range of stakeholders envisaged by ADRION.

This analysis intended to confirm the extent to which successful projects can be expected to contribute to the achievement of ADRION's own expected results and to highlight areas of improvement in view of the second call for proposals. The project application forms, the co-operation programme and additional documents formed the basis for the analysis.

Box 3.1. Mapping of successful project applications: Relevant documents and sources

- ADRION Operational Programme
- ADRION Programme Manual with Annexes
- ADRION Overview – First Call Assessment
- ADRION, First Call for Proposals – List of approved under condition projects
- Application forms of approved operations under Priority Axis 1
- Application forms of approved operations under Priority Axis 2
- Application forms of approved operations under Priority Axis 3
- Project Fiches and application forms
- EUSAIR Strategy and Action Plan

3.2. Task 2: Analysis of alignment with the EUSAIR and lessons from other macro-regions

In this task, the comparative analysis looked for the detailed existence of complementarities (or incoherence) between the programme and the macro-regional strategy.

Existing and potential consistencies were analysed at different levels:

- Programme and strategic objectives.
- Thematic priorities, topics.
- Indicative actions and projects (selected, and applications).

- Target groups and expected partnerships.
- Types of projects.
- Assessment criteria for project selection.
- Manual for project application and supporting information on website.
- Application form.
- Assessment procedure.

Step 2.1: In a first step, the programme documents were examined in order to get an overview of actual coherence between ADRION Programme requirements, assessment processes and the overall EUSAIR priorities and objectives. The desk analysis of programme documents gave a first broad understanding of the current situation and performance of the programme, as well as its objectives. It was complemented by the analysis of other relevant studies.

Step 2.2: In a second step, other studies and reports on European macro-regional strategies were screened in order to identify good practices from other regions (Baltic, Danube and Alpine areas) and additional answers to relevant issues or co-ordination and alignment. The above-mentioned levels were analysed in a short benchmarking exercise. After the screening for good practices, the analysis looked at the actual and potential methods and tools for achieving alignment between ADRION and the EUSAIR. This step brought together results from tasks 1 and 2 to derive overall conclusions.

Box 3.2. Analysis of alignment with the EUSAIR and lessons from other macro-regions - relevant document and sources

European Commission official documents:

- EC COM(2014)357, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union strategy for the Adriatic and Ionian region.
- EC SWD(2014)190, Action Plan accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region, Commission Staff Working Document.
- EC SWD(2014)191, Supportive Analytical Document, accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region.
- EC SWD(2013)233, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies.

Additional studies and other sources:

- BMVI (2017), Good Practice Guidelines for an Effective Implementation of Interreg B Projects, BMVI Publication, Berlin.
- Böhme, K. (2013), Added Value of Macro-Regional Strategies: a Governance Perspective. Spatial Foresight Brief 2013:3, Luxemburg.
- Dühr, S. (2011). Baltic Sea, Danube and Macro-Regional Strategies: A Model for Transnational Cooperation in the EU?, Notre Europe Studies & Research 86, Paris.
- Haarich, S. (2016), The GOA tool: assessment of macro regional governance systems. Spatial Foresight Brief 2016:1. Luxembourg.

3.3. Task 3: Interviews and focus groups

The first tasks built on extensive desk research that provided useful insights and background information. This information needed to be verified and complemented by interviews and group discussions with members of the ADRION Managing Authority and the Joint Secretariat, as well as with EUSAIR Co-ordinators and Pillar Co-ordinators.

Step 3.1: Over the course of the analysis, several interviews took place with representatives of the ADRION Programme authorities (MA and JS). More than four phone interviews/conferences were organised between August and November 2017 to refine working hypotheses and to gather additional information. In addition, a workshop of OECD experts along with the ADRION MA and JS took place on 11 September 2017 in Bologna where the research methodology and initial results were discussed.

Step: 3.2: In order to cross-check the initial results of the analysis, the OECD research team participated in a meeting of the ADRION Monitoring Committee, as well as in a meeting of ADRION Programme bodies with EUSAIR Pillar Co-ordinators and a meeting of EUSAIR Pillar Co-ordinators alone. The meetings took place on 25 and 26 October 2017 in Ancona, Italy. During these meetings, the OECD expert team presented and discussed with MC members and with EUSAIR Pillar Co-ordinators preliminary results, conclusions and recommendations with regard to the alignment of ADRION with the EUSAIR and, in particular, in view of the organisation of the second call of ADRION to be launched in early 2018. In addition, during the events, several face-to-face interviews could be held with MC members, EUSAIR National Co-ordinators, facility point members and Pillar Co-ordinators.

To confirm early working hypotheses, the workshops, discussions and interviews focused on the following questions, guiding questions for interviews and group discussions:

- To what extent are the objectives and indicators of the ADRION Programme relevant for the regional development of the Adriatic-Ionian region?
- To what extent are the project applications in line with the programme's objectives, and with EUSAIR objectives? Do you notice any gaps?
- What have been the reasons for not selecting the non-selected projects?
- How has the co-ordination of ADRION with EUSAIR bodies been managed/implemented?
- How has the agreement on labelled/flagships EUSAIR projects been reached?
- How can a better co-ordination with the EUSAIR and priority project selection be achieved, in your opinion?
- In your opinion, how can a better alignment with EUSAIR goals be achieved in 2014-2020 and in the period 2020+?

3.4. Task 4: Formulating recommendations

In a final task, the research team drafted final recommendations aimed at improving the implementation of the next ADRION activities.

The recommendations covered at least two areas:

- how to improve the consistency to the EUSAIR with high-quality projects
- how to define the second call of ADRION (e.g. call organisation, thematic focus, project typology) in order to improve effectiveness of the projects within the ADRION objectives and in order to better align with the EUSAIR.

Step 4.1: Based on the input provided by the previous steps, the research team presented the draft final findings of the gap analysis and initial conclusions and recommendations at a meeting of the ADRION Monitoring Committee and at a meeting of ADRION Programme bodies with EUSAIR Pillar Co-ordinators on 25 October 2017 in Ancona. At the workshop, these findings were fine-tuned, while participants had the chance to discuss recommendations for policy on how to improve the current programme, its delivery structure and its governance setting.

Finally, in **Step 4.2**, the final report was drafted and delivered to ADRION MA/JS and to the other stakeholders involved.

3.5. Challenges and constraints

Overall, the analysis faced diverse challenges that influenced the execution of tasks. Firstly, the study was carried out under significant time constraints with little possibility to extend deadlines in order to deepen or refine findings. Secondly, the institutional complexity and the relatively short life of the EUSAIR and its governance bodies made it difficult to work on questions regarding the operational and strategic alignment of ADRION with the EUSAIR. However, the challenges did not hamper the overall elaboration of conclusions and recommendations in line with the requests by the ADRION MA.

4. Gap analysis of ADRION first call for proposals

4.1. On EUSAIR pillars and topics

The present gap analysis has taken into consideration the proposals of the 35 projects selected under the first ADRION call for proposals for EU co-financing and is based on the ADRION assessment grids and application forms. The research aims to verify compliance among the selected project proposals, the 4 pillars and the 10 topics/specific objectives of the EUSAIR. The results of the gap analysis should contribute to identifying specific EUSAIR **topics/specific objectives** which have not been tackled by the proposals of the 35 projects selected and which may be considered as a priority in the second call for proposals. The source documents for the analysis were the proposals of the 35 selected projects.

The ADRION documents provided the basis for the analysis. The link between the ADRION Programme priority axes and the EUSAIR pillars is clarified under "ADRION Programme Manual Priority Axes 1-3 Version 2.0 March 2016" Paragraph *4. The EU Strategy of the Adriatic and Ionian region – EUSAIR*. At Paragraph 4.1 "Links between the EUSAIR and the ADRION Programme", the ADRION Programme Manual states: "The ADRION Programme must be seen as a strategic programme due to its direct alignment – geographically, thematically, and operationally – to the EU Strategy for the Adriatic and Ionian Region." The table below highlights the main cross-references between the two.

Table 4.1. Matching themes (priority-pillar) between ADRION and the EUSAIR

ADRION	EUSAIR
Priority Axis 1 on innovation	Pillar 1 on Blue Growth But also elements of the other three pillars
Priority Axis 2 on natural and cultural heritage and biodiversity: 2.1 - Investment Priority 6c 2.2 - Investment Priority 6d	Pillar 4 on Sustainable Tourism Pillar 1 on Blue Growth Pillar 3 on Environmental Quality
Priority Axis 3 on sustainable transport and mobility	Pillar 2 on Connecting the Region Indirectly Pillar 3 promotion of environmentally friendly low carbon transport Pillar 4 as a prerequisite for tourism

Source: authors' own elaboration.

Alignment between EUSAIR indicative actions and the ADRION Programme is also reported in the matrix in Annex 2 of the Programme Manual. A first analysis has showed that alignment is not comprehensive, as not all the ADRION topics are present in the EUSAIR, and not all EUSAIR ones are mirrored in ADRION. However, this should not be seen as a major shortcoming because the EUSAIR is expected to be financed through several sources and programmes.

Box 4.1. Pillars and topics of the EUSAIR

The pillars and topics/specific objectives of the EUSAIR Strategy and Action Plan are:[2]

Pillar 1: Blue Growth

Topics/specific objectives:

1.1   Blue technologies

1.2   Fisheries and aquaculture

1.3   Maritime and marine governance and services

Pillar 2: Connecting the Region

Topics/specific objectives:

2.1   Maritime transport

2.2   Intermodal connections to the hinterland

2.3   Energy networks

Pillar 3: Environmental Quality

Topics/specific objectives:

3.1   Marine environment

3.2   Transnational terrestrial habitats and biodiversity

Pillar 4: Sustainable Tourism

Topics/specific objectives:

4.1   Diversified tourism offer (products and services)

4.2   Sustainable and responsible tourism management (innovation and quality)

In order to assess the alignment of the 35 selected projects to EUSAIR pillars and topics, a qualitative criterion was adopted reflecting the full/partial/none alignment to EUSAIR topics/specific objectives. Once the full/partial/none compliance of the projects has been verified, the total EU contribution allocated for each of the 35 projects has been proportionally split according to the correspondence of the criterion for each specific pillar/topic. Successively, the EU contributions proposed have then been weighted with a percentage based on the results of the analysis mentioned above. The result is a reallocation of the funds of the first ADRION call according to the EUSAIR pillars/topics/specific objectives. It is worth stressing that such a reallocation exercise is mostly indicative, since it results from the weight – highly discretional – given to the level of supposed alignment between ADRION projects and the EUSAIR.

Notwithstanding the qualitative approach, the resulting figures provide an approximation of the ADRION funds as they converge to EUSAIR pillars and topics.

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[2] For further details See section 1.5.

Figure 4.1. Number of projects by EUSAIR topic/specific objective and weighted considering the allocated funds by EUSAIR pillars and topic/specific objective

	Pillar 1 Blue Growth	S.O.1.1. Blue technologies	S.O.1.2. Fisheries and Aqua-culture sector	S.O.1.3. Maritime and marine governance and services	Pillar 2 Connecting the Region	S.O. 2.1. Maritime transport	S.O. 2.2. Intermodal connections to the hinterland	S.O. 2.3. Energy networks	Pillar 3 Environmental Quality	S.O. 3.1. The marine environment	S.O. 3.2. Transnational terrestrial habitats and biodiversity	Pillar 4 Sustainable Tourism	S.O. 4.1. Diversified tourism offer (products and services)	S.O. 4.2. Sustainable and responsible tourism management (innovation and quality)
Total per topic		10	4	6		6	10	1		12	1		10	12
Full		9	2	3		3	9			2	1		9	9
Partially		1	2	3		3	1	1		10			1	3
Funds allocated waged (€)	**11 235 017**	7 161 806	1 880 125	2 193 086	**10 865 599**	2 775 852	7 951 769	137 979	**4 395 841**	3 646 088	749 753	**12 397 194**	6 143 879	6 253 315

Note: the allocation of funds according to the pillars is the result of an approximation exercise, done by giving weight to the level of proximity of each project to the corresponding EUSAIR S.O.

Source: authors' own elaboration based on official ADRION figures.

The 35 applications selected under the first call for proposals of the ADRION Programme demonstrate a good level of alignment with Pillar 1 "Blue Growth", Pillar 2 "Connecting the Region" and Pillar 4 "Sustainable Tourism".

The results of the analysis undertaken on the financed ADRION projects vis-à-vis the EUSAIR topics and specific objectives are outlined hereinafter.

4.1.1. EUSAIR Pillar 1: Blue Growth

As shown in Figure 4.2, Topic/Specific Objective 1.1 "Blue technologies" is widely covered by selected applications. However, Topic 1.2 "Fisheries and aquaculture", and Topic 1.3 "Maritime and marine governance and services" do not show the same level of coverage.

Figure 4.2. ADRION selected projects alignment to EUSAIR Pillar 1
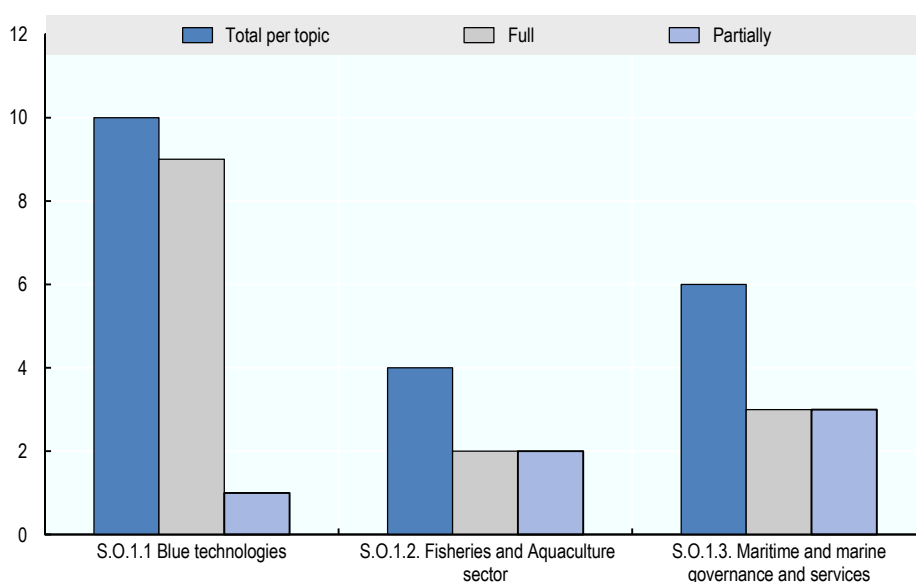
Source: authors' own elaboration.

4.1.2. EUSAIR Pillar 2: Connecting the Region

As shown in Figure 4.3, Topic/Specific Objective 2.2 "Intermodal connections to the hinterland" is covered by the majority of proposed actions. Topic/Specific Objective 2.1 'Maritime transport" is covered to a lesser extent. Regarding Topic/Specific Objective 2.3 "Energy networks" the graph shows a very limited coverage; however, it is worth highlighting that, as in Annex 2 of the Programme Manual, EUSAIR Pillar 2, Topic 2.3 "Energy networks" is not a topic directly considered under ADRION Programme priorities, therefore no direct alignment can be expected.

It is worth emphasising that the alignment of the selected proposals to Pillar 2 was confirmed by EUSAIR Pillar 2 co-ordinators during the meeting held in Ancona on 26 October 2017 who affirmed that two out of three of the Pillar 2 flagship projects were selected for funding under the first ADRION call for proposals.

Figure 4.3. ADRION selected projects alignment to EUSAIR Pillar 2
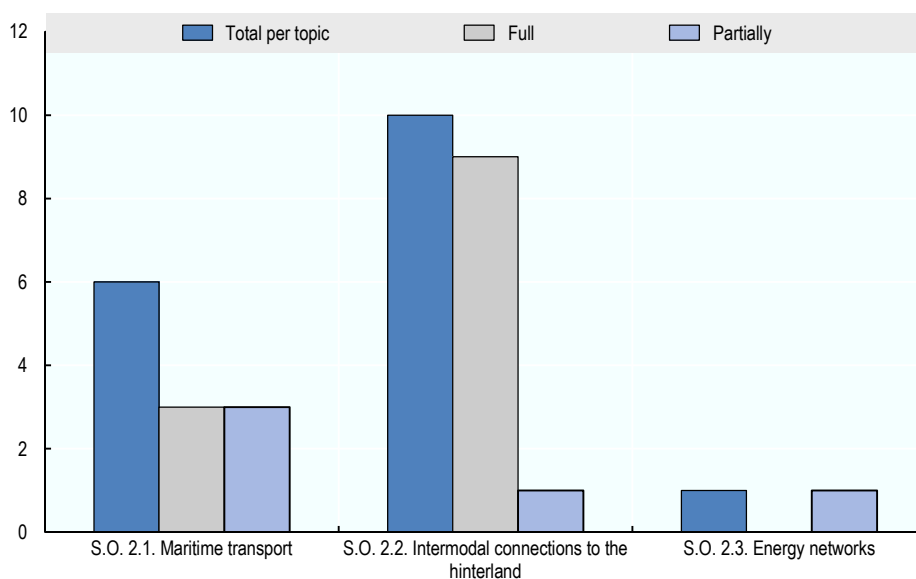
Source: authors' own elaboration.

4.1.3. EUSAIR Pillar 3: Environmental Quality

In this case, Figure 4.4 shows a very limited alignment between Topic/Specific Objective 3.2 "Transnational terrestrial habitats and biodiversity" of EUSAIR Pillar 3, with only one selected project that can be considered as aligned. Instead, Topic/Specific Objective 3.1 "Marine environment" is actually tackled by 12 applications, though only 2 out of the 12 appear to tackle the topic fully, while 10 projects out of 12 tackle the marine environment issue only partially.

Figure 4.4. ADRION selected projects alignment to EUSAIR Pillar 3
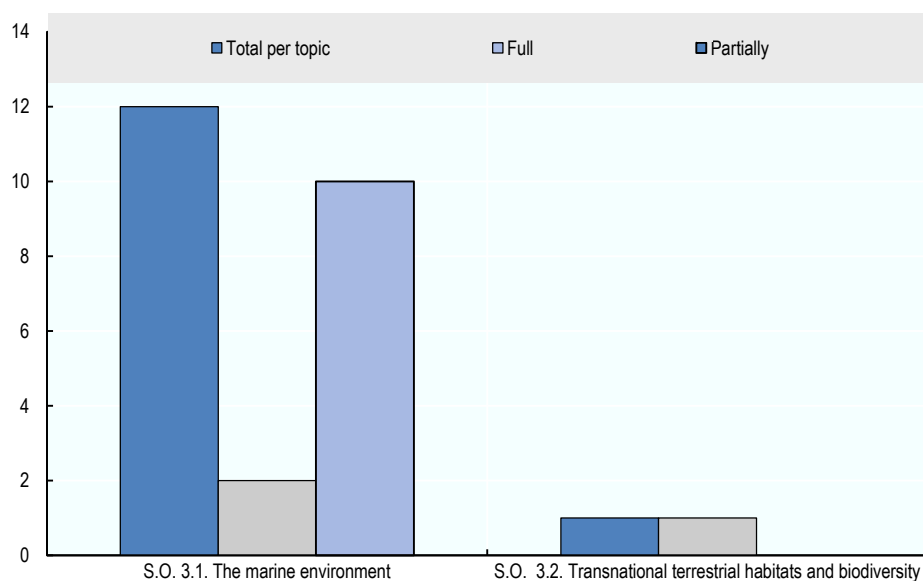
Source: authors' own elaboration.

4.1.4. EUSAIR Pillar 4: Sustainable Tourism

Both Topics/Specific Objectives, notably 4.1 "Diversified tourism offer (products and services)" and 4.2 "Sustainable and responsible tourism", are covered to a large extent by the selected projects.

Figure 4.5. ADRION selected projects alignment to EUSAIR Pillar 4
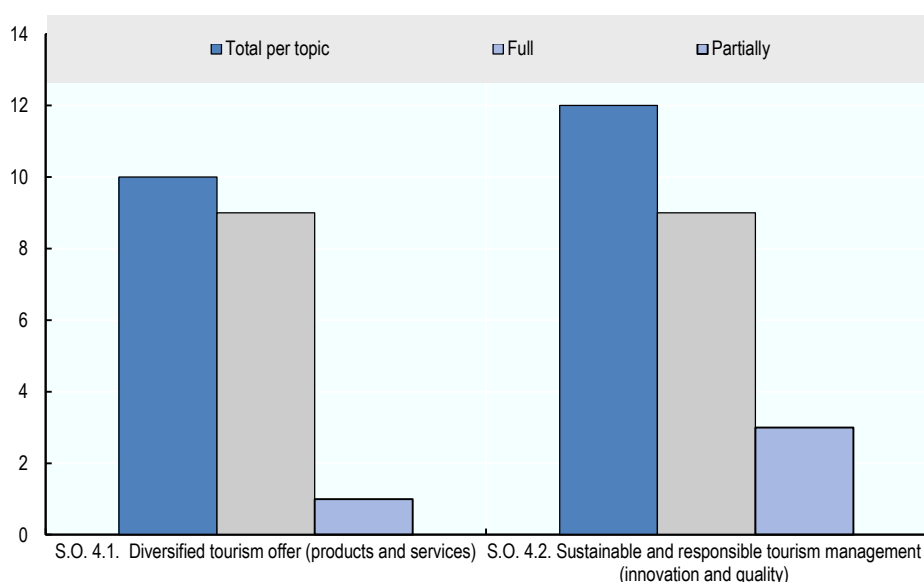
Source: authors' own elaboration.

Finally, none of the analysed application forms clearly describe how proposed projects will contribute to "cross-cutting" issues and "horizontal principles"[3] as outlined in the ADRION Programme.

4.1.5. Observations on the first call and EUSAIR consistency

Call announcements and application forms (AF) are clear and allow the alignment between the ADRION Programme and the EUSAIR to be assessed. However, in order to improve such consistency, reference to the EUSAIR may be further clarified through:

- more explicit reference in the application package to Annex 3 of the ADRION Manual "Alignment between ADRION and EUSAIR indicative actions"
- a clearer description of the links requested to the pillars of the EUSAIR in the application form at point C.3.2
- a specific reference to EUSAIR labelled projects
- clearer guidance on how to build a relevant and sound project partnership
- more explicit reference to "cross-cutting" issues and horizontal principles in the AF.

Room has been identified to better clarify selection criteria, design of the strategic criteria and selection criteria and process since they, as currently formulated, do not perfectly enable the awarding of well-aligned projects (See criteria, ref. Manual Annex 5 Point 4.1 - 4.2).

Neither the Programme Manual Paragraph 4.1 "Links between the EUSAIR and the ADRION Programme" nor the application form explicitly mention the need to take the two cross-cutting issues of the EUSAIR ("research and innovation" and "capacity building"), nor the horizontal issue of "climate change mitigation and adaptation as well as disaster risk management" into consideration and possibly to contribute to them.

Lastly, while proceeding with the analysis of the alignment, it should also be considered that some of the projects "labelled" or defined "flagship projects" by the EUSAIR TSGs, were selected under the first ADRION call for proposals, however OECD did not receive the details of the labelled EUSAIR projects. The labelled EUSAIR projects, selected for funding under the first call for proposals, certainly constitute an important document for the assessment of the alignment between ADRION and the EUSAIR.

4.2. On ADRION priorities

Complementing the analysis of the consistency between the EUSAIR and the results of the ADRION first call, a gap analysis of ADRION selected projects versus the ADRION Co-operation Programme has been carried out.

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[3] Cross-cutting issues: Wide-spread take-up and use of Information and Communication Technologies (ICT); Social cohesion and social innovation; Promotion of data availability and knowledge management according to the "open data" principle; Integrated territorial and eco-systemic approach.

Horizontal issues: Equal opportunities and non-discrimination; Equality between men and women.

The analysis has been based on the following elements formulated within the ADRION Programme Manual for each specific priority axis[4]: indicative actions, output indicators, target groups involved and expected results.

Finally, the composition of project partnerships has been also analysed.

4.2.1. Analysis of correspondence between the actions proposed in the 35 selected projects and ADRION's indicative actions

Within the ADRION Programme Manual a list of example indicative actions is included for each priority axis.

The indicative actions listed in the manual have been compared with the actions formulated by the applicants referring to the selected projects under the first call for proposals.

The analysis of **correspondence between the 35 selected projects and ADRION indicative actions** presents substantial **methodological limits** in particular because of the fact that indicative actions described in the ADRION Programme Manual have a mere orienting nature. Furthermore, it should be highlighted that the application form did not require indicating a specific correspondence of proposed activities with the ones listed in the ADRION Manual.

Finally, the application form did not require the applicants to indicate a specific correspondence of proposed activities with the ones listed in the ADRION Manual; the classification of the projects has been made by the OECD expert team on the basis of their own judgement, through the analysis of the application forms.

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[4] Reference from page 62 of the ADRION Programme Manual.

Box 4.2. Priority Axis 1 - 12 indicative actions

1. Establishment of transnational innovation networks in order to visualise possible options for co-operation in the ADRION area, identify relevant sectors of common interest, map existing research and innovation resources, and secure co-ordination with the EUSAIR, regional and national RIS3 strategies, innovation governance initiatives and competence networks.

2. Analysis of the framework conditions for innovation (legal, financial, administrative, technical, social, cultural and environmental) in order to define the "feasible domain" for innovation in the ADRION area.

3. Development of framework structures related to the consultation on legal, intellectual property, technical and financial issues and provision of related services especially for SMEs (including startups, spin-offs, collaborations), such as the support for identifying access schemes to financial engineering for proof of concept mechanisms for startups.

4. Development of actions for raising competencies/skills of stakeholders particularly focusing on the involvement of partners from candidate and potential candidate countries, including education and training concepts for the uptake and diffusion of innovation and circular knowledge management promoting the mobility of researchers and PhD candidates in the ADRION region.

5. Development of platforms for knowledge sharing (knowledge innovative communities, data clouds) and creation of functional networks of joint distributed research facilities.

6. Development of transnational "quadruple helix" clusters in common interest fields addressing all stages of the innovation cycle, including idea generation, conception and prototyping, transfer, patenting, commercialisation, etc.

7. Development of transnational models for the design, testing, up-scaling, comparison and evaluation of innovations (policies, tools, processes, actors, organisations and interfaces).

8. Development of transnationally designed products, services, investment models and funding support instruments of business support centres, chambers of commerce, public administration and financing institutions.

9. Development of strategies, schemes and tools for improving creativity and innovative approaches across the whole spectrum of society including education, social services, health, volunteer organisations and social enterprises.

10. Building up transnational networks for the transfer of knowledge among public administration on technological solutions.

11. Facilitating policy learning by also integrating results generated through previous EU initiatives related to innovation and cluster support, for instance the Regions of Knowledge (FP7) that promoted Europe-wide co-operation between public and private research centres, enterprises and authorities and supported regional research-driven clusters.

12. Promoting the development of eco-innovation technologies related to air quality and emission control (e.g. cleaner domestic combustion installations, fuel switching emission abatement technologies or power supply from the shore for vessels for sustainable ports).

Source: Interreg ADRION (2016), www.adrioninterreg.eu/wp-content/uploads/2017/06/Programme-Manual-Version-2.0-2016_03_11.pdf.

A first consideration stems from the formulation of indicative actions in the Programme Manual.

Under Priority Axis 1, some indicative actions are described in a very general manner while others are more specific. Also, in some cases there are overlaps between the listed indicative actions.

Figure 4.6 shows an overview of the assessment of the alignment of the actions described in the 14 application forms versus the indicative actions inserted in the Programme Manual under Priority Axis 1.

Figure 4.6. ADRION Priority Axis 1 Indicative actions recurrence
(% on total selected AFs)
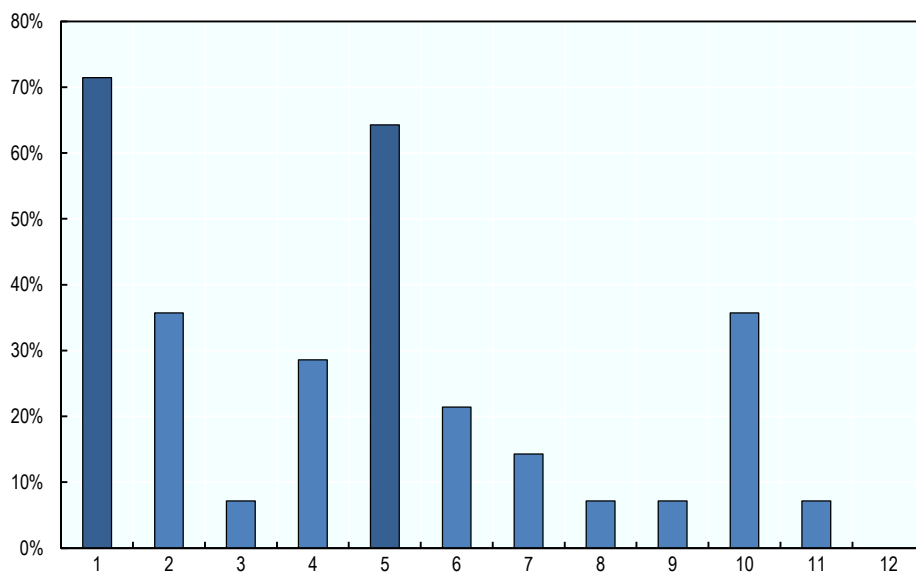
Note: For the full description of the indicative actions corresponding to the numbers please see Box 4.2.
Source: authors' own elaboration.

As result of the analysis, the graph shows a high number of project applications which can be linked to more than one indicative action listed in the Programme Manual. The majority of the actions proposed insist on establishment of transnational innovation networks and development of platforms for knowledge sharing.

Box 4.3. Priority Axis 2.1 - 11 indicative actions

1. Creation of transnational networks and working groups for the definition of the principles of ADRION's sustainable cultural/natural and tourism valorisation, as well as the development of an ADRION brand name.
2. Support to the exchange of best practices for the identification of challenges and trends in the tourism sector including marketing, management of increased tourism flows, joint analysis of tourism, trends and their potential impact, joint access to new tourism markets, business opportunities and dissemination of new technologies and know-how.
3. Development of actions for raising competencies/skills of the stakeholders in cultural heritage preservation on sustainable tourism and tourism management, particularly focusing on the involvement of actors from small tourism locations and facilities.
4. Formulation of implementation strategies, set up and testing of clusters and models to better preserve, capitalise on and innovate cultural and natural heritage and either combine them with tourism or maintain them for their intrinsic value by enterprises, research institutions, NGOs and the local population using exchange of experiences, mutual learning and pilot activities.
5. Building up of transnational networks and working groups and development of tools and pilots to monitor, evaluate and mitigate the environmental and social pressures and impacts and the risks for and by tourism.
6. Set up, test and implementation of negotiation, mediation, participation and conflict resolution models in the context of tourism, cultural preservation, local needs and economic growth in the context of cultural and natural heritage, especially for land uses in coastal zones.
7. Organisation of knowledge transfer, exchange of good practice examples, networking and development of innovations also concerning the immaterial cultural heritage and related to the creative industries.
8. Development of distinct and diversified tourism products such as transnational thematic tourism clusters and routes (e.g. monasteries routes, ancient heritage, wine routes, Adriatic-Ionian area routes etc.); seasonal variations of tourism offer (e.g. low season, spring and autumn tourism for older people also in the context of climate change); offers for special interest groups (e.g. sailing, diving, mountaineering, history enthusiasts, attracting visitors to inland destinations etc.); use of IT applications to generate interest on the heritage of the region; promotion of transnational nautical routes and of innovative strategies for marinas in terms of services and of their connections to the hinterland.
9. Development of an integrated and co-ordinated approach to heritage and cultural tourism.
10. Development of sustainable tourism models focusing on low carbon, on air quality improvement and decreasing PM and NO2 emissions, low ecological footprint, "slow food", involvement of young people and volunteers, and other alternative natural and cultural heritage offers in line with the ADRION brand.
11. Small scale investments and demonstration projects for the provision of innovative services and products in the tourism sector, for specific forms of tourism, e.g. cultural tourism, thematic tourism, services for older people, etc.

Source: Interreg ADRION (2016), www.adrioninterreg.eu/wp-content/uploads/2017/06/Programme-Manual-Version-2.0-2016_03_11.pdf.

The description of indicative actions under Priority Axis 2.1 is uneven, with some actions describing the typology of activities in general terms and others identifying co-operation sectors more precisely.

Figure 4.7 gives an overview of the assessment of the alignment of the actions described in the 7 application forms versus the indicative actions inserted in the Programme Manual for Priority Axis 2.1.

Figure 4.7. ADRION Priority Axis 2.1 Indicative actions recurrence
(% on total selected AFs)
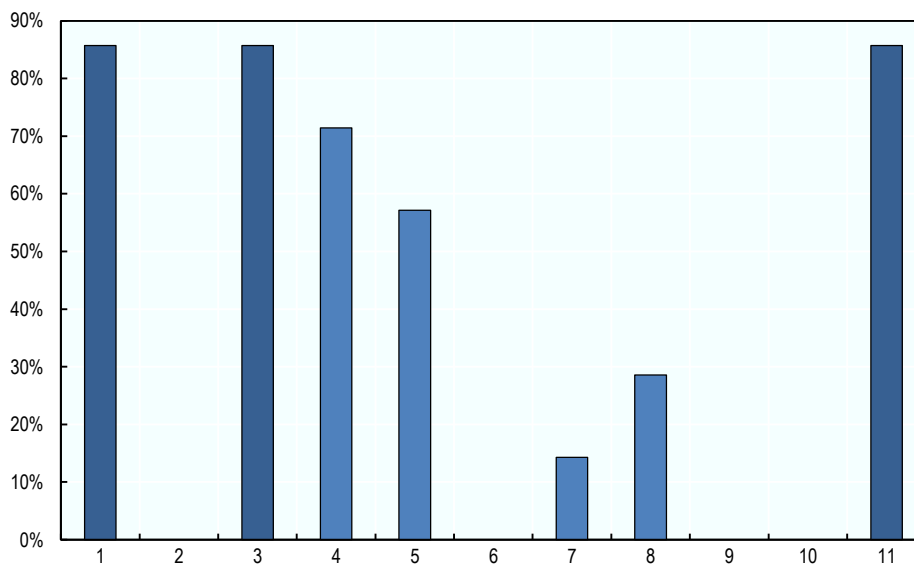
Note: For the full description of the indicative actions corresponding to the numbers please see Box 4.3.
Source: authors' own elaboration.

The graph shows a high number of actions which can be linked to the indicative actions related to the creation and building up of transnational networks and development of actions for raising competencies/skills in cultural heritage preservation on sustainable tourism and tourism management.

Box 4.4. Priority Axis 2.2 - 12 indicative actions

1. Enhancement and complement of transnational frameworks and platforms for the interoperability of existing databases, promotion of data availability, observatory functions and the integration of management approaches (hazard and risk assessment, planning methodologies, management plans, sustainability and adaptation assessments etc.) especially in co-ordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, flood management, risk management etc.

2. Development of implementation strategies, models and testing of pilot activities and transnational, regional and intercommunity co-operation of risk management (risk assessment, risk communication, risk managing measures and hazard prevention) and climate change adaptation in terrestrial and aquatic environments.

3. Implementation of research and evaluation activities through the development of a common monitoring and assessment reference framework and the deployment of advanced tools for mapping, diagnosing, protecting and managing terrestrial and maritime landscapes and habitats including awareness-raising and environmental education.

4. Enhancement and complement of transnational networks and working groups for increasing capacity and co-ordination in the fields of biodiversity protection, e.g. in connection to the NATURA 2000 and EMERALD networks, joint management actions for large carnivores, harmonisation and enforcement of national laws with EU legislation and similar actions.

5. Enhancement and complement of transnational networks and working groups for increasing marine knowledge in order to ensure a sound basis for the implementation of the Marine Framework Strategy Directive, including deep sea resources monitoring, and surveillance, management and mapping of threats to coastal and marine biodiversity.

6. Enhancement and complement of transnational networks and working groups for the development of transnational Special Spatial Plans (e.g. on RES, tourism, agriculture and forestry), Maritime Spatial Planning, Multi-annual Fishery Management Plans and Integrated Coastal Zone Management Plans and Procedures.

7. Enhancement and complement of transnational networks and working groups for the development of transnational terrestrial and maritime protected areas and habitats and integration thereof in the tourism product of the ADRION area.

8. Development and integration of existing transnational systems, procedures and early warning systems for identifying, managing and preventing localised and diffusing pollution from various sources (oil spills from maritime transport and marine litter in general, coastal industries and discharges, accidents, nitrates from agriculture, organic load from aquaculture, noise, light and wastewater pollution from tourism hotspots, landfills, soil contamination etc.).

9. Development and integration of existing transnational systems, procedures and early warning systems for forecasting, managing and preventing natural and manmade hazards (forest fires, sea and river floods, industrial accidents, droughts, storms, algal blooms, earthquakes erosion and etc.) especially in co-

ordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, flood management, risk management etc.

10. Enhancement and complement of transnational frameworks and platforms for the harmonisation and enforcement of national laws and EU legislation (e.g. implementation of the EU Flood Directive (2007/60), regional strategies and international obligations (e.g. the Barcelona Convention), with special attention to coastal urban areas and transboundary issues, the joint contingency planning and co-ordinated emergency response and interoperability of civil protection mechanisms and organisations.

11. Enhancement and complement of transnational frameworks and platforms for the exchange of best practices, especially in co-ordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, flood management, risk management etc., the experimentation and piloting of new innovative and integrated approaches (e.g. integrated and sustainable management of protected areas with cultural heritage as a powerful asset for inclusive economic development) approaches and the evaluation of existing and perspective methods and procedures in order to develop an ADRION environmental protection knowledge base and promotion of the topics in the society and especially among youth.

12. Improvement of the interoperability of existing databases.

None of the proposals and initiatives in the area of cross-border civil protection and disaster management should overlap with the existing European structures, such as the Union Civil Protection Mechanism which is the European framework for co-operation and co-ordination in the field of disaster prevention, preparedness and response. Activities under this programme should complement and support countries' participation in the Union Civil Protection Mechanism and similar capacity building activities provided to the region through the mechanism and the Instrument for Pre-Accession Assistance (e.g. regional IPA programmes on civil protection co-operation, flood management and risk assessment and mapping).

Source: Interreg ADRION (2016), www.adrioninterreg.eu/wp-content/uploads/2017/06/Programme-Manual-Version-2.0-2016_03_11.pdf.

The formulation of indicative actions under Priority Axis 2.2 is more concrete in comparison with other priority axes and oriented to identify specific sectors of co-operation (e.g. pollution, bio-diversity protection, natural hazard, civil protection).

Figure 4.8 gives an overview of the assessment of the alignment of the actions described in the four application forms versus the indicative actions inserted in the Programme Manual for Priority Axis 2.2.

Figure 4.8. ADRION Priority Axis 2.2 Indicative actions recurrence
(% on total selected AFs)
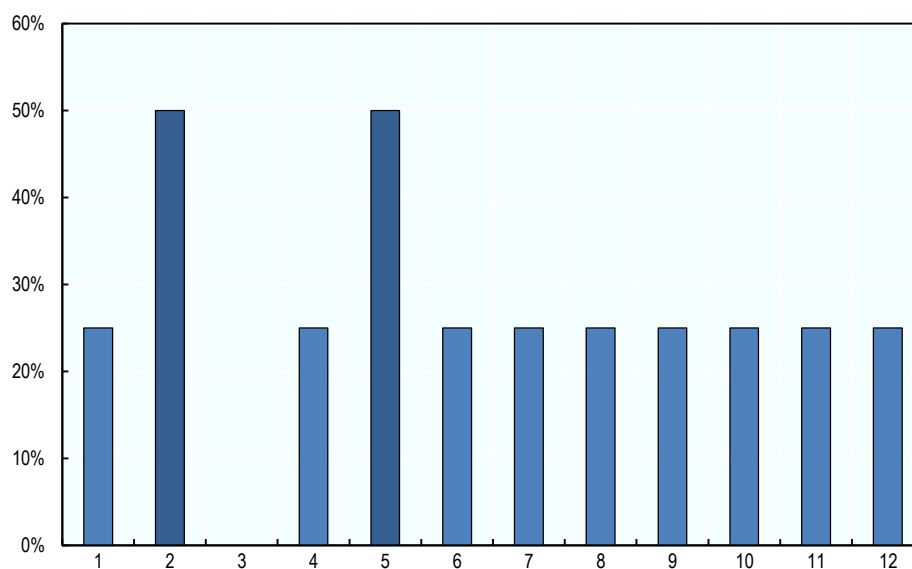
Note: For the full description of the indicative actions corresponding to the numbers please see Box 4.4.
Source: authors' own elaboration.

The graph shows that it is possible to mainly interlock the four application forms selected with a specific indicative action of the Programme Manual.

Box 4.5. Priority Axis 3 - 7 indicative actions

1. Set up of transnational frameworks, platforms and networks for the identification of existing potential opportunities and obstacles in the fields of integrated transport, mobility services and multimodality (mapping of resources, studies, pilots and strategies, market demand e.g. for freight routes, prerequisites and "soft" factors for implementation and the monitoring of the outcomes of integrated transport and mobility services and multimodality nodes).

2. Development of joint approaches and instruments in the field of maritime transport, such as a modern ship reporting system in the Adriatic Sea (Common Adriatic-Ionian Vessel Traffic Monitoring and Information System ADRIREP), motorways of the sea, and related port infrastructures and ITS (Intelligent Transport System).

3. Building up of networks and working groups for the standardisation of legal requirements, technical specifications and capacity building in the field of planning and environmental impact assessment of intermodal transport investments and related operation and logistics services along with related communication activities.

4. Establishment of networks and working groups on issues related to the design, co-ordination and operation of integrated environmentally friendly and low carbon transport and mobility services and multimodality structures, especially in metropolises, functional urban areas and in areas under land use pressure (e.g. coasts).

5. Support for the transfer and uptake of existing local/regional solutions and instruments, capitalisation on ongoing technological innovations for a more sustainable organisation of environmentally friendly and low carbon transport and mobility services and multimodality nodes, as well as the application of new technologies.

6. Study, design and testing of operational, technological and funding models for the preparation of infrastructure investments for environmentally friendly and low carbon transport and mobility services and multimodality.

7. Development of transnational platforms for the co-ordination of environmentally friendly and low carbon transport and mobility services and infrastructures taking into account the possibilities offered by modern technologies, the environmental and seasonal constraints and the synergies of the demands of tourism, the resident population and economic operators.

Source: Interreg ADRION (2016), www.adrioninterreg.eu/wp-content/uploads/2017/06/Programme-Manual-Version-2.0-2016_03_11.pdf.

The indicative actions formulated under Priority Axis 3 propose a mix of general and more specific actions.

Figure 4.9 gives an overview of the assessment of the alignment of the actions described in the 10 application forms versus the indicative actions inserted in the Programme Manual for Priority Axis 3.

**Figure 4.9. ADRION Priority Axis 3 Indicative actions recurrence
(% on total selected AFs)**
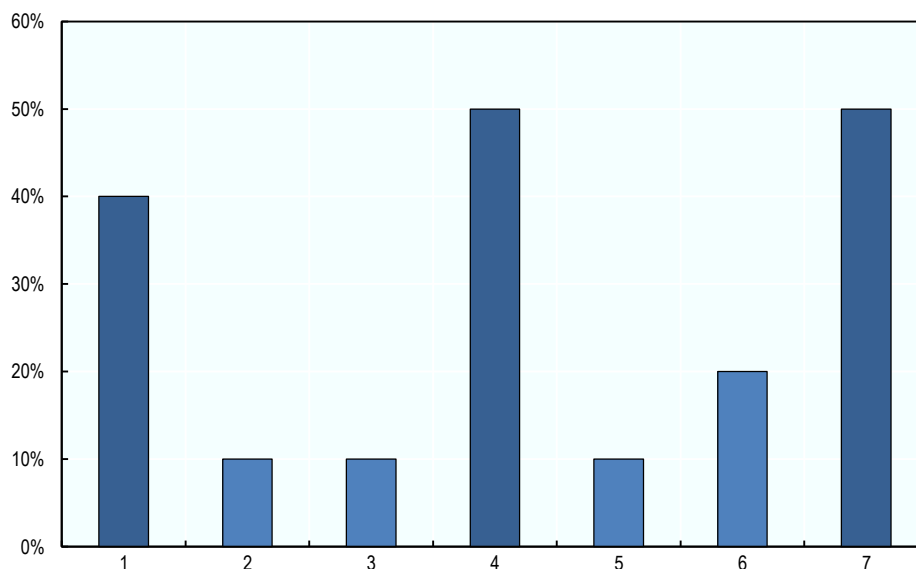
Note: For the full description of the indicative actions corresponding to the numbers please see Box 4.5.
Source: authors' own elaboration.

The graph shows the possibility to connect the project proposals selected to the following two indicative actions:

- establishment of networks and working groups on issues related to the design, co-ordination and operation of integrated environmentally friendly and low carbon transport and mobility services and multimodality structures especially in metropolises and functional urban areas

- development of transnational platforms for the co-ordination of environmentally friendly and low carbon transport and mobility services and infrastructures taking into account the possibilities offered by modern technologies, the environmental and seasonal constraints and the synergies of the demand by tourism, resident population and economic operators.

Main findings

- Heterogenic description of indicative actions.
- Under Priority Axis 1, a high number of projects propose as indicative actions the establishment/creation/development of transnational networks (in several cases selected projects propose to establish more than one network). This may lead to fragmentation and overlapping of networking initiatives, often focusing on the same or similar sectors.

4.2.2. Analysis of correspondence between the 35 selected projects and ADRION's output indicators

Output indicators have been defined within the ADRION Programme Manual for each priority axis with a specific target value to be achieved by 2023. The application form

required the applicants to indicate the specific indicators and the targets (number) expected to be reached by the conclusion of each project.

The below graphs give an overview of the results of the assessment by priority axis on the basis of the output indicators as envisaged in the project applications. The data have then been compared to the target values of the output indicators as defined in the Programme Manual.

It should be noted that in both Figures 4.10 and 4.11, given the large numbers concerned, the outputs as they stem from the project applications were indexed by referring them to the targets of the Programme Manual. Therefore, considering 100% the final target as per the Programme Manual (grey columns), the blue columns on the left show the actual output as corresponding percentage.

Figure 4.10. ADRION Priority Axis 1 Output indicators (%)
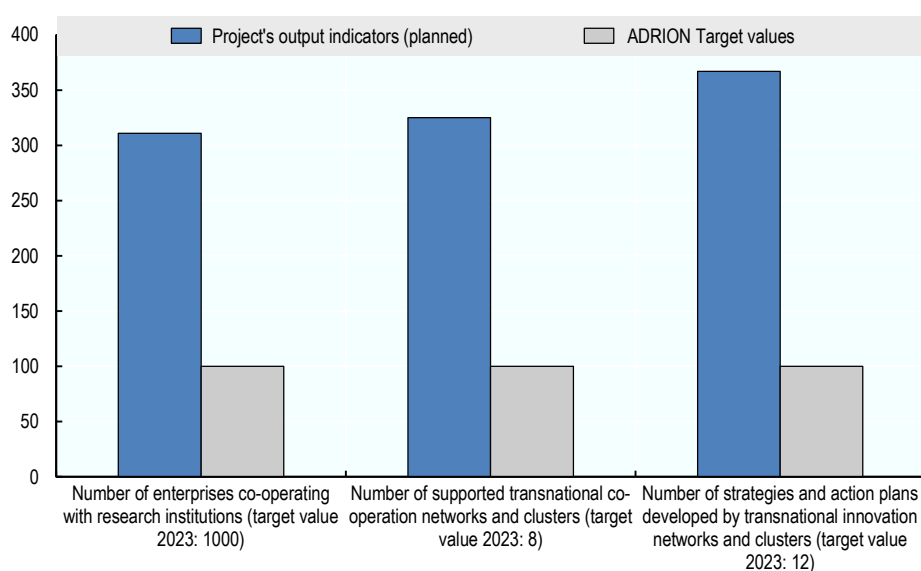
Source: authors' own elaboration.

Figure 4.11. ADRION Priority Axis 2.1 Output indicators (%)
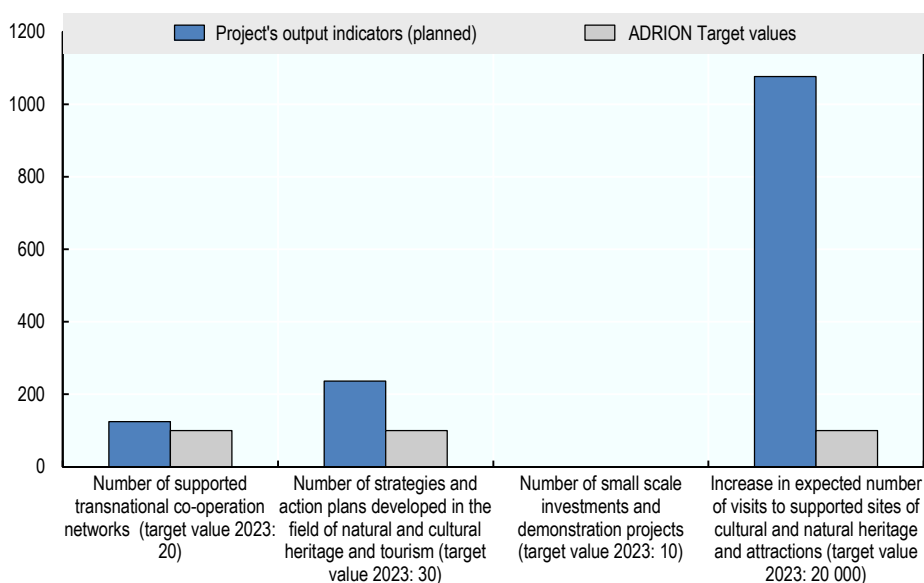
Note: Regarding the output indicator "Number of small scale investments and demonstration projects" with a target value inserted in the Programme Manual for 2023 equal to 10, the project's output indicators (planned) have not been represented considering the fact that the final figure is 6676. It should be highlighted that the project SMART Heritage presented a project output indicator planned of 6600.
Source: authors' own elaboration.

Figure 4.12. ADRION Priority Axis 2.2 Output indicators (%)
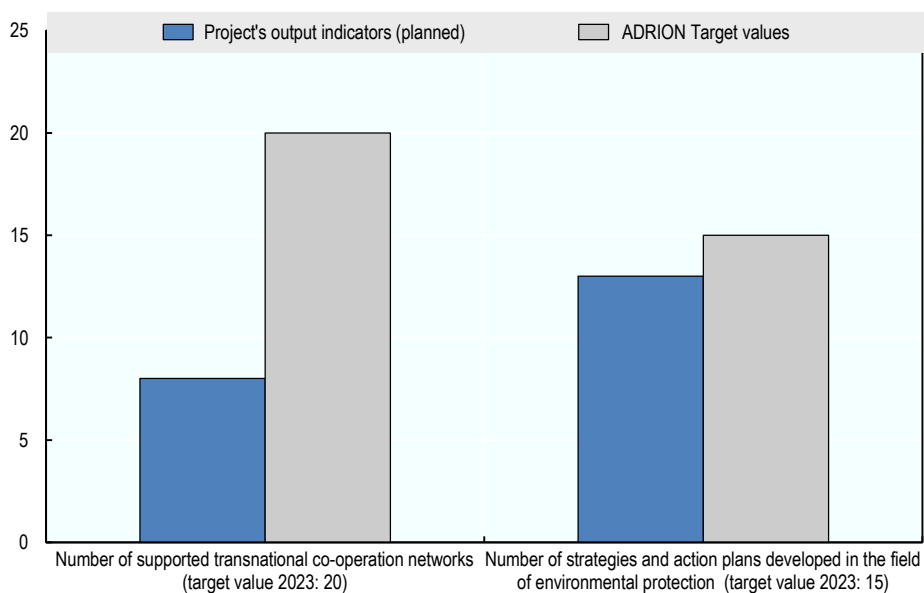
Source: authors' own elaboration.

Figure 4.13. ADRION Priority Axis 3 Output indicators (%)
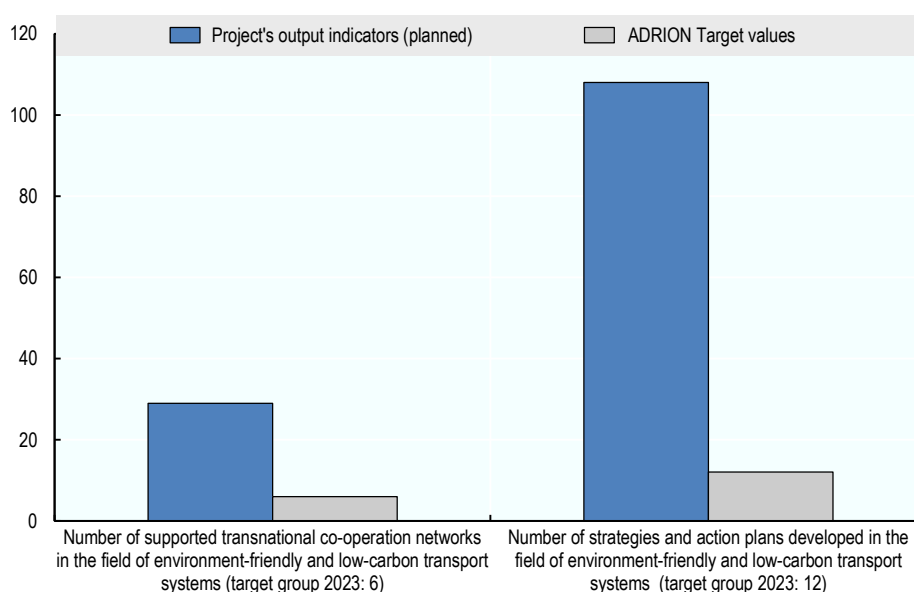
Source: authors' own elaboration.

Main findings

The analysis shows that for all axes except Axis 2.2, selected projects' planned outputs widely exceed ADRION's output targets.

Under all axes a limited number of sector-specific strategies and action plans were envisaged (69 in total) whereas the selected projects have proposed 213 strategies and action plans.

Moreover, all axes considered a smaller number of supported transnational co-operation networks (54 in total) than the selected projects. The latter proposed the establishment of 88 transnational co-operation networks. It is also to be noted that the target value for that output under Priority Axis 2.2 (20) is the highest among the priority axes, while the number of proposed co-operation networks under this priority axis is the lowest, compared to those proposed under the other priority axes.

However, this fact raises doubts on the interpretation of outputs and their real values.

4.2.3. Analysis of correspondence between the 35 selected projects and ADRION's target groups

Target Groups have been indicated in the Programme Manual under each specific priority axis. It should be highlighted that the lists formulated in the manual do not perfectly correspond to the lists inserted in the application form.

Figures 4.14-4.17 show the resulting overview of the assessment by priority axis:

Figure 4.14. ADRION Priority Axis 1 Target Groups
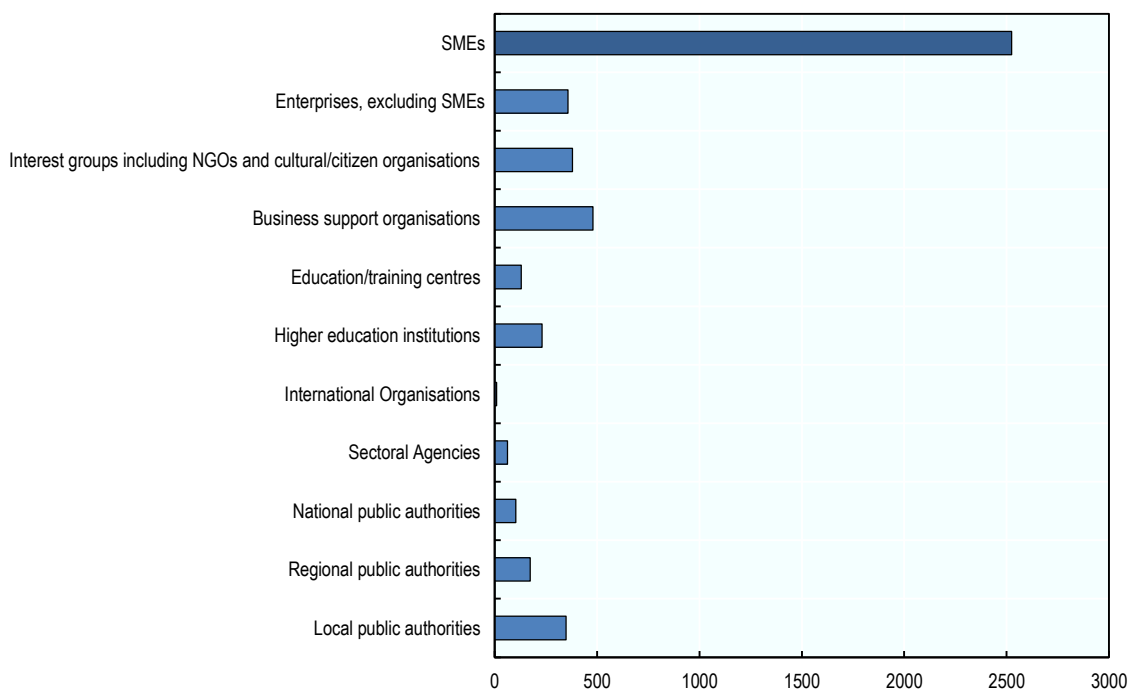
Source: authors' own elaboration.

Figure 4.15. ADRION Priority Axis 2.1 Target Groups
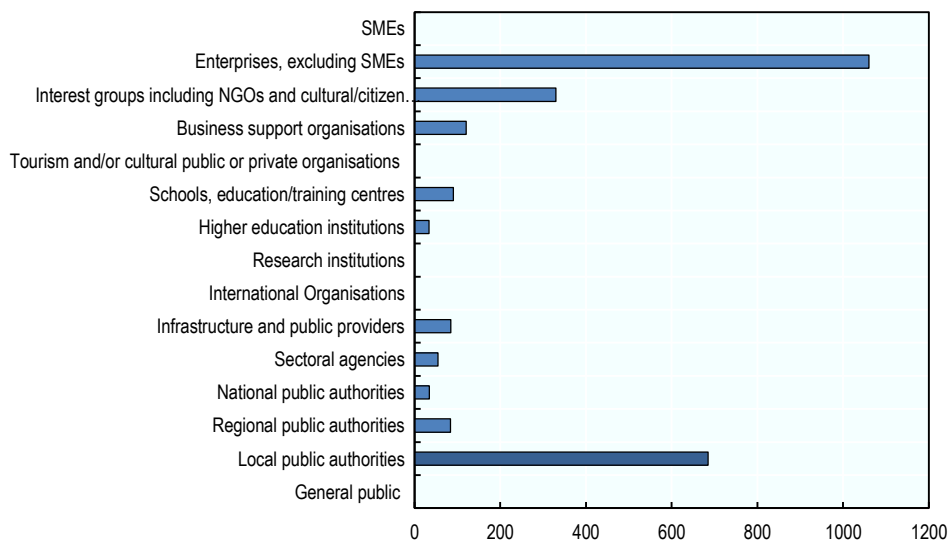
Note: General public and SMEs not included in the graph for readability reasons (out of scale): Values respectively 569 050 and 6 470.
Source: authors' own elaboration.

Figure 4.16. ADRION Priority Axis 2.2 Target Groups
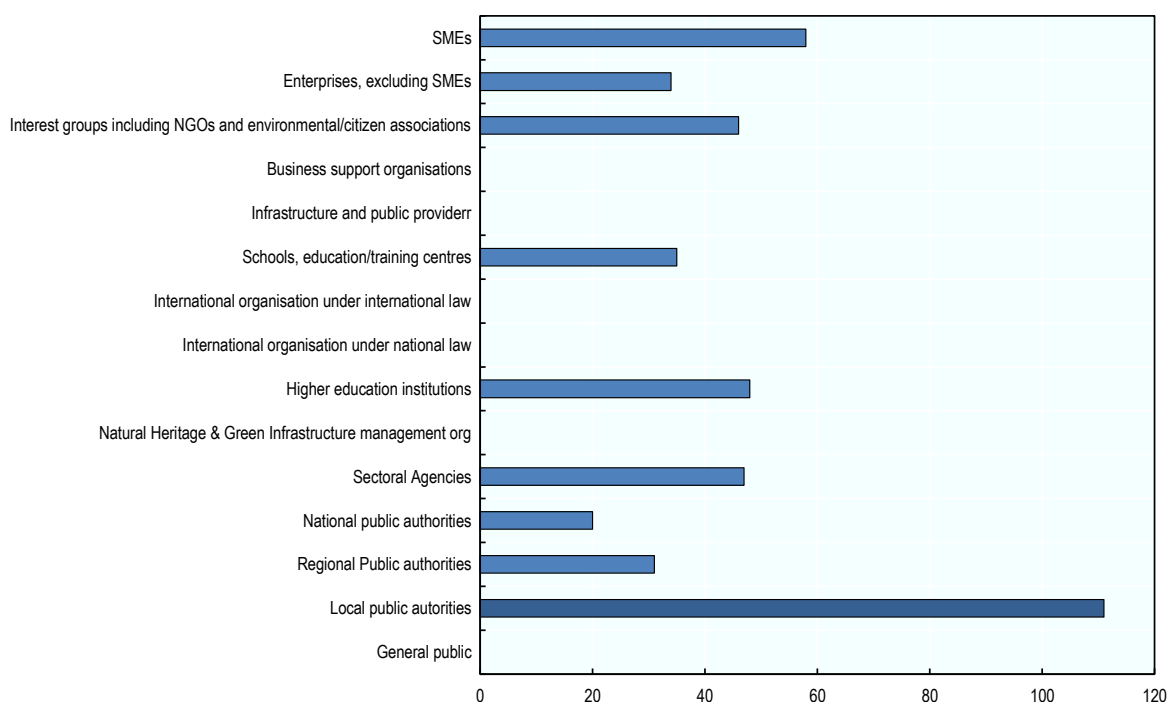
Note: General public not included in the graph for readability reasons (out of scale): Value 9 500.
Source: authors' own elaboration.

Figure 4.17. ADRION Priority Axis 3 Target Groups
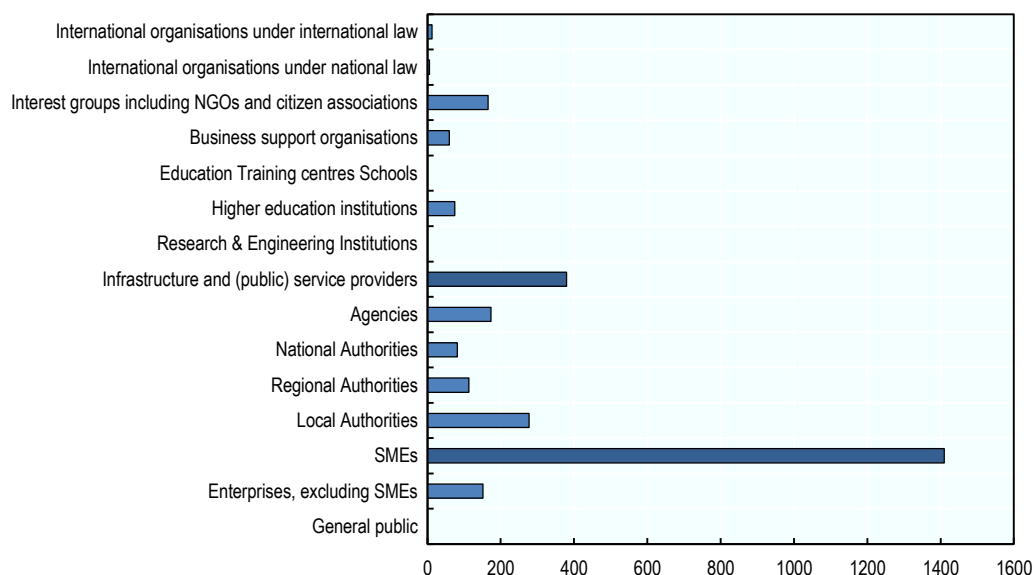
Note: General public not included in the graph for readability reasons (out of scale): Value 13 250 000.
Source: authors' own elaboration.

Main findings

Selected projects seem promising in terms of involvement of a high number and wide range of regional stakeholders; this fact represents a clear value for the programme as a whole.

The graphs clearly show the high number of local and regional authorities involved. It should be highlighted that in the Western Balkans the public authorities of partner countries have limited capacities, especially at regional and local levels. The consequence of possible participation of the same body in several projects may hinder their capacity to play an active role in implementation and therefore to fully benefit from projects' results.

On the contrary, the number of national authorities directly involved in the projects is very low. If we consider that public administration in the Western Balkans presents a high level of centralisation, exclusion of national authorities may have a substantial impact on the sustainability of project results.

4.2.4. Analysis of correspondence between the 35 selected projects and ADRION's expected results

The gap analysis of ADRION's expected results versus ADRION's selected project proposals has been undertaken as an additional activity not initially considered by the project (main considered sources: "expected results" described in the "ADRION Co-operation Programme Manual" versus "main results" as in the application form of the ADRION first call).

Box 4.6. ADRION expected results

Priority Axis 1 Specific Objective 1.1 "Support the development of a regional Innovation system for the Adriatic-Ionian area".

Expected results

Common understanding among ADRION partner states on the potential fields of transnational innovation actions and fostering diffusion and uptake of innovation.

1. Enhancement of the competencies/skills of the stakeholders and involved parties
2. Improvement of the framework conditions (awareness and foresight, legal, economic aspects, innovation governance, organisational issues, policy solutions, technology impact assessments)
3. Mobilisation of stakeholders in the fields of research, innovation and utilisation in order to increase knowledge transfer between business, users, academia and administration actors (quadruple helix approach)
4. Identification of emerging market opportunities in relation to the programme area competitive advantages, the fields of the EUSAIR and the smart specialisation strategies of the regions in order to develop an ADRION "critical mass".

Priority Axis 2 Specific Objective 2.1 "Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the ADRION area".

Expected results

Common understanding among ADRION partner states on the potential fields of transnational co-operation in tourism and consensus-building on the content of sustainable valorisation and tourism under an ADRION brand.

1. Enhancement of the competencies/skills of relevant stakeholders in the fields of sustainable valorisation and tourism
2. Enhancement of the "body of knowledge" through transnational research, pilots, tools and experimentation
3. Development of a well-defined transnational identity and raising awareness on common heritage in the Adriatic-Ionian area as an orientation framework for individual actions
4. Improved involvement of tourism stakeholders, visitors and society for the development of jointly agreed utilisation approaches
5. Preserved natural and cultural heritage, valorised within the programme area brand name
6. Diversification of tourism products along topic, season, target group and environmental and social impact.

Priority Axis 2 Specific Objective 2.2 "Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the ADRION area".

Expected results

Common understanding among ADRION partner states of the "status quo", the international and EU framework and the remaining needs of transnational co-operation

in the fields of environmental protection, biodiversity management, ecosystem services and climate change adaptation.

1. Enhancement of the competencies/skills of the stakeholders and involved parties
2. Increased availability of data and information for delivering evidence-based responses through interoperability and systematic monitoring
3. Increased transnational co-operation, exchange and communication among authorities and civil society organisations
4. Harmonised infrastructures, management structures and hazard/risk response mechanisms
5. Increased number of "state of the art" management and planning tools.

Priority Axis 3 Specific Objective 3.1 "Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area".

Expected results

Common understanding among ADRION partner states of the "status quo" and the potential in the ADRION area for multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services.

1. Enhancement of the competencies/skills of the stakeholders and involved parties
2. Increase in the implementation options for multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services
3. Enhanced involvement of tourism actors, residents and economic operators for investment in multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services
4. Harmonised and/or joint infrastructures, tools and management structures
5. Enhancement of the maturity and co-ordination of investments in multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services.

Source: List excerpted from Interreg Adrion (2016) considering each specific priority axis assigned to each specific objective (pp. 62-73), Interreg ADRION (2016), www.adrioninterreg.eu/wp-content/uploads/2017/06/Programme-Manual-Version-2.0-2016_03_11.pdf.

The **assessment grid** prepared for the evaluation of the project proposals submitted under the first call, did not envisage a specific criterion to assess the proposals received against the "expected results" as outlined in the Programme Manual.

In the grid, despite a reference to expected results being included in the title of paragraph 3.3 "Project's contribution to programme's objectives, **expected results** and outputs", the specific sub-paragraphs are not "clearly linked" to the expected results as indicated in the Programme Manual which rather focuses on consistency with programme priorities and programme result indicators.

Box 4.7. Selected criteria as per ADRION first call assessment grid

3.3.a refers to the priority and its indicators:

Do the project results and main outputs (at least two) clearly link to the programme priority and its indicators?

- The project overall objective clearly links to a programme specific objective
- The project results clearly link to a programme result indicator
- The project specific objective clearly links to the project overall objective
- The project main outputs clearly link to the project specific objectives
- The project main outputs clearly link to the programme output indicators.

3.3.b refers to target groups:

Are results and main outputs in accordance with the selected target groups' needs which will use/benefit from them?

3.3.c refers to outputs:

Are results and main outputs specific and realistic?

Does the project proposal intend to contribute to the realisation of at least two outputs as described in the co-operation programme?

Source: Extract from the ADRION first call assessment grid (2016).

Furthermore, in the application form under paragraph C.2.1 "Project objectives, expected result and main outputs", the field referring to results is: "Project main result". The field does not make any reference to the "expected results" listed in the Programme Manual.

Paragraph C.2.1 "Main result" was the main source for this analysis. It should be noted that the sub paragraph "Project specific objective" under the same paragraph C.2.1 has also been, in some cases, a valuable source of information.

Overall, the outcomes of the analysis show that the expected results listed in the ADRION Co-operation Programme Manual will be achieved through the selected project proposals.

Priority Axis 1 Specific Objective 1.1 "Support the development of a regional Innovation system for the Adriatic-Ionian area"

Figure 4.18. ADRION Priority Axis 1 Expected results
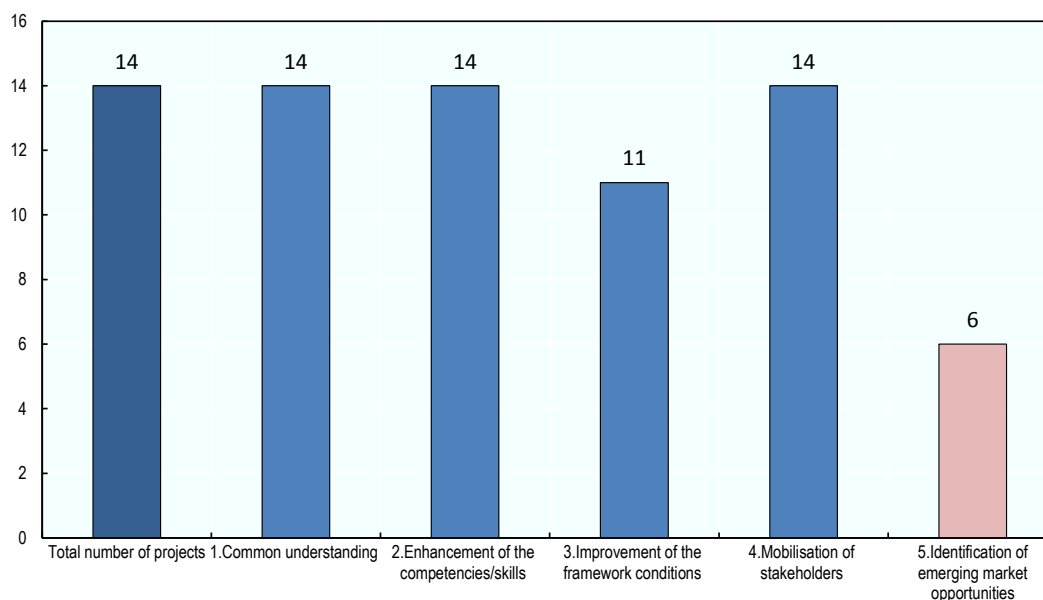
Source: authors' own elaboration.

Main findings

The outcome of the analysis shows that under Priority Axis 1 S.O. 1.1 the majority of the selected projects tackle the five expected results. Expected result 5, "Identification of emerging market opportunities in relation to the programme area competitive advantages, the fields of the EUSAIR and the smart specialisation strategies of the regions in order to develop an ADRION critical mass" is the least covered by selected projects.

It should be remembered that the application form did not require indicating a specific correspondence of the main result with the ones listed in the ADRION Manual. As an example, the assessment grid of INNOXENIA (ID 207) project application clearly states at paragraph 3.3 "The proposal does not clearly identify project results and links to the programme result indicator".

A second consideration is related to the fact that in some applications an expected result is identified but not the correlated indicative action. For example, in the ARIEL (ID 278) project the indicative action referring to "Development of transnational 'quadruple helix' clusters" is not clearly indicated despite the project's main results (and partnerships involved) recalling "mobilisation of stakeholders (quadruple helix)".

Priority Axis 2 Specific Objective 2.1 "Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the ADRION area"

Figure 4.19. ADRION Priority Axis 2.1 Expected results
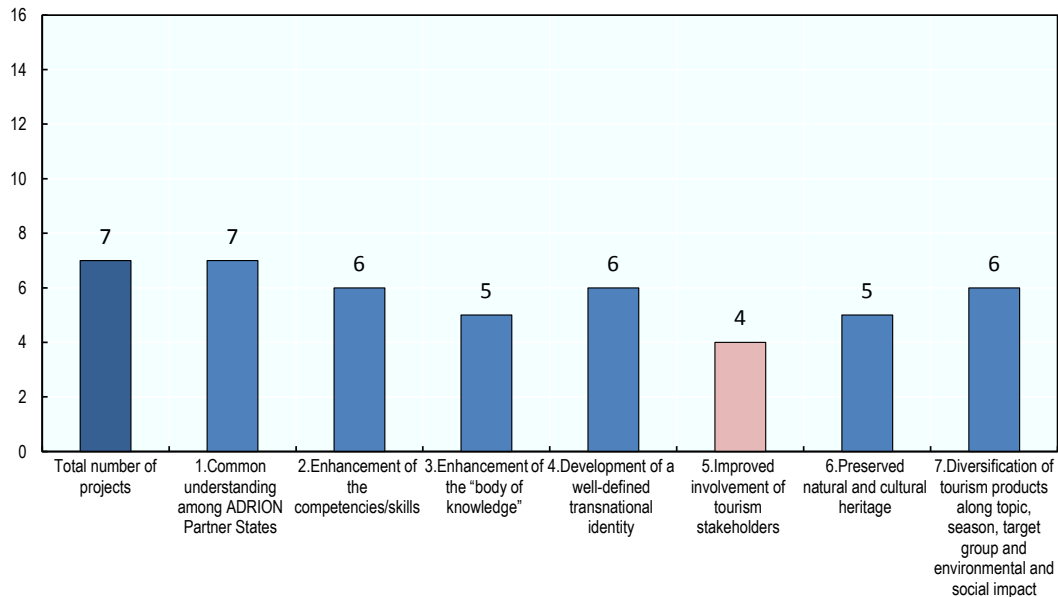
Source: own authors' elaboration.

Main findings

The outcome of the analysis shows that under Priority Axis 2 S.O. 2.1 the majority of selected projects tackle the seven expected results. Expected result 5 "*Improved involvement of tourism stakeholders, visitors and society for the development of jointly agreed utilisation approaches*" is the least covered by selected projects.

Priority Axis 2 Specific Objective 2.2 "Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the ADRION area"

Figure 4.20. ADRION Priority Axis 2.2 Expected results
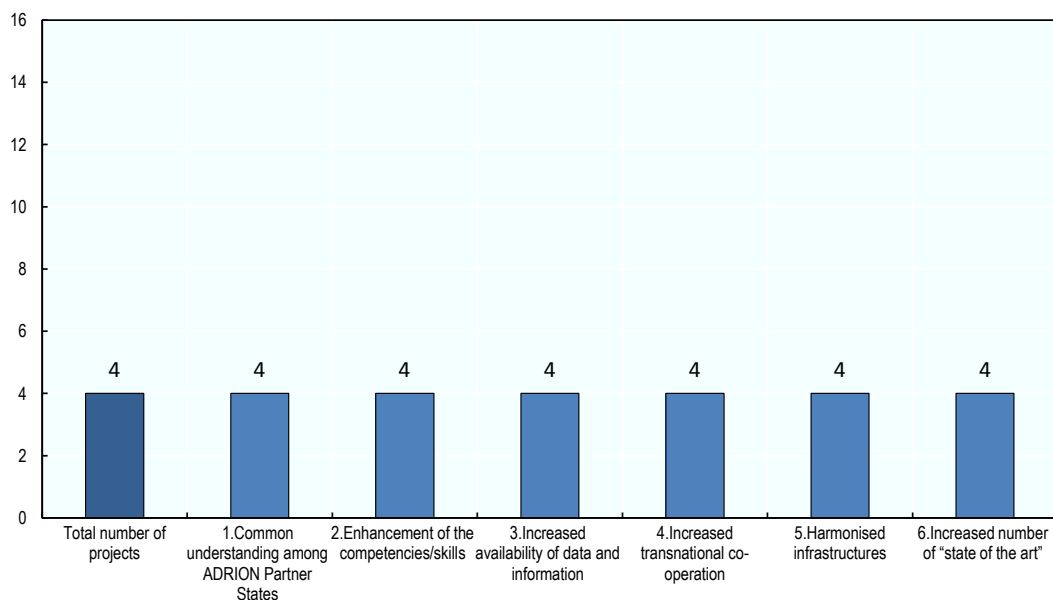
Source: authors' own elaboration.

Main findings

Overall, the outcomes of the analysis show that the expected results listed in the Co-operation Programme Manual will be achieved through the selected project proposals.

Priority Axis 3 Specific Objective 3.1 "Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area"

Figure 4.21. ADRION Priority Axis 3 Expected results
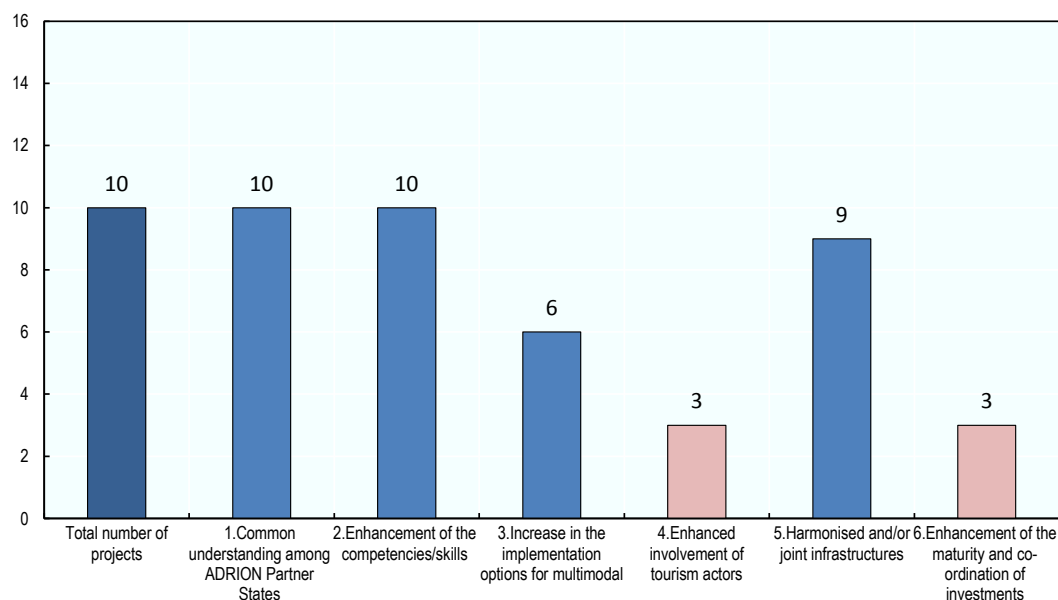
Source: authors' own elaboration.

Main findings

The main results, as they are described in the project application, do not really comply with the formulation of the expected results stated in the Programme Manual.

Overall, expected results are identified in a generic way and none of the projects match entirely with the expected results indicated in the Programme Manual.

Very few projects correspond to the expected results linked to investments. Furthermore, the two expected results linked to investments could have been merged, notably Result 4. "*Enhanced involvement of tourism actors, residents and economic operators for investment in multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services*" and Result 6. "*Enhancement of the maturity and co-ordination of investments in multimodal, environmentally friendly and low carbon transport and mobility infrastructures and services*".

Finally, it should be highlighted that the analysis of **correspondence between the 35 selected projects and ADRION expected results** represents substantial **practical limits** in consideration of the fact that the application form did not require indicating a specific correspondence of the "main result" with the ones listed in the ADRION Manual.

4.2.5. Analysis of correspondence between the 35 selected projects and ADRION's project partnerships

In order to analyse the partnerships constituting the consortia in the 35 selected projects, the category considered was "**type of partner**" as described in the

application form. The partner categories for the majority of cases are taken from the selected application forms, however in some cases, interpretation work was carried out by the OECD team in order to make the correct classification.

Main findings

- There are very few national partners involved in selected projects.
- In many cases, national bodies (entities: implementing and TA bodies) defined themselves as "national public authorities" (in charge of policies). They correspond, in reality, to the categorisation of "sectoral agencies" (in the mapping prepared the data have been corrected).
- In many applications, the meaning of "regional development agencies" and "sectoral agencies" is overlapping and the categorisation is unclear.
- The meaning of Chambers of Commerce and "business support organisations" is overlapping and the categorisation is unclear.
- Port authorities defined themselves variably in the applications as national, regional or local authorities; and in the mapping as both local authority and port authority as a type of partner. It should be taken into account that in some partner states the port authority is public and in other partner states it is a private entity.

Figure 4.22. ADRION first call overall overview (35 AF) - Number of partners by organisation
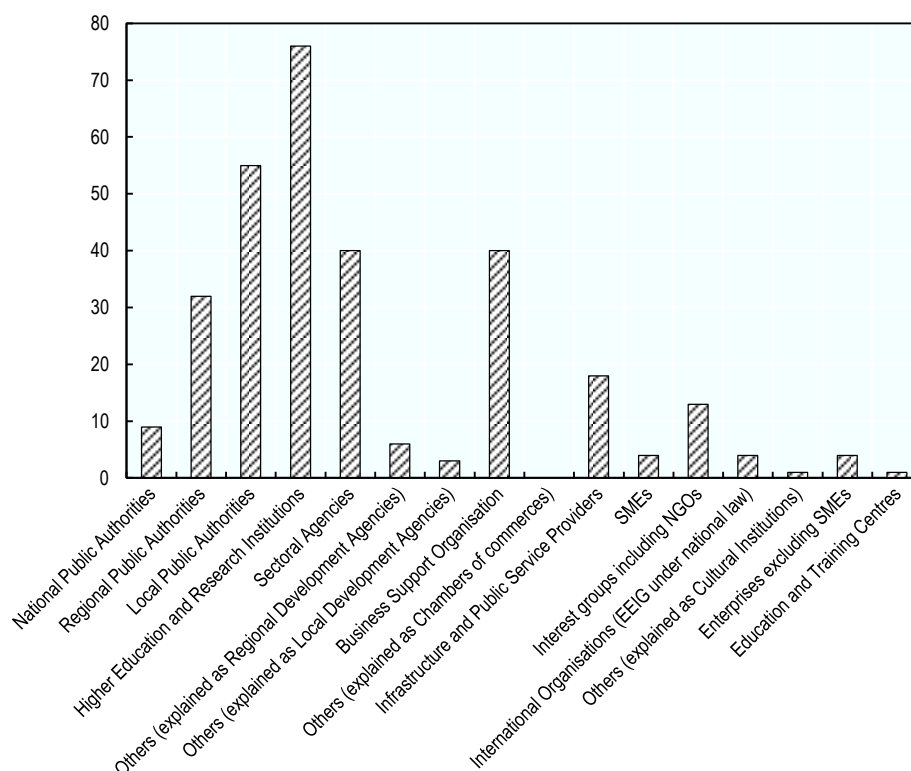
Source: authors' own elaboration.

Figure 4.23. ADRION Priority Axis 1 (14 AF) - Number of partners by organisation
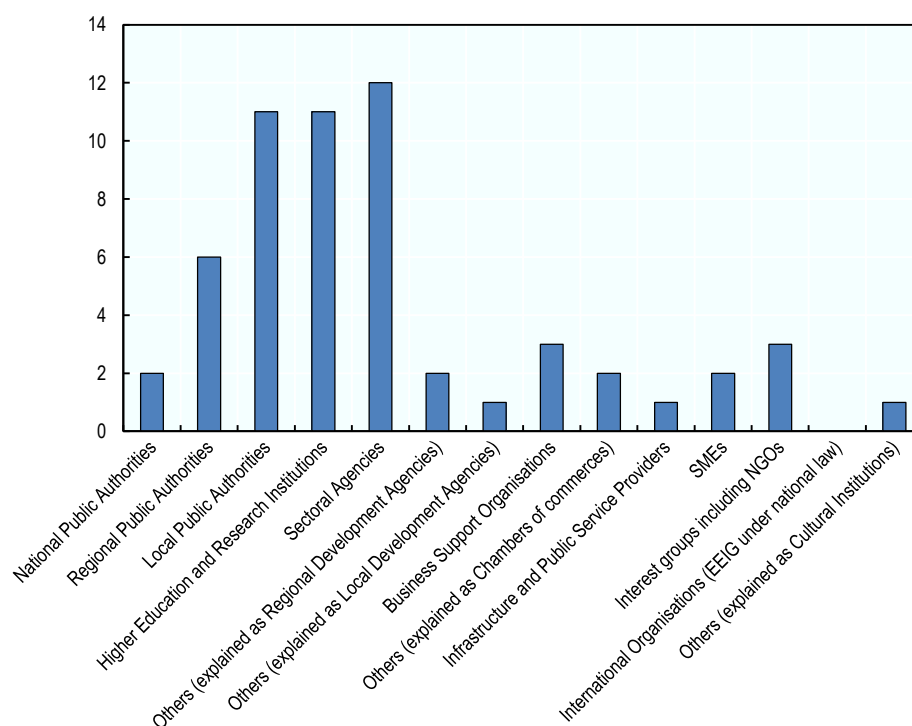
Source: authors' own elaboration.

Under Priority Axis 1, the analysis highlights that the majority of partners are higher education and research institutions followed by business support organisations.

Figure 4.24. ADRION Priority Axis 2.1 (7 AF) - Number of partners by organisation
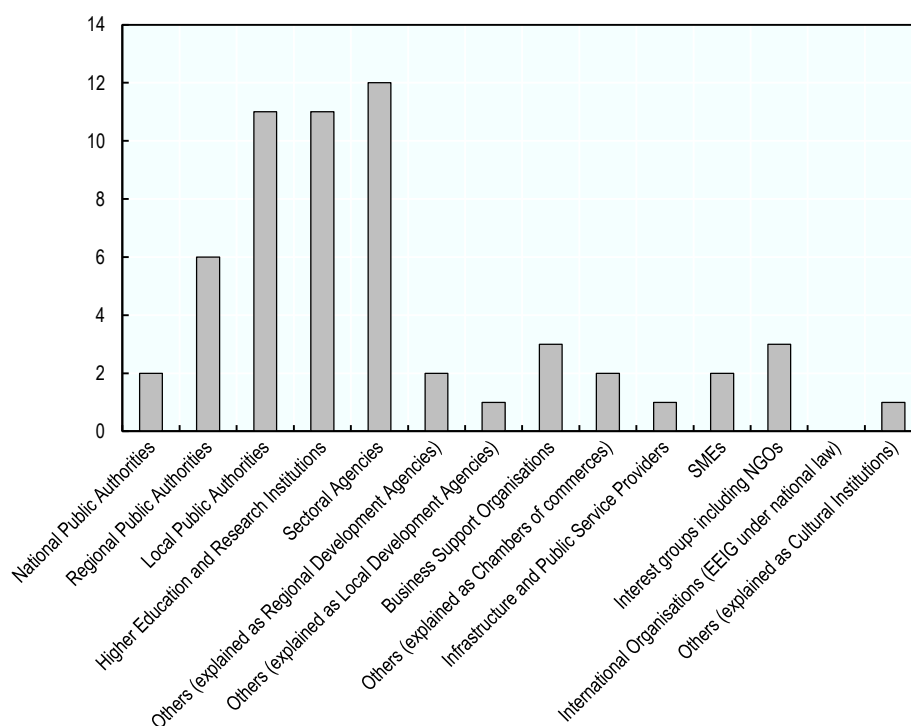
Source: authors' own elaboration.

In most cases under Priority Axis 2.1 the partnership is composed of sectoral agencies, higher education and research institutes and local public authorities.

Figure 4.25. ADRION Priority Axis 2.2 (4 AF) - Number of partners by organisation
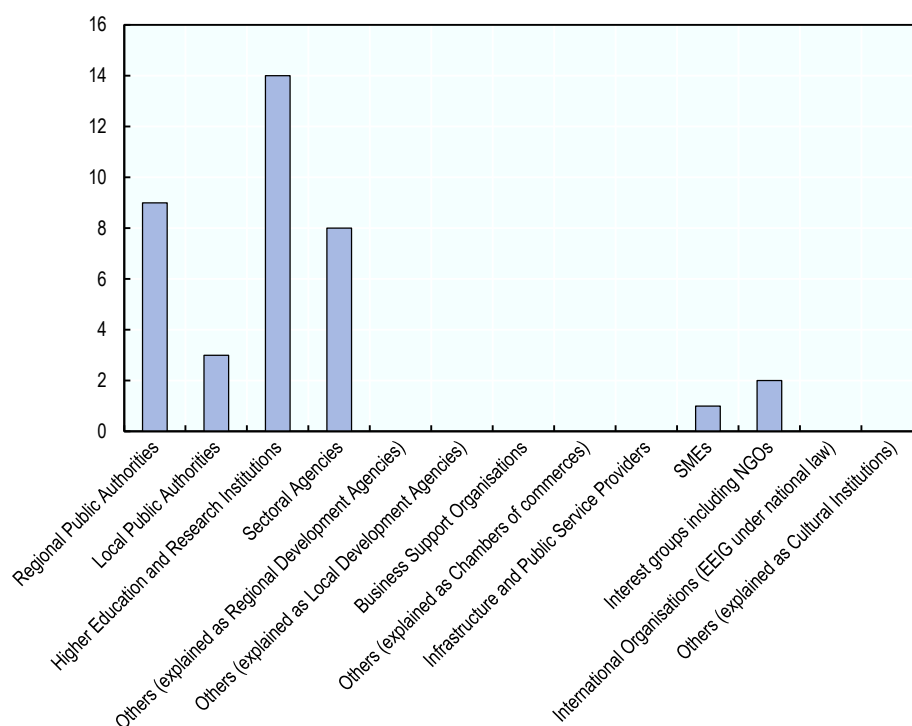
Source: authors' own elaboration.

Under Priority Axis 2.2, partnerships are concentrated within a small number of categories: higher education and research institutions, regional public authorities and sectoral agencies.

Figure 4.26. ADRION Axis 3 (10 AF) - Number of partners by organisation
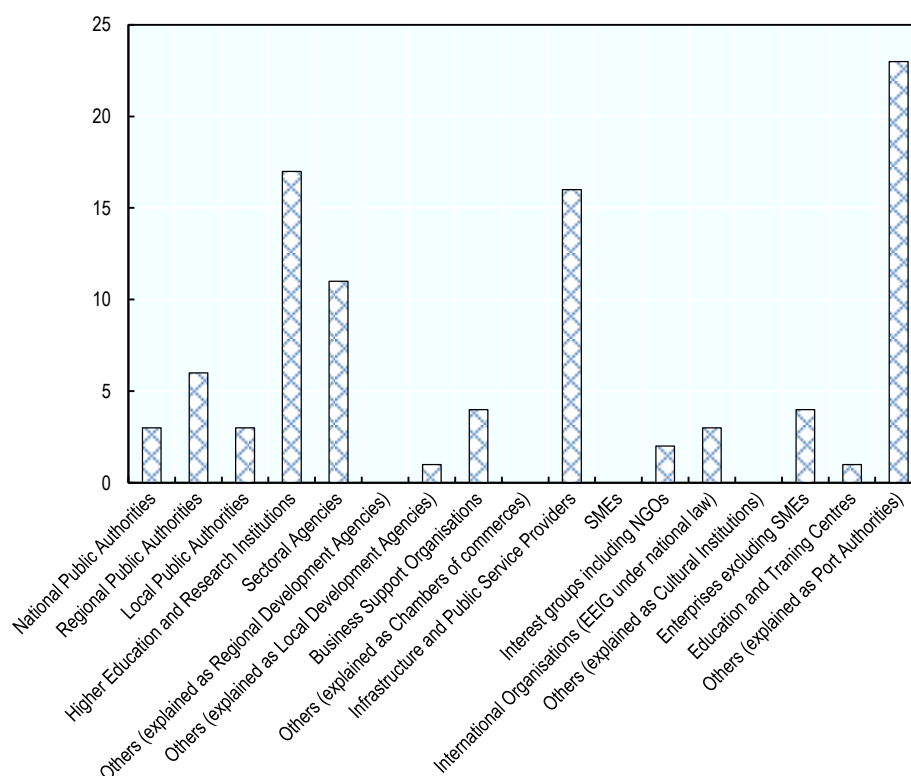
Under Priority Axis 3, partnerships are concentrated within a small number of categories: port authorities (public and private), infrastructure and public service providers, higher education and research institutions and sectoral agencies.

Main findings

In a number of cases, the same partners participate in several projects, and often the same applicants categorise themselves in different ways. For example, under Axis 3 there is a substantial repetition of the same partners in the projects: CERTH (4 times), ITL (4), Luka Bar Holding Company (5) and equally the Port Authorities of Bari, Durres, Igoumenitsa, Piraeus, Trieste. Likewise, under Axis 2 ADF Albanian Development Fund is a partner in a large number of selected projects. This may raise questions regarding their capacity to implement several projects in parallel.

5. Benchmarking and lessons from other macro-regions and Interreg programmes

At present, there are four macro-regional strategies in place: the European Union Strategy for the Baltic Sea Region (EUSBSR), the European Union Strategy for the Danube Region (EUSDSR), the European Union Strategy for the Adriatic-Ionian Region (EUSAIR) and the European Union Strategy for the Alpine region (EUSALP)[5]. In the 2014-2020 programming period, there are also four transnational co-operation programmes which cover, more or less, the same territories. These are, respectively: the Baltic Sea Region Programme, the Danube Transnational Programme, the ADRION Programme and the Alpine Space Programme. For the purpose of this project, we have focused on the ADRION Programme and the EUSAIR, drawing on the experience of the other transnational programmes and macro-regional strategies.

The benchmarking of macro-regional strategies looks at the experience of the more mature macro-regional strategies, the EUSBSR and the EUSDR, as well as at the Baltic Sea Programme and the Danube Region Programme and the steps taken to match the programmes' objectives with the strategies' objectives. The steps taken by the Alpine Space Programme are also taken into account for this task. It also focuses on the labelling process of different projects as well as on assuring the quality of projects.

5.1. Strategic alignment and co-ordination

All four macro-regional strategies have a connection to Interreg (also, other ETC) programmes that cover more or less the same geographical area. Still, with the exception of the Baltic Sea Strategy, the macro-regional strategies are rather new and have less of a track record in the implementation of projects and co-ordination governance than the already experienced Interreg programmes. This sometimes causes an operational imbalance between the overarching strategies and the experienced and project-based Interreg programmes. However, when it comes to strategic alignment, there is overall coherence between macro-regional strategies and related Interreg programmes.

Looking at the strategic perspective, the priorities of the Interreg programmes look somehow similar, but not the same as those of the strategies. The table below provides a short overview of the priorities of the programmes and the objectives/pillars of the four macro-regional strategies, including the EUSAIR.

As can be observed in the table, the strategic priorities of the different macro-regional strategies and Interreg programmes are largely consistent, even if there is no complete similarity. This is not surprising, taking into account that, even if both the

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[5] See Chapter 1 for further details.

transnational programme and the macro-regional strategy focus on and cover more or less the same territory, there is no official or formal alignment of the programme to the respective strategy in place.

Differences are natural and evident, as the macro-regional strategies are not only to be implemented by the ETC programmes, but also, and more widely, by regional and national programmes and policies.

Table 5.1. Strategic links of Interreg programmes with macro-regional objectives

Baltic Sea Region	Interreg Baltic Sea priorities (https://www.interreg-baltic.eu/home.html)	- Capacity for innovation - Management of natural resources - Sustainable transport - EU strategy support
	EUSBSR objectives (https://www.balticsea-region-strategy.eu/)	- Save the sea - Increase prosperity - Connect the region
Danube Region	Interreg Danube priorities (http://www.interreg-danube.eu/)	- Innovative and socially responsible Danube region - Environment and culture responsible Danube region - Better connected and energy responsible Danube region - Well-governed Danube region
	EUSDR pillars (http://www.danube-region.eu/)	- Connecting the Region - Protecting the environment - Strengthening the region - Capacity building
Adriatic-Ionian Region	Interreg ADRION priorities (http://www.adrioninterreg.eu/)	- Innovative and smart region - Sustainable region - Connected region - Supporting the governance of the EUSAIR
	EUSAIR pillars (http://www.adriatic-ionian.eu/)	- Blue Growth - Connecting the Region - Environmental Quality - Sustainable Tourism
Alpine Region	Interreg Alpine Space priorities (www.alpine-space.eu/)	- Innovative Alpine Space - Low-carbon Alpine Space - Liveable Alpine Space - Well-governed Alpine Space
	EUSALP objectives (https://www.alpine-region.eu/)	- Economic growth and innovation - Mobility and connectivity - Environment and energy - Governance, including institutional capacity

Source: Authors' own elaboration, based on information from Interreg and websites of macro-regional strategies.

In addition, it is crucial to take into account that joint bottom-up projects (as in Interreg programmes) are not the only way to co-operate among countries[6]. Nevertheless, efforts have been made to match the different priorities of the programmes with the macro-regional strategies' priorities/pillars, so as to achieve a stronger strategic perspective.

It is worth noting that both the ADRION and the Alpine Space Programmes included the implementation and governance of their respective macro-regional strategies in their programme priorities. Also, the EUSBSR (Seed Money and Co-ordination) and the EUSDR (Capacity Building) are supported by their corresponding Interreg programmes.

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[6] See also: Interact (2015), Co-operation methods and tools applied by European Structural and Investment Funds programmes for 2014-2020 to support implementation of the European Union Strategy for the Baltic Sea Region.

Box 5.1. Good practice: Seed money for macro-regional projects in the Baltic Sea Region

The Baltic Sea Region Programme devotes one of its priorities to support of the EUSBSR. More specifically, the priority has two objectives, namely:

- Specific Objective 4.1: Seed Money Facility, which provides support to projects with strategic importance to be financed by different funding sources that are available in the region.
- Specific Objective 4.2: Co-ordination of the macro-regional co-operation, which aims to increase the capacity of public administrations and organisations to implement and facilitate the EUSBSR. Under Specific Objective 4.2, the programme provides co-financing to support the Priority Action Co-ordinators (PACs) and Horizontal Action Co-ordinators (HACs), as well as to support the communication activities related to the EUSBSR's communication.

Previous experience in implementing the EUSBSR shows how challenging it is to mobilise funding sources as well as prepare and govern complex projects in an international environment. Those with project ideas often lack the time and financial resources needed to initiate projects with strategic impact. Seed money support from the Interreg Baltic Sea Region aims to address these challenges. It is included under the Programme Priority 4 "Institutional capacity for macro-regional co-operation".

How relevant is this for ADRION?

This can be a practical solution for a further alignment of ADRION with the EUSAIR, without necessarily only acting through the official call for proposals. Seed money support to macro-regional projects could also help to improve the quality of projects. Due to the need for major shifts in the programme, this would be a possibility only for the next ADRION funding period (after 2020).

Source: Interreg Baltic Sea Region (2015), https://www.interreg-baltic.eu/seedmoney.html.

Thus, all ETC programmes offer support to the co-ordination of their macro-regional strategies and to improve the alignment of strategic and operational objectives. This is done, for example, through a priority dedicated to capacity-building measures for strategy Pillar Co-ordinators, or through specific manuals or implementation support.

Box 5.2. Good practice: Support to strategy co-ordination from the Interreg Programme

The ETC Baltic Sea Region Programme has developed a special manual for the co-ordination of macro-regional co-operation (Interreg Baltic Sea Region, 2016a) in an effort to harmonise the rules and clarify several aspects related to the implementation of the programme and the strategy in the Baltic Sea Region. The manual also explains the application process for the PACs and HACs, as well as the admissibility check, i.e. the verification that the application fulfils the technical requirements of the programme. In addition, the manual provides some quality assessment criteria for the applications and contracting information.

Different supporting documents, including an implementation manual, have been made available to the EUSDR PACs by the ETC Danube Region Programme (Interreg Danube Transnational Programme, 2016). The aim is to support the EUSDR PACs and HACs in their efforts to harmonise their activities. The manual provides information on the contractual processes, the project management and implementation, the legal framework and other administrative processes.

How relevant is this for ADRION?

This case is not so relevant for the ADRION Programme, which already has documents to facilitate an overview of the thematic matching of ADRION with the EUSAIR. However, studying the documents and manuals from other Interreg programmes might help ADRION to improve the quality of its own support documents.

Sources: Interreg Baltic Sea Region (2016a) www.interreg-baltic.eu/about-the-programme/priorities/coordination-of-the-eusbsr.html and Interreg Danube Transnational Programme (2016), www.interreg-danube.eu/relevant-documents/documents-for-eusdr-pac-implementation.

Another method to achieve strategic consistency is facilitating the thematic alignment and concentration of thematic working groups within a macro-regional strategy in line with one or two priorities of an ETC programme. This helps to focus on the areas of the ETC programme. An example for this type of support can been observed in the case of the EUSALP - ETC Alpine Space Programme.

Box 5.3. Good practice: Alignment of macro-regional working groups with ETC Priorities

The ETC Alpine Space Programme has prepared a factsheet, matching the Alpine Space projects with the EUSALP action groups (Alpine Space Project, 2014-2020) as can be seen in the screenshots below.

Matching Alpine Space projects with EUSALP action groups

How relevant is this for ADRION?

This case is not so relevant for the ADRION Programme, which already has documents to facilitate an overview on the thematic matching of ADRION with the EUSAIR. However, studying the documents and manuals from other Interreg programmes might help ADRION to improve the quality of its own support documents.

Source: Interreg Alpine Space Programme (2015), www.alpine-space.eu/project-management/project-implementation-handbook/20170425_pih_all_fsandax.pdf.

The ETC ADRION Programme also presents a good practice. The ADRION Programme has developed a supporting document which aims to identify the correspondence between the ADRION and the EUSAIR priorities (Interreg ADRION, 2017), as well as support on how to carry out the first call of proposals. Similarly, in its Programme Manual, ADRION has also presented the links between the EUSAIR and the ADRION Programme (Interreg ADRION, 2016).

All in all, the macro-regional strategies seem strategically aligned with the transnational programmes of the respective regions. Natural synergies can be further strengthened with supporting measures such as manuals, information material and seed money for the development of strategic projects.

5.2. Bridging the strategic with the operational perspective: labelling of projects

Macro-regional strategies are implemented by policies and projects. Macro-regional, i.e. transnational, projects can have a clear strategic impact and help to implement the macro-regional strategy, as well as other aligned national, regional and transnational policies. In particular, strategic projects add to the visibility of the macro-regional

strategies. If considered strategic, they are called "flagship projects" for the EUSBSR and "indicative actions" for the all the other macro-regional strategies. Flagship projects or indicative actions are means of implementing the macro-regional strategies.

In general, there are different ways of assuring a connection of strategic objectives with the selection of projects to be funded under Interreg and other European/national/regional programmes:

- Pre-select projects of macro-regional importance and "label" them as strategic/priority
- Design specific calls to fund "labelled" projects of macro-regional importance, or specific gateways to allow "seed funding" to labelled projects
- Ring-fence/earmark budget for projects of macro-regional importance/relevance
- Define specific selection criteria for projects of macro-regional importance
- Give bonus points in the assessment and selection procedures to projects of macro-regional importance (based on adequate evidence)
- Ex-post integration (ex-post labelling) of projects in a "macro-regional basket".

So far, only the more mature macro-regional strategies have put in place these labelled projects. There is no common standard process followed for the labelling of projects for both strategies, each has its own process.

The first flagship projects for the EUSBSR were proposed in the first EUSBSR Action Plan. Since then, the action plan has been revised and flagship projects have been approved and are ongoing. The box below gives examples of flagship and strategic projects from the EUSBSR and the EUSDR respectively.

Box 5.4. Good practices of flagship and strategic projects: Baltic Deal and DAPHNE

Baltic Deal – Tackling eutrophication in the Baltic Sea Region

Baltic Deal is a EUSBSR flagship project, funded under the Baltic Sea Region Programme 2007-2013. The project aimed to tackle eutrophication in the Baltic Sea Region, one of the greatest challenges of the region, by supporting innovative cost-effective actions to limit nutrient losses from farmers. The EUSBSR provided a platform for networking activities and expanded the partnership opportunities. The link to the macro-regional strategy also helped the partners to more easily find a common ground and develop joint tools and actions (INTERACT, 2017).

DAPHNE – Danube ports network

DAPHNE is one of the recently approved projects, labelled as a "strategic project" of the EUSDR. It aims to facilitate an eco-friendly and multi-modal development for the Danube ports. Public and private bodies are involved in the project partnership. The activities aim to improve port legislation, funding of port investments, capacity building options, as well as the development of an innovative port IT community system. The project is funded by ERDF and IPA funds, supports the specific objective on "support environmentally friendly and safe transport systems and balanced accessibility of urban and rural areas" and will run until 2019.

Source: INTERACT (2017), www.interact-eu.net/download/file/fid/6327 and Interreg Danube Transnational Programme (2017), www.interreg-danube.eu/approved-projects/daphne.

Below, we present two approaches to labelling of projects in ETC programmes in line with macro-regional strategies.

Box 5.5. Good practices: Labelling process of flagship projects in the EUSBSR and EUSDR

Labelling process of flagship projects in the EUSBSR

A flagship project results from a policy discussion within a policy area or horizontal action[7]. It can either be a single project or a set of projects, or even a process, such as a network or a new co-operation platform. To be labelled as "flagship", the following criteria have to be met by the project:

- has a high macro-regional impact
- contributes to meeting the objectives, the indicators and targets of the EUSBSR
- is related to the implementation of one or more actions of the policy or horizontal action concerned
- has, geographically, a macro-regional dimension, with co-operation of at least three Baltic Sea Region states (including two EU States if one non-EU Baltic Sea State is involved)
- is mature in implementation
- is implemented within a realistic timeframe
- has a clear financial and activity plan
- has an established partnership and an identified flagship leader
- is monitored and evaluated towards the objectives, indicators and targets of the EUSBSR and particularly the policy area / horizontal action.

Fulfilling these criteria is one of the steps to take to be labelled as a macro-regional project. Further to this, projects that apply for funding from, for example, the Interreg Baltic Sea Region Programme need to submit a letter of commitment issued by the relevant EUSBSR Co-ordinator. This will act as a supporting document to their project proposal so that their project proposal becomes technically eligible.

Figure 5.1 shows the labelling process of the EUSBSR flagship projects.

Labelling process of flagship projects in the EUSDR

In the case of the EUSDR, the first indicative actions were only approved in June 2017, so thus far there are no concrete examples to follow. The process a project needs to follow to be labelled as a "strategic project" does not differ much from the description above on the EUSBSR process.

Again, the projects would result from a PA/HA discussion. Projects would have high impact and visibility for the EUSDR, contribute to a strong and clear strategic focus, encourage joint co-operation between the EUSDR members and be strategic for the region, and establish the ground to be further considered in the revision process of the EUSDR targets, actions and roadmaps.

The criteria to be met by the project are the following:

- contributes to a EUSDR target
- supports the implementation of an EUSDR action

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[7] 'Pillar' in the EUSAIR context.

- has an evident and high macro-regional dimension (co-operation between and impact on at least three states and/or regions of the Danube region) and is supported by the countries of the Danube region
- is realistic in terms of objectives, activities, timeframe and financing plan.

As regards the identification process, the Danube Strategy Point (DSP) plays an important role in the assessment procedure.

Figure 5.2 shows the labelling process of the EUSDR flagship projects.

How relevant is this for ADRION?

Labelling can also be an option for ADRION, to align the ADRION Programme with the EUSAIR. Different forms of labelling are possible, as there is not simply one form of "labelling method" used in the framework of the other macro-regional strategies in the EU.

Figure 5.1. Labelling of EUSBSR flagship projects
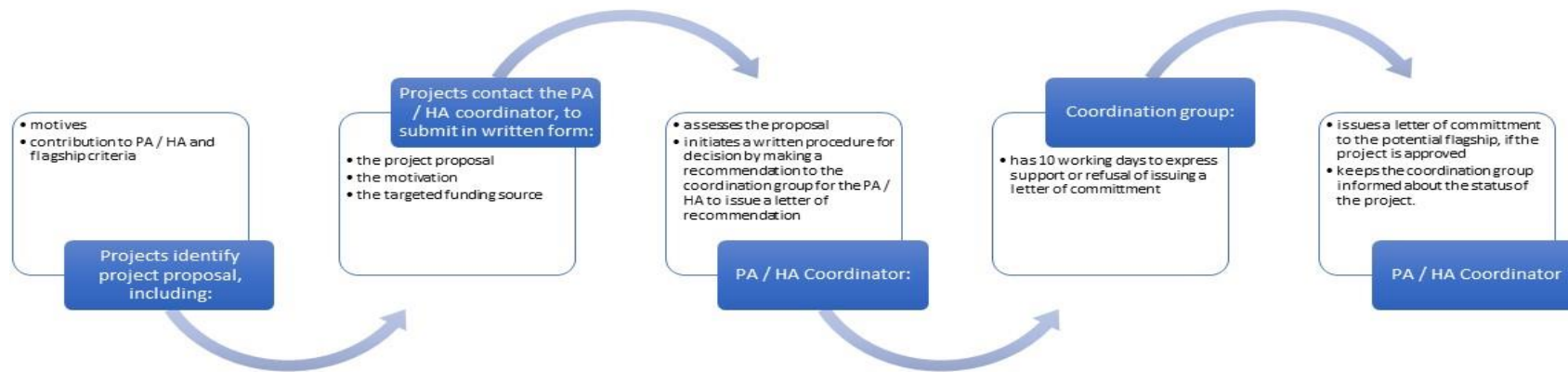
Source: authors' own elaboration on information from EUSBSR internal document.

Figure 5.2. Labelling of EUSDR strategic projects
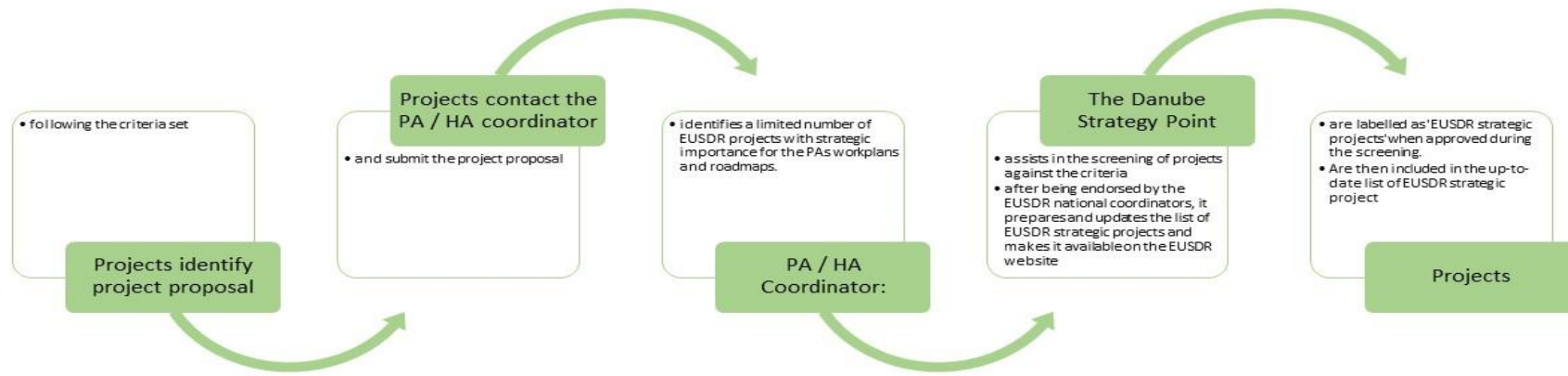
Source: authors' own elaboration on information from Danube Strategy Point (2015), www.danube-region.eu/attachments/article/616561/Strategic%20projects_FINAL.pdf.

Labelling under certain conditions can be considered as beneficiary not only for the macro-regional strategy but also for an Interreg programme, as this benefits from projects of high relevance and potential impact, if adequate support is given to the definition of priority projects that reach a certain critical mass and can be the germ of further macro-regional policies or programmes.

However, there are some challenges related to the labelling of projects:

- Among macro-regional strategies, there is no common definition of projects that are worth being labelled.
- Labelling requires agreement on a path to achieve the macro-regional objective. It should be clear how the labelled project contributes to the macro-regional objective.
- Related to this, monitoring of project achievements and the contribution to the overall macro-regional objective becomes compulsory.
- National support to strategic projects is also important and should not be forgotten (leaving it only in the hands of EU or ETC programmes).

Regarding labelling, there are some similar criteria and requirements that should be taken into account:

- Projects need to have a macro-regional relevance and impact
- Projects should contribute to the strategies' targets and priorities
- Projects should have realistic objectives, activities, timeframe and financial plan
- The partnership of the project should involve partners of at least three member countries of the respective strategy
- PA and HA co-ordinators play an important role in the promotion and the assessment of projects.

Therefore, to make labelling procedures effective, it is important to have clear agreements on the role and function of the macro-regional thematic (pillar) co-ordinators, as well as to have clear roadmaps of the different thematic priorities in order to be able to assess the contribution of any given project to the macro-regional strategy.

In addition, it is important to agree on certain quality standards for projects as a kind of minimum requirement to be selected, even if the macro-regional importance prevails. This must be done in order to guarantee the highest level of effectiveness and desired impact and the best value for money of programme funds.

To sum up, funding of labelled macro-regional projects in ETC programmes can only work effectively if certain preconditions are in place. Until then, all projects should comply with the general requirements for projects in the ETC programme, in order to assure high-quality projects that produce impact and can be successfully implemented.

5.3. Quality of projects

Supporting projects of good quality is the overarching aim of all programmes. Nevertheless, it is difficult to quantify or even estimate the quality of projects, especially before the start of the project, i.e. in the selection phase. There is no magic recipe, nor on what a project should entail to make it a good quality project.

However, based on experience, **successful projects** that produce a strategic impact tend to have the following common characteristics (BMVI, 2017; Interreg IVC, 2013; Interreg IVC, 2015):

- A **specific challenge or problem with a concrete focus**. Projects that are too general or in an early stage of problem definition tend to struggle with analysis instead of focusing on solutions and inputs to improved policy-making. It is also important that the topic links to current political action plans and recently adopted agendas.
- A **certain critical mass of participants** that have the capacity to continue work and further disseminate the project results after project completion.
- A **diverse yet balanced partnership** that covers all relevant stakeholders that are necessary to promote change in a given policy area. Usually this involves public policy representatives, research and knowledge-oriented actors, private sector stakeholders, in particular business associations or business intermediaries such as chambers of commerce, representatives of final consumers or users, and other intermediaries that could help implementing the project outcomes and recommendations.
- A **transnational (or macro-regional) view** of the initial problem and its solution.
- A **knowledge generation and transfer** component, as well as a "practical implementation" or "testing" component, producing useful outcomes and transferable lessons regarding the development of new products, services or policies.
- **Leadership** and experience in **project management** and in the management of large and diverse (transnational) teams.
- Experience and **a good strategy for communication** and dissemination.
- Sufficient dedicated **human resources** (e.g. at least one full time staff member) to co-ordinate the project.
- A **sound intervention logic** that relates the initial challenge to the overall strategic objective, as well as to the specific project outputs and results.
- **Credible indicators** to monitor project progress and results that facilitate the estimation of the final contribution to socio-economic impact and to the overall strategic objective.
- A **realistic approach to timing and budgeting** with sufficient buffer time and budget for critical milestones.

Interreg programmes might offer various measures to achieve more and better designed project applications and to assure quality of projects during implementation. These measures include:

- workshops on project ideas with potential project partners (e.g. Interreg North-West Europe)
- supporting material on "what makes a good project" and "which common errors to avoid"
- information sessions in different countries with national contact points (e.g. Interreg Central Europe)
- individual advice from national contact points to potential project applicants, also during the phase of project application writing (e.g. Interreg North-West Europe)
- workshops, webinars, video tutorials on project idea development and application writing (e.g. Interreg Central Europe).

Box 5.6. Good practices: Quality of projects

Define steps to a good project and partnership (Interreg Central Europe)

The Interreg Central Europe Programme defines on its website the eight steps to develop a (good) project idea and partnership. This can be considered an important guideline to help projects to define adequate projects, partnerships and work plans.

Source: Interreg Central Europe website www.interreg-central.eu.

Define "what makes a good project" in NWE

The Interreg North West Europe Programme defines on its website what makes a good project in the eyes of the programme:

A well-defined need: The first condition to fund a project is that it will improve something within the territory and that a segment of the population will benefit from it in the long run.

Focus on one programme objective: Each project must contribute to one of the programme's specific objectives, defined in the co-operation programme. This is what is known as "thematic fit". To succeed in your application, include a clear reference to this objective and define in specific terms the issue it intends to address and the territory where it will operate.

Risk management: You need to understand the risks involved in the implementation of your project and make a plan to mitigate them. Examples of risks: changes to the project plan, partners dropping out, etc.

Measure, measure, measure: Use the programme's indicator system to measure if you have achieved your project objectives. The system looks at both outputs (how much and how well did the project do?) and results (is anyone better off and has anything improved?).

Value for money: We allocate public funds to projects. Funds are a precious commodity

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so if your project is selected you must use them according to the principles of: Economy = Minimising the costs of resources, Efficiency = Getting the most from the available resources, and Effectiveness = Meeting the objectives and achieving the intended results.

Co-operation at heart: We basically finance co-operation across borders, so each project needs to show how partners will work together towards a common goal. If the project could have happened without this co-operation, then it is not an Interreg NWE project.

Evaluating and applying lessons learned: Keep monitoring your project results. You should be able to tell if anything has improved or anyone is better off thanks to your project. Evaluations should be part of the Action Plan in a way that allows you to learn from them and act accordingly during the project's life time.

Innovation: Interreg NWE plays a role in the intermediate stages of the innovation chain that goes from fundamental research to the commercialisation of a product or service or the application of a new process. Projects should focus on applied research and include a testing or implementation phase, while commercialisation should be left to the market.

Do not reinvent the wheel: Keep abreast of recent developments and results achieved in your project's sector or field and build on these. Make sure you explain in the application form why the project requires transnational co-operation to take the sector or field forward.

A strong partnership: Analyse the territory to select the most suitable partners for your project. A strong partnership includes different types of organisations at different levels of governance that complement each other with different types of experience and levels of expertise.

"Quality requirements and contents" in the Alpine Space Programme

The Interreg Alpine Space Programme defines in its Project Implementation Handbook in Fact Sheet No. 0 the required features for quality projects. They are explained in detail under the following headings:

- Transnational approach
- Project Partnership
- Result's durability and transferability
- Impact on the policy cycle
- Compliance with the programme intervention logic.

The factsheet also defines "most common reasons for a project application failure" that might also help projects to define better projects and partnerships.

Webinars on project definition and partnership in CE

The Interreg Central Europe Programme supports the launching of calls with informative videos on the Interreg CE YouTube Channel. For instance, a seven-minute video presents "How to develop a good project? - Tips & Hints". Other presentations and short video tutorials refer to "What makes a good partnership" as well as to "How to develop a good project budget? - Tips & Hints". Specific characters and requirements related to the focus of calls in relation to specific objectives are also presented, e.g. "What we fund in the third call".

Targeted call in Interreg

In order to increase the quality of project applications and projects and to have them more aligned with the programme's objectives, recently the Interreg Central Europe Programme opened a targeted call for proposals in September 2017. Based on an analysis of topics covered by the running projects, the programme Monitoring Committee decided, in its meeting in June, to better target the third call for proposals in some thematic areas. Now, five specific objectives will be fully open to co-operation ideas, four specific objectives will be focused on exclusive topics and one will remain closed.

See below the specification of the third call in the priority axis "Innovation":

Thematic focus of the third call - INNOVATION

PRIORITY AXIS (PA)	SPECIFIC OBJECTIVE (SO)	THEMATIC FOCUS
Cooperating on **INNOVATION** to make **CENTRAL EUROPE** more competitive	1.1 To improve sustainable linkages among actors of the innovation systems for strengthening regional innovation capacity in central Europe	> Bottom-up implementation of smart specialisation strategies (RIS3) in industrial sectors that are technology priority areas in central Europe [1] · Triple and quadruple helix approaches to strengthen the participation of public and civil society actors (in particular RIS3 key actors) · Innovative practices such as open innovation and co-creation approaches involving e.g. the creative sector (overlaps with SO 3.2 targeting cultural and creative industries have to be avoided). · Actions for bringing innovation closer to the market such as financing mechanisms for market introduction and leverage of innovation
	1.2 To improve skills and entrepreneurial competences for advancing economic and social innovation in central European regions	> Social innovation and integration of disadvantaged groups and regions: · Bottom-up social innovation practices creating and strengthening support infrastructure, services and schemes (e.g. mentoring, community-owned initiatives, services of general interest) · Integration of migrants and other disadvantaged groups into society and the labour market · Innovation of social policies (e.g. tackling policy-related challenges, policy improvements and coordination) · Development of entrepreneurial competences for social entrepreneurship (including entrepreneurship of migrants) and entrepreneurship aiming to create positive social effects

Source: Interreg CE (2017), www.interreg-central.eu/Content.Node/apply/Application-Package-Third-Call.zip.

How relevant are these good practices for ADRION?

Information and support to project applicants on learning more about "good quality" projects, about quality requirements and about steps to "good partnerships" can help to produce project applications of higher quality. Here, the on-going support to new applicants is important. ADRION might consider emulating one or several of the presented tools.

Targeted calls are a good practice that can be very valuable for ADRION, in order to receive more targeted applications in specific areas of the programme. The analysis and transfer of this good practice is highly recommended.

Sources: Interreg Alpine Space (2015), www.alpine-space.eu/project-management/project-implementation-handbook/20170425_pih_all_fsandax.pdf; Interreg CE (2017), https://www.youtube.com/watch?v=RVoHlHyodFU&list=PLnfEQzGh-PuWphBYmpQhZlojpHbFR5wvp and Interreg NWE website http://www.nweurope.eu/apply/what-makes-a-good-project/

5.4. The benefit of matching macro-regional projects with Interreg

The alignment of macro-regional priorities with Interreg priorities, as well as the funding of such projects, can be of mutual benefit. Such a win-win situation will allow more synergies between the strategy and the programme and thus result in a higher impact on changes and development in the region. There are a number of reasons why programmes or a macro-regional strategy should opt for an enhanced alignment.

As regards the programmes, highlighting the existence of a macro-regional strategy is mandatory. According to the Common Provisions Regulation, "where Member States and regions participate in macro-regional strategies or sea basin strategies, the relevant programme, in accordance with the needs of the programme area as identified by the Member State, **shall set out the contribution of the planned interventions to those strategies**". Hence, the ADRION Programme supports the governance and the implementation of the EUSAIR mainly under Thematic Objective 11. Similarly, other transnational programmes have integrated the respective macro-regional strategy in their programme objectives. For example, the 4th priority of the Baltic Sea Programme is the co-ordination of the EUSBSR. In the Danube Transnational Programme, under the priority on "well-governed Danube Region", there is one specific objective on "support to the governance and implementation of the EUSDR", while under Priority 4 of the Alpine Space Programme, the programme supports the development of new transnational governance models which include the implementation of the EUSALP.

As for the macro-regional strategies, they follow the "three no's" principle, i.e. no new funding, no new legislation, no new institutions. It is a rather natural process that they seek for Interreg funding, among others, for the implementation of their projects. Although macro-regional strategies can receive funding from different sources, Interreg still remains an important choice. However, it is possible to **facilitate the search for additional funding in the macro-regional context**.

Box 5.7. Good practice: Baltic Funding Sources Portal

This has been done, for example, by the EUSBSR setting up a Funding Sources Portal in order to visualise the wide range of funding opportunities for implementing the macro-regional strategy, besides the Interreg programmes.
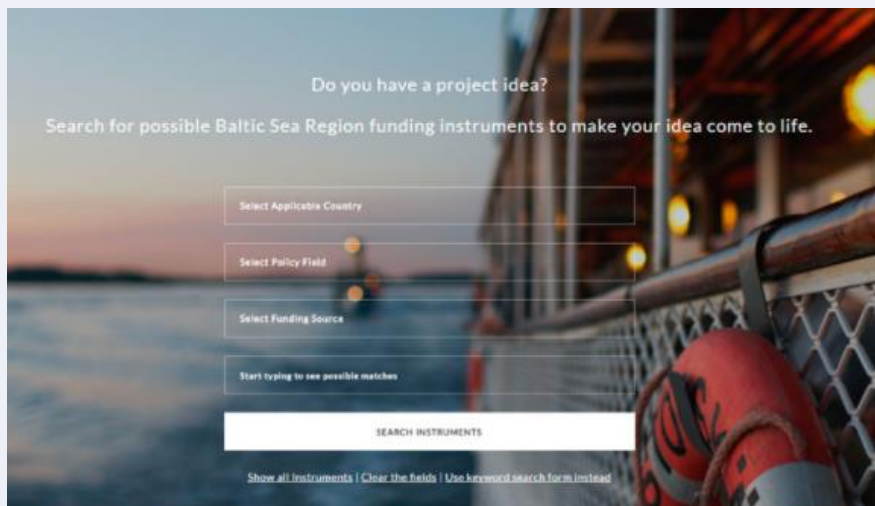
How relevant is this good practice for ADRION?

In general, this tool can be valuable for the implementation of the EUSAIR. In the long term it is recommended to establish a similar funding portal for the EUSAIR area. However, ownership of a similar funding portal should lie at the EUSAIR itself or at supporting entities such as INTERACT or the European Commission. Such a tool would produce a wider knowledge on all relevant funding sources for the EUSAIR, besides from ADRION.

Sources: EUSBSR website www.balticsea-region-strategy.eu/about/funding-sources.

Although it is mandatory for programmes to link their priorities with the strategies, the latter need to promote themselves stronger so as to be more appealing for programmes and regional/national authorities to invest in them. Thus, **win-win situations need to be developed** so that the impact on the region is higher. According to a recent INTERACT study on the "Added value of macro-regional strategies from a programme and project perspective" (INTERACT 2017), better projects and wider partnerships are the main advantages endorsed by funding programmes, when it comes to the added value of macro-regional strategies. Overall, the dissemination of project results and the networking opportunities are more for programmes that support macro-regional projects. Moreover, the study revealed that another added value for programmes is the easier alignment of programme objectives with macro-regional needs, the provision of a strategic framework for forming programme objectives, better funding alignment and easier co-ordination and programming across different sectors.

Both Interreg programmes as well as EU macro-regional strategies have a common aim: **The development of the region they cover**. Hence, projects that are designed under an Interreg programme or under a macro-regional strategy, are both developed in this direction. To do so, they first need to look at the development of both the programme and

then the respective macro-regional strategy. Looking at the development of the region, e.g. through different indicators one can observe the relative positioning of the region considering that corresponding aspect.

Harmonising the Interreg priorities with the priorities of the macro-regional projects would eventually lead to an **easier and more streamlined monitoring and evaluation of the regional development**. As the ultimate goal of both the Interreg programmes and the macro-regional strategies is the development of their region and the contribution to changes, by matching their priorities the monitoring of the exercises and the evaluation of the progress can be more easily observed.

5.5. Main Findings

The following findings from this benchmarking should be highlighted:

- The macro-regional strategies are generally strategically aligned with the transnational programmes of the respective region. This is also the case of the ADRION Programme and the EUSAIR. Natural synergies can be further strengthened with supporting measures such as manuals, information material and seed money for the development of strategic projects.
- In general, there are different ways of assuring a connection of strategic objectives with the selection of projects to be funded under Interreg and other European/national/regional programmes. Labelling of projects of macro-regional and strategic importance is one way of facilitating the implementation of macro-regional strategies through programmes such as Interreg. Funding of labelled macro-regional projects in ETC programmes can only work effectively if certain preconditions are in place. Until then, all projects should comply with the general requirements for projects in the ETC programme, in order to assure high-quality projects that produce impact and can be successfully implemented.
- Quality of projects is an important factor to assure effectiveness and impact of Interreg programmes, as well as contribution to macro-regional strategies. There are several general factors that determine if a project is successful. However, it always depends on the individual project, the concrete partnerships and the project field, to produce relevant results and contribute to larger regional development. Overall, it remains a challenge to assess these success factors ex-ante, i.e. before the implementation and only based on the description of intentions in the project application.
- Interreg programmes might offer various measures to achieve more and better designed project applications and to assure quality of projects during implementation. These measures include, for example, supporting material on "what makes a good project" and "which common errors to avoid", information sessions in different countries with national contact points, individual advice from national contact points to potential project applicants, workshops, webinars, video tutorials on project idea development and application writing.
- There are several good practices from other Interreg programmes on how to stimulate the development of good project ideas and partnerships. Some of them might be of interest to the ADRION Programme, e.g. the Seed Money Facility for macro-regional projects under development as used in the Baltic Sea Region Interreg Programme, the use of tools for information and support to projects with regard to the promotion of quality requirements, and the use of targeted calls to better steer the applications towards relevant programme areas.

- The alignment of macro-regional priorities with Interreg priorities, as well as the funding of such projects, can be of mutual benefit. Such a win-win situation will allow more synergies between the strategy and the programme and thus result in a higher impact on changes and development in the region. Synergies can be achieved through streamlined communication strategies (e.g. the EUSAIR referring to ADRION and clarifying its role, and vice versa).

- Although macro-regional strategies can receive funding from different sources, Interreg still remains an important choice. However, it is possible to facilitate the search for additional funding in the macro-regional context. This has been done, for example, by the EUSBSR setting up a Funding Sources Portal in order to visualise the wide range of funding opportunities for implementing the macro-regional strategy, besides the Interreg programmes.

6. Conclusions and Recommendations

This chapter addresses main elements, lessons and proposals the OECD expert team, on the basis of the gap analysis, the benchmark with other European macro-regions and their main findings, deems relevant to be taken into consideration for the future ADRION implementation and Adriatic-Ionian improved co-operation.

Conceptually they are separated into two main levels.

Policy reflections are collected into the first paragraph under 6.1. "Conclusions". The focus is the main policy challenges the ADRION Programme is facing, particularly given its current stage of implementation, in fostering the social and economic development and wellbeing of the communities of a complex and dynamic region. In fact, the points proposed in the following paragraph should be considered as initial remarks triggering a strategic reflection on future strengthened co-operation throughout the macro-region. The co-operation between the two opposite coasts – eastern and western - of the sea has a long track record, but achieving a more impactful co-operation still remains an open challenge. This is due to a number of reasons: wide internal disparities in terms of development, a relatively fragmented and heterogenic institutional framework, and a sea that often, in spite of facilitating exchanges and trades, has been an invisible but quite solid barrier inherited from recent past history.

Operational issues. The "Recommendations" in 6.2. are targeting more specifically the technical and operational options that, stemming from the policy reflections and according to the understanding of the experience carried on so far in implementing the CP, are proposed for addressing the next activities so to confirm and to enhance, when necessary, the potential to attain the expected results. We are confident that there is room to further develop the performance of ADRION, taking stock of and improving on its already good achievements, and benefitting from the lessons learned in the first call, also in terms of consistency between the ADRION Programme and the EUSAIR.

6.1. Conclusions

6.1.1. Current advancement of ADRION operations secures attainment of the main expected policy results

Overall, the programme, after its first call, already shows rather smooth progress, fairly good advancement and realistic expectations towards attaining ADRION objectives and towards contributing substantially to EUSAIR pillars.

In fact, taking the findings of the ADRION gap analysis[8], the first 35 approved projects already seem to have made substantial progress for the programme, e.g. taking the analysis of the output indicators, the cumulated values declared by the applicants often already exceed the programme final targets planned for ADRION. Since the projects are

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[8] For further details, see section 4.2 in Chapter 4.

not yet implemented the envisaged data must be confirmed and evidenced, but the figures are promising.

However, there are certain thematic areas that are addressed more than others by the first call selected projects. This creates an imbalance with regard to the alignment of the EUSAIR objectives with those of ADRION.

More specifically, the selected applications show a good level of matching with:

- Pillar 1 Blue Growth.
- Pillar 2 Connecting the Region (here, 2 flagship projects among the 15 labelled by the TSGs have been funded).
- Pillar 4 Sustainable Tourism.

However, considering Pillar 3 "Environmental Quality", correspondence to the EUSAIR is quite weak:

- Topic/Specific Objective 3.1 "Marine environment", 12 applications, but only 2 tackle the topic fully
- One project selected can be possibly aligned with Topic 3.2 "Transnational terrestrial habitats and biodiversity".

Due to these imbalances, the room for manoeuvre left for the ADRION action is relatively limited, and should be carefully considered in next steps.

Eventually, given the experience of the first call, we can consider that improvements to enhance the ADRION performance under the second call, most likely will also induce better outcomes and benefits on the EUSAIR.

The fact that Priority 2 is underperforming, both in terms of the average quality of project requests and the absorption of funds, could lead to a possible change of funds towards other priorities for better performance. However, such a decision from the MC could risk the decommitment of funds implied by the timeframe of the necessary CP amendment process, and would result in the end of the possibility of ADRION being able to recover and effectively tackle environmental and sustainability issues as a key priority issue of the Adriatic-Ionian region, or to support good projects conducive to EUSAIR Pillar 3.

6.1.2. Consistent action between ADRION and the EUSAIR

Even though the co-operation programme – see Annexes 2 and 3 of the Programme Manual – presents the alignment between ADRION and the EUSAIR in detail, such alignment can still be strengthened in the programme operational documents, in particular in the application form, the manual and the application assessment procedure, to ensure the consistency of the projects with the EUSAIR, providing a better guidance for both applicants and project evaluators. The improved co-ordination between ADRION and the EUSAIR, being a prior condition for pursuing the better alignment between the two, must assume a full recognition of respective ownership in the management of each.

In general terms, the improved co-ordination and alignment between ADRION and the EUSAIR enables enhancement of the mutual capability to act in accordance with the common interest of pursuing sustainable economic development and social prosperity in the Adriatic-Ionian region, in particular considering recent priority challenges. A number

of documents are available addressing such priority topics, possibly devoting greater attention to the EUSAIR Dubrovnik and Ioannina official declarations[9].

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[9] The Representatives of the Governments of EUSAIR partner countries with the participation of representatives of the European Commission, have adopted the Dubrovnik and Ioannina Declarations in the framework of the 1st and 2nd Forum of the EUSAIR held in these respective localities.

Box 6.1. Possible issues and priority topics to be considered by ADRION next operations[10]

- To enhance regional co-operation, also through timely identification and promotion of well-prepared and suitable projects, particularly in the areas inter-relating with the EUSAIR priorities. Several regional organisations, initiatives and processes have as their ultimate goal the accelerated integration of a well-connected and developed Western Balkans into the European Union, including the "Berlin Process" which should be further inclusive. In this regard, the application of the Regional Co-operation Council's South-Eastern Europe 2020 Strategy could produce a significant positive impact on the Adriatic-Ionian Region.

- To raise awareness on the EUSAIR among national, transnational, regional and local stakeholders as well as civil society, academia and the business community.

- To identify projects of common interest with a macro-regional dimension that improve regional co-operation in general and, more specifically, regional interconnectivity, connecting young people, advancing economic development and strengthening the involvement of civil society institutions. These projects should leverage many strong links which have been created, thanks to longstanding inter-governmental co-operation, between participating countries and socio-economic stakeholders to spin-off regional co-operation between cities, chambers of commerce, universities and national parliaments.

- To deal with the continuing refugee and migration crisis, strengthening the resilience of the partner countries supporting governance mechanisms relative to migration and refugees; to set up the proposed collaborative platform via which the countries in the region – be they arrival or transit countries – can better co-ordinate their response to the crisis and learn from each other. Shift of emphasis and an expansion of the EUSAIR Action Plan should be considered in the future with a view to integrating into the labour market people having been granted asylum status and people in need of international protection, as well as legal migrants. One further highlight on this issue is the proposal by Slovenia for the initiative "Social Impact Migrants Investing".

- Given the significant potential of the blue economy, to support sustainable growth in the marine and maritime sectors of the Adriatic-Ionian Region, by promoting sustainable growth and jobs through research, innovation and business opportunities in the blue economy.

- To emphasise the importance of transport connections, both for tourism and freight/passenger traffic as a priority for the development of the region. Enhancing transport interconnections and port and inter-modality infrastructures, provided their environmental impacts are carefully considered; supporting innovation in the port sector and sustainable operation and development of ports; enhancing co-operation and sharing experience on various issues related to maritime safety, in order to reduce risks of maritime accidents, marine pollution from ships and the loss of human life at sea in the shared sea basin.

- To preserve the cultural heritage throughout the region, fostering joint artistic projects and networking of researchers and experts in the field of culture and cultural policies.

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[10] Excerpted and rearranged by the authors from Dubrovnik and Ioannina official declarations.

6.1.3. Openness to new outstanding issues of the Adriatic-Ionian Region and transnational co-operation

The topic of migration and refugee flows is currently not covered by ADRION nor by the EUSAIR (see also the above Box 6.1). However, over the last few years it has become one of the most critical challenges in the macro-region. As a result, including it into the priorities of ADRION (and maybe the EUSAIR in the next Action Plan) is recommended. However, while dealing with such a highly sensitive issue, it is mandatory to act in sound co-ordination with other ongoing EU and international initiatives (e.g. EASO, IOM, Frontex, MARRI).

Moreover, many socio-economic change processes, including those envisaged by Interreg projects and the ADRION Programme, call for bottom-up social innovation support. This implies highlighting the social component of change processes versus the technological and business innovation elements that are generally more visible.

6.1.4. More strategic projects and operations

Open, less targeted calls lead to a huge variety and diversity of project applications. More focused calls can produce more targeted project applications which are potentially of higher quality. The first call produced a huge diversity of project topics and quality. It might be helpful for the overall effectiveness of the programme to target the second call more towards specific priorities and topics.

Quality of projects is one of the most important aims of the programmes and the macro-regional strategies. Good projects and good project results eventually lead to good programmes, which have a greater impact on the regional development. Macro-regional strategies and Interreg programmes can jointly develop solid criteria for the envisaged quality of the projects. Among the most common criteria for the project approval and quality are the transnational or macro-regional relevance and impact, a broad transnational partnership, and a clear project idea (see Chapter 5.3 for good examples of how to improve project quality).

6.1.5. Enhanced project partnerships for substantial and sustainable results

The quality and estimated impact of projects can be supported by adequate and not too small partnerships (in line with the priority and topic of the project).

Setting up a sound partnership for a project, however, is not just a matter of size, but is most often an accurate mix where the typology of the key partners is consistent with the structure and contents of the project. A positive matching between the project tasks and the role, the capacity and the experience of the partners in charge should therefore be pursued. Moreover, in the specific case of an ETC programme such as ADRION, it is not only the excellence of the partnership that counts, but also its representativeness and its capacity to multiply effects. The partners must demonstrate that they can tackle a relevant transnational issue and have the standing to ensure that the generated benefits are actually disseminated across the macro-region and capitalised upon.

One further consideration relating to partnership regards the private or public nature of the partners. A discussion is still open on this subject within the ADRION MA. In general terms, the logic of intervention of ADRION is addressing issues and envisaging indicative actions of prominent public interest. Therefore, the main players might be supposed to be primarily either public or public-equivalent bodies, whereas the private sector can be the ultimate beneficiary of some of the actions. Moreover, often the

identification of either public or private status is variable and depends on the legislation of a country (e.g. in some ADRION partner countries port authorities are public bodies and in others they are private entities). As a result, the best approach might be to focus more on the actual role of the partners in a specific operation rather than on their legal status.

6.2. Recommendations

The policy conclusions are complemented by recommendations addressing the further actions of the ADRION Programme. Considering the policy issues, as they result from the analysis, under a more direct operational implication for the next ADRION CP implementation, the OECD experts identified some key recommendations that are primarily referable to four main groups of questions:

1. Programme overall governance
2. Attainment of ADRION's goals and its capacity to be relevant for the EUSAIR
3. Improvements in operations (addressing the next call for proposals)
4. Improvements in operations (supporting the generation of good quality projects).

6.2.1. Programme overall governance

Improving consistency with the EUSAIR in the management of the ADRION Programme

The need for improving the consistency between ADRION and the EUSAIR, perceived variably according to the understanding gained through the gap analysis, partly pertains to the selected projects and their potential to contribute to the strategy objectives. But in fact, the selected applications have already resulted mostly in line, even though there is still room to enhance ADRION's next operations. Likewise, a substantial effort should be directed to improving consistency with the EUSAIR in the management of ADRION.

Some main elements on this subject are presented below.

- EUSAIR and ADRION CP can develop better co-ordinated governance principles targeted towards enhancing the quality of the projects. This could also include some processes aimed at defining labelling criteria – even ex-post, i.e. after the call is launched – recognising EUSAIR flagship projects (see the experience of other macro-regions as possible references in Chapter 5, in particular considering the cases of EUSBSR and EUSDR).
- Possibly even more important at this stage than labelling (in fact priority topics and projects have already been identified by the Pillar Co-ordinator), is setting up a common in-progress assessment/accompanying mechanisms along the implementation of the projects to ensure that their capacity to spread benefits over the strategy's relevant pillars is maximised. An effective implementation of projects (first and second call), enhancing their visibility towards the EUSAIR, when they are in progress (e.g. exchange of info, improved monitoring, periodic meetings between ADRION project lead partners and Pillar Co-ordinators, etc.) should be pursued.
- As already stated, the mutual co-ordination between ADRION and the EUSAIR assumes the recognition of their respective management as a prior enabling condition. Improvements in such co-ordination are possible, also taking advantage of the facility point and ADRION national contact points.

- We suggest considering the viability of setting up an ad-hoc mixed programme-strategy task force, small (6-8 members) but well-empowered and with a fixed-term mission (3-6 months), with the specific objective to design possible practical solutions to improve the co-ordination to be submitted to the ADRION MC and the EUSAIR GB for endorsement. The facility point might serve as a technical secretariat for such a task force.

Co-ordination, communication and visibility of ADRION

Overall, in communication activities and in the visibility of ADRION it should be clear that ADRION is not the only programme that is implementing the EUSAIR. The macro-regional strategy does not refer only to co-operation projects, but to an alignment of regional and national strategic objectives and policies (including, first and foremost, national and regional ESIF programmes, and then, additionally also ETC/Interreg programmes). It is therefore legitimate that ADRION has its own objectives and priorities which do not need to correspond 100% to the EUSAIR objectives, covering all policies and development in the Adriatic-Ionian Region and not only the co-operation projects.

- However, in the priority fields, where thematic consistency between ADRION and EUSAIR goals is quite outstanding, a more effective communication – inside the two governing bodies, and dissemination – to the interest audience at large, shall be looked up.
- Still, thematic alignment and prioritisation within the EUSAIR should not be the only criteria to be supported in the mainstream ADRION Programme, because this would limit the possibility of selecting high-quality and high added-value projects.
- An option could be to define a specific gateway for EUSAIR-relevant priority co-operation projects within ADRION (similar to the EUSBSR Seed Money Facility, see the relevant lesson learned in Chapter 5, Box 5.1). In this gateway, initial partnerships would receive funding for the preparation of high-quality project applications after a specific joint selection process between the EUSAIR TSG and ADRION. The project applications could then be presented to ADRION, but also to other ETC, ESIF or European programmes (such as LIFE, CULTURE, H2020, ERA-NET etc.).
- The EUSAIR facility point – funded by ADRION – as well as the national contact points should be further empowered and then directly and better involved in disseminating ADRION's operations and its synergetic activity with the strategy. Moreover, they should be active in supporting the application preparation process for the second call, in order to ensure more "strategic projects" are achieved.

6.2.2. Attainment of ADRION goals and its capacity to be relevant for the EUSAIR

Scenarios for the second ADRION call

The very primary decision which must be taken is to decide how to address the next call.

Out of a number of possible options, OECD experts have identified and suggest three main scenarios on which to make a decision.

Scenario A: Business as usual

The second call will be organised as an open, non-targeted call like the first call. It will have the same structure although possibly improved in some delivery mechanisms, leveraging the previous experience. This will presumably produce a wide range of project applications with a relatively low estimated impact, in particular in the specific topics where the first call did not perform optimally.

Advantages:

- distribution of the remaining resources between all priority axes
- overall resources can be expected to be allocated and spent.

Disadvantages:

- no targeting to assure quality of projects and improved consistency to some topics where the first call did not perform optimally
- the call would generate presumably weak partnerships – as already detected in some cases under the first call – and a limited number of strategic and strong projects
- the low level of selectivity would generate unpredictable and possibly limited impact of the programme in terms of the main challenges of the macro-region
- higher risk of decommitment due to the high number of applications that can be expected and related extended time for the selection process
- limited improvements in the alignment with the EUSAIR and random correspondence of specific topics of ADRION that are prioritised.

Scenario B: Going for quality

Targeted call for more focused, solid and quality projects. The second call will concentrate on high-quality projects with a focus on specific topics, in particular for Priorities 1 and 3, where fewer resources are remaining. This will allow the resources to be allocated more efficiently to projects with an estimated higher impact through more detailed terms of reference addressing the few selective topics, as well as higher requirements in terms of partnership, project duration and budget. In Priority 2, there can also be a focus on specific topics, e.g. innovative tourism or coastal zone management/maritime security, in order to facilitate that projects with a cross-cutting topic (between Priority 2 and Priorities 1 or 3) might be funded under Priority 2 (where more funds are still available).

Advantages:

- presumably all resources will be allocated and will better address main topics
- there is targeting that, according to previous ETC experience, assures higher quality projects
- larger and more balanced partnerships (as these are already defined by the call)
- projects are of a more strategic character and display more characteristics that they will be successful given a more detailed call specification and requirements
- higher estimated impact of the programme
- good alignment with the EUSAIR, even though no specific targeting is foreseen
- attention to specific topics of ADRION that need to be prioritised to reach the overall programme objectives.

Disadvantages:

- projects need to build on larger and more robust partnerships (in terms of both more accurate selection of partners and their organisation) and probably need more time to be prepared
- projects need to focus on specific topics, so some of the potential beneficiaries might not be interested in the call
- there is still no improvement in the alignment with the EUSAIR, since it is not a focus of the call.

Scenario C: Mirroring the future

Targeted call for larger and higher quality projects and better aligned to the EUSAIR (in co-ordination with the EUSAIR). As in scenario B, the second call will concentrate on high-quality projects with a focus on specific more selective topics, in particular in Priorities 1 and 3 where fewer resources are available. In addition, the selection of topics to be focused on will respect the needs expressed by the Thematic Steering Groups of the EUSAIR. The mutual co-ordination of strategic projects helps to fund projects with greater impacts, visibility and sustainability. This benefits regional development in the macro-region and also adds to the effectiveness and image of the ADRION Programme.

Advantages:

- presumably all resources will be allocated
- there is a targeting of the call topics that assures higher quality projects
- larger and more balanced partnerships (as these are already defined by the call)
- projects are of a more strategic character and have more characteristics that they will be successful
- higher estimated impact of the programme
- better alignment with the EUSAIR and also preparation for considerably better alignment with the EUSAIR for the years ahead and the post 2020 period
- attention to specific topics of ADRION that need to be prioritised to reach the overall programme objectives.

Disadvantages:

- projects need to build on larger and/or better structured partnerships and probably need more time for preparation
- projects need to focus on specific topics, so some of the potential beneficiaries might not be interested.

Considering the results of the gap analysis and the analysis of alignment with the EUSAIR, opting for the third scenario seems recommendable.

The outlook of the three scenarios was presented and discussed during the ADRION MC meeting in Ancona (Italy) on 25 October 2017. Although no decision was formally taken by the MC in that meeting, a mandate was given to the MA to prepare a draft call dossier to be presented in the next MC meeting for a decision, and the interests and positions expressed by the members were clearly leaning towards the third scenario.

To acquire such a preferred scenario perspective, in order to strengthen the overall alignment between ADRION and the EUSAIR and thus to reach a win-win situation and better projects for the benefit of both the programme and the strategy, we propose the

following additional recommendations. These are still valid even if the third scenario is not chosen for the second call.

Improvements in the call's accompanying process for better projects

The third and preferred scenario calls for a more selective process, starting from the typology of eligible projects, to the targeting and building of more solid partnerships. In order to achieve such ambitious objectives, the process of the project cycle should be accompanied by well-structured activities aimed at supporting the applicants. This may include a wide range of services: tailored information coaching, mentoring, etc. Such a set of services should be made available to the applicants before, as well as while the call is open, to assist in the conception and design of projects that better correspond to the quality standard expected by the programme under the second call.

Often, these services are underutilised by the applicants, according to ESIF authorities. A sound communication (see previous recommendation 2), jointly to committed, trained and proactive national contact points, as well as a fully operational facility point, should be helpful to overcome such a reluctant attitude of the beneficiaries and be effective in complementing the efforts of the JS.

The priority of migrants, refugees and social innovation

Both migration and social innovation are highly linked to people and the third sector. They require the joint capacity to manage the processes of change and development implied by human crisis. It is recommended to link both topics and to allocate resources to them, possibly under Priority 1of ADRION (considering it as part of social innovation), as the topic has been highlighted in both the EUSAIR Dubrovnik and Ioannina declarations (EUSAIR, 2016; EUSAIR, 2017a) as a main issue for the macro-region. Whether the topic will be taken into consideration – in particular under the third scenario – it is important, when designing the call requirements, to emphasise the role of both the public administration (local as well as regional levels) and the civil society/NGOs in pursuing social innovation, strengthening local resilience and supporting governance mechanisms relative to migrants and refugees. This would require bottom-up as well as top-down focus in the process of generating projects.

6.2.3. Improvements in operations: addressing the next call for proposals

The recommendation directly stems from the gap analysis, in particular the analysis of the first call package and applications, and addresses a set of improvements which the OECD experts are keen to suggest for achieving more targeted and strategic projects under the ADRION second call for proposals.

ADRION budget allocation

As an outcome of the gap analysis, it does not seem necessary nor recommendable to review the ADRION budget allocation by priority; a better targeting of the next call looks more viable. A budget revision would take time to be approved and need accurate analysis of the effects on the resulting attainment of programme goals. As already stated[11], more relevant however is that the relative underperforming priority of ADRION, i.e. Priority 2, is the one where most budget is still available after the first call. Therefore,

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[11] See the first point among the Conclusions above in this same chapter.

the key issue mainly concerns improvement in the operations of the programme, rather than resource reallocation among priorities. Last but not least a change in the budget allocation should be carefully assessed in terms of risk of decommitment, since it would require an amendment in the CP and undertaking the related (quite cumbersome) endorsement process.

In order to re-focus the second call for proposals, if our recommendations are followed, the MA may also take into consideration that:

- most of the remaining ADRION funds are under Priority 2
- output target values under Priority 2 are the only ones yet to be achieved.

We recommend addressing this as an opportunity to catch up with the Priority 2 performance.

Considering the remaining funds for Priority 2, the call could focus on indicative actions (see also the next points in this section) included under ADRION Specific Objective 2.2. "Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the ADRION area". In fact, this choice would allow further reconciling ADRION to EUSAIR Pillar 3, Topic 3.2 indicative actions[12] (reference to Annex 3 of the CP).

Clarifying the indicative actions in the CP as reference for the applicants

Whether the MA and the JS intend to use indicative actions as benchmarks, we recommend revising their description in order to render them more uniform across the priorities and within themselves, since they are currently quite heterogenic and sometimes overlapping. A more targeted call – as the third scenario envisages – requires a detailed, selective and well-structured set of actions the applicants should address in their proposals, no longer to be considered as simply indicative (e.g. see the case of the last targeted call under the ETC Central Europe Programme in Chapter 5[13]).

Regarding the application form, the contribution to the EUSAIR[14] is considered – having taken the first call AF as a reference – to streamline the description of requested links to the topics/specific objectives of the EUSAIR.

Streamlining indicative actions between ADRION and the EUSAIR, target groups and expected results/outputs

The ADRION-EUSAIR alignment was not assessed with a high weight score under the first call (Annexes 2 & 3 of the manual were not recalled in the call documentation).

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[12] From the EUSAIR Action Plan, Pillar 3, indicative actions for 3.2 "Transnational terrestrial habitats and biodiversity":

- Development of joint management plans for cross-border habitats and ecosystems
- Joint population level management plans for large carnivores and awareness-raising activities
- Harmonisation and enforcement of national laws
- Protection and restoration of coastal wetland areas and karst fields
- Awareness-raising activities on implementation and financial aspects of environmentally friendly farming practices.

[13] See section 5.3 - Quality of projects.

[14] See application form - point C.3.2 "Indicate if the project contributes to one of the topics of intervention of the EUSAIR and to its indicative action(s) and describe in what way".

Despite this, the first call has shown a fairly good level of alignment to EUSAIR pillars and specific objectives. In the second call application package a more explicit reference is advisable to Annex 3 of the Programme Manual[15] "Alignment between ADRION and EUSAIR indicative actions". In fact, asking the applicants to highlight in more detail the coherence of their proposals to the EUSAIR gives the MA and JS further tools to monitor the alignment between ADRION and the EUSAIR. Additionally, increasing the weight given to the expected alignment of the applications to the EUSAIR could be considered.

Since the current list of "target groups", as formulated in the Programme Manual, does not perfectly correspond to the lists inserted in the AF, the MA and the JS should consider streamlining the identification of the target groups in the two documents.

We recommend to fine tune the description of "expected results" and "expected outputs" to address interpretation issues. Outputs may also be used to clarify the goal of each priority axis.

Not supporting too many networks, strategies and action plans

The requirements of suitable "transnational co-operation networks" should be more clearly addressed since a very high number of transnational co-operation networks were proposed by projects selected under the first call. The MA should consider favouring enhancement and integration of (existing) networks rather than the establishment of new ones (as in the case of Priority 2.2). In addition, in order to reduce potential fragmentation of networking measures towards a more strategic approach, a mapping of planned networks and strategies might be useful as well as verifying whether it is possible to aggregate or at least better co-ordinate them.

Likewise, the need to better link new strategies and action plans, since a number of them were proposed under the first call, with existing national strategies in the Western Balkans and with regional strategies of involved territories from EU member states should be addressed.

Prevent the same beneficiaries being present in too many projects

The mapping of involved public authorities is recommended to verify whether they are simultaneously participating in several projects and if they have sufficient implementation capacities. The MA and the JS may also consider requesting the projects' lead organisations to ensure and report on co-ordination with national authorities. Limiting the number of applications a beneficiary can get involved in, either as a lead applicant or partner, could be considered as an option.

6.2.4. Improvements in operations: supporting the generation of good quality projects

Pursuing high-quality projects in alignment with the EUSAIR

It is common sense that there is no single recipe able to ensure better quality in the applications and, eventually, in the projects. In fact, a number of factors can contribute to

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[15] To be underlined that, in case of choosing a targeted approach to the call (i.e. the one envisaged in scenarios B or C, as outlined under the second recommendation), this specific remark on the reformulation of indicative actions becomes somehow less relevant, since the targeting assumes a reformulation of the few indicative actions to be selected for the call.

this. However, on the basis of the evidence resulting from the gap analysis, considering Priority 2 in particular, a good proportion of submitted applications in the first call showed some potential to be improved in terms of quality. Some recommendations can be offered to support the next call process.

On the partners: the partnership should ensure a certain critical mass to gather the capacity to carry out the project tasks, achieving the given objectives and to continue maintaining the results after project completion.

A good mix of experienced partners and "newcomers" should be fostered, to prevent the risk of always having the same small circle of usual people involved (that in some cases already affected the first call), and to ensure fresh thinking and new ideas. Likewise, the experienced partners ensure the necessary professional approach to the project management.

Transnational scope: a wider and diverse partnership is to be favoured in order to achieve projects with an actual macro-regional standing and impact. In some cases – possibly due to the former IPA Adriatic CBC[16] inheritance in the region – the applicants submitted "cross border-like" projects rather than truly transnational ones. Upscaling the minimum threshold, at least for Priorities 1 and 3, might be considered in order to enhance the macro-regional perspective.

Budget: in the first call, the average size of the approved projects was around EUR 1.2 million. To raise the minimum size in this case could be considered in order to get bigger projects with the potential to create higher impacts. In fact, the approach could be variable depending on the cases: for example, projects in Priority 2 can be smaller and still produce meaningful results with a true transnational vision, whereas projects in Priorities 1 and 3 need more critical mass in order to generate transnational impacts on new networks and partnerships.

Thematic focus: an accurate targeting of the second call has already been highlighted as a means to get projects able to contribute substantially to attaining both the ADRION and the EUSAIR objectives. More preparatory work is needed on this, but it will most likely be a rewarding effort for the sake of the CP.

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[16] In the Adriatic region a cross-border co-operation programme, namely the IPA Adriatic Cross-Border Co-operation Programme, was implemented in previous Interreg programming periods (2000-2006 and 2007-2013) and discontinued in the current programming.

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Alpine Space Programme: www.alpine-space.eu

Baltic Sea Region Programme: www.interreg-baltic.eu/home.html

Danube Transnational Programme: www.interreg-danube.eu

Interreg CE: www.interreg-central.eu

Interreg NWE: www.nweurope.eu

Websites of macro-regional strategies:

EUSAIR: www.adriatic-ionian.eu

EUSALP: www.alpine-region.eu

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