



Workpackage 3

Common strategy and policymaking

Joint Strategy Document

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Table of Contents

	Foreword	2
1	Project MATRIOSCA AAP: Objectives and main Outputs	3
2	The conceptual context and the approach elaborated in MATRIOSCA AAP	5
2.1	<i>Institutional setting</i>	5
2.2	<i>Political level</i>	5
3	Development context of the AAP area and strategic priorities	5
4	Strategic projects under preparation	7
5	Future funding opportunities for co-operation	11
6	Proposal for institution building	14
6.1	<i>Antecedents and current situation</i>	14
6.2	<i>Main issues considered for institution building</i>	14
6.3	<i>The institutional setting under a strategic perspective</i>	15
7	Need for future strategy development	17
7.1	<i>Strengthen the territorial partnership</i>	17
7.2	<i>Implement the territorial partnership in various arrangements</i>	18
7.3	<i>A pragmatic approach strongly rooted in past experiences</i>	18
7.4	<i>Institutional setting as a result of concrete alternatives</i>	18
7.5	<i>A clear political commitment</i>	18

Foreword

This Joint Strategy Document (JSD), adhering to the principles and objectives stated in the MATRIOSCA AAP Project, aims to outline the prominent achievements of the Project, currently in its final stage, and – as its main objective – to highlight the main challenges which future strengthened cooperation implies, then to propose a framework to guide the development of cooperation in key areas, defining objectives and priorities and identifying key activities as well as strategic projects to be prepared and submitted for future funding.

In order to provide such a framework the document is structured in 7 paragraphs, focusing on 3 main parts: the first a résumé of the work carried out so far and a synthesis of the various concepts developed in the different work packages of the Projects, with particular attention to the strategic perspectives of future strengthened cooperation in the Alpe-Adria-Pannonia (AAP) area (Chapters 1 to 3); then an outline of the perspectives of concrete cooperation, including the immediate opportunities and the strategic projects currently under preparation (Chapters 4 and 5); finally concise reflections on key issues to be considered at political, administrative and technical levels in order to further pursue a common, strengthened and strategy oriented cooperation in the AAP Area (Chapters 6 and 7).

Finally it is worth to mention that additionally a joint political statement is subject matter of the second Political Conference on November 14th, 2007 in Graz. This document is based on the agreements of the first Political Conference in Trieste in January 2007 and will address the key steps to be undertaken to achieve a formal and institutional setting for the future cooperation in the AAP space.

The document was elaborated by the Friuli Venezia Giulia Region MATRIOSCA project team in its role of Work Package 3 coordinator. To that purpose Mr Alberto Bramanti, Mr Ivan Curzolo and Mr Paolo Rosso worked as experts under the coordination of Ms Elisabetta Reja, Friuli Venezia Giulia officer. Additional support and contributions to the drafting process were provided by the Lead Partner team from Styria, in particular the project manager Mr Richard Hummelbrunner, and by the Slovenia partner responsible for Work Package 2, namely Ms Tatjana Renner.

The draft document was presented and discussed by the MATRIOSCA Management Board, in the session held on October 15, 2007. Comments received by partners during or after this meeting were incorporated in the final version.

1. Project MATRIOSCA AAP: Objectives and main Outputs

The acronym of this trans-national co-operation project funded by the INTERREG IIIB CADSES Programme stands for “**MANagement Tools and Relations for Interregional Organisation to Strengthening Co-operation in Adria-Alpe-Pannonia**”. The project has a total budget of € 854.000, has started in June 2005 and will last until December 2007. It involves fourteen partner regions from Austria, Croatia, Italy, Hungary and Slovenia, the Lead Partner is the Regional Government of Styria (Department for EU and External Relations). Two additional regions (Varaždin county from Croatia and the autonomous province of Vojvodina from Serbia) have joined the project later on as associate partners.

The project is aimed at promoting integrated and co-ordinated development in the territory of the co-operation area “Adria-Alpe-Pannonia”. This area forms a coherent territory which is located at the interface of present and future EU Member States, in which approx. 17 mio. people live at present. From a European perspective, it is not part of dynamic economic zones, therefore the partner regions need to pool resources and combine their strengths so they can raise enough critical mass for improving their position. Moreover, the area is marked by proximity and intense functional links, but is also very fragmented due to dense administrative boundaries inherited from the past and the many institutional levels involved. This heterogeneous situation makes effective co-operation in the public sector rather difficult and the project should provide analytical foundations, strategic orientation and organizational structures to consolidate transnational co-operation.

The main objectives and expected results of the MATRIOSCA project are:

- Establishment of a trans-national co-operation area to gain mutual advantages and be more competitive. This should be achieved through an improved understanding of the current situation and the major development perspectives for the co-operation area. And through strategies in key areas for future development, which are jointly prepared and politically agreed;
- Close collaboration to provide added value at European level as well as addressing the challenges and opportunities of enlargement. This should notably be ensured through an appropriate institutional structure, which is based on the requirements or constraints of the partners, but also suited to grasp the new opportunities which are provided by European legislation. Moreover, this will require to define relations with the Alps–Adriatic Working Community (AA WC) and the Euregios, which have been established or are in the making for bi- and trilateral co-operation;
- Integrated and co-ordinated development through stable relations among policy makers. On one hand, this will require the establishment or reinforcement of networks at the level of administrators and experts in key areas for future development. On the other hand, a set of strategic co-operation projects should be prepared together, involving relevant partners from the entire cooperation area. These projects should later on be submitted for EU funding in the new programming period.

At the beginning, the project focused on establishing a joint information base by compiling and analysing existing data or outputs produced in the framework of other relevant co-operation projects:

- A compendium of baseline data has been compiled and thematic maps were produced, which aggregate comparable data from various partner regions and provide an accurate picture of the current state of socio-economic development;

- A report “Economic Structure, Growth and Convergence in the Matriosca Region” has been elaborated, which analyses the socioeconomic characteristics of the co-operation area and outlines the co-operation potential in selected sectors;
- Approximately 20 other INTERREG IIIB / C projects were identified as being relevant for the topics to be addressed within MATRIOSCA. Contacts to these projects were established and information on their outputs has been gathered.

Thematic Working Groups have been established in selected areas, which involved administrators and experts from the various partner regions. They have collaborated in producing three thematic Background Papers, which also served as reference documents for the elaboration of development strategies and the preparation of joint strategic projects:

- Transport Infrastructure and Location Development: Transport infrastructure measures until 2020, location quality, and intermodality and the role of public authorities, accessibility and sustainability of transport infrastructure;
- Spatial Planning and Development: Polycentric spatial systems, development of urban areas, development of rural areas and urban – rural partnerships, accessibility and transport efficiency;
- Socio-economic co-operation and development: Overview of R&D Infrastructure, industry specialisation areas and clusters as well as business co-operation, networks and technology transfer.

All of these outputs are available for download from the MATRIOSCA web-site www.matriosca.net.

The first step in strategy development was a systematic analysis of the development strategies of the various partner regions and a SWOT analysis for the co-operation area, which also identified points of convergence or divergence. Based on this work, a “White Paper” was drafted, which outlined the policy challenges for the co-operation area and proposed priorities for joint strategic action. It was discussed and endorsed by political representatives at a Conference held in Trieste on January 24, 2007, which also gave the mandate to prepare a set of strategic co-operation projects and draw up a proposal for future institution building.

Concerning the latter, the first activity was to analyse the legal preconditions and the institutional framework in every partner region respectively state, in order to identify the options and margins of manoeuvre for future institution building. This was complemented by an overview of existing or planned structures which support territorial co-operation and an analysis of the possibilities offered by the new legal instrument “European Grouping for Territorial Co-operation” (EGTC). Furthermore, the viability for establishing an EGTC was studied and model statutes have been drafted.

2. The conceptual context and the approach elaborated in MATRIOSCA AAP

The objectives stated in the previous chapter were pursued, from the operational point of view, by undertaking a combined set of actions. They consisted in a three folded process, developed in parallel, aimed at:

1. Designing a possible common institutional setting, using also the instruments offered by EU legislation, to ensure the viability and sustainability of the designed strategic concept;
2. Investigating and eventually pursuing a renewed way to achieve the direct political commitment to contribute defining a common strategy and to actively support it, and, last but not least,
3. Starting working on some concrete themes recognised to be key factors for the competitiveness of the AAP area and for the various regions belonging to it.

Taking into consideration these three layers, a multilevel action platform has been developed, considering the main aspects and issues that are relevant in order to define a consistent strategy for future strengthened cooperation. The most important achievements of the work done, under such a strategic perspective, are here shortly outlined. In the further chapters the issues are recalled more in detail.

2.1 Institutional setting

The issue is particularly sensitive, since the need of finding improved organisational arrangements for ensuring continuity and sustainability in future operations was widely perceived among the partners.

The process for defining the possibility and modalities to set up a more suitable institutional framework for AAP future cooperation, resulted to be rather complex to be investigated.

It included the comparative analysis of the national legal frameworks and respective level of responsibility between central and regional-local authorities in each of the partner country, subsequent investigation of viable options of setting up a new common cooperation structure and then the analysis of the feasibility and viability of a European Grouping of Territorial Cooperation (EGTC) for the purpose of strengthening the cooperation in the AAP area.

Due to its multifaceted features, the theme was approached not only focusing on the analysis of the mere legal options, but instead undertaking a multilevel analysis, considering various aspects at the same time: political implications, future project development, administrative role, strengthened networking potential. The challenge consists in keeping all the various aspects (or “logics”) open for the mission of the possible common institution.

2.2 Political level

The process at this level started with the first Political Conference, held on 24th January 2007 in Trieste, where the proposals contained in the White Paper were unanimously adopted. Conclusions and final commitment for the future is subject matter of the second Political Conference, on 14th, November 2007 in Graz.

3. Development context of the AAP area and strategic priorities

The elaboration of the MATRIOSCA AAP White Paper – the discussion document for addressing the key challenges for future common cooperation strategy – has been based on the analysis of strengths, weaknesses, opportunities and threats of the area.

In order to prevent a too wide and general analysis, MATRIOSCA AAP partners preliminarily defined and found an agreement on the broad key issues to be considered as the bottom line for such a wide scale and strategy oriented cooperation. Therefore a limited number of priority themes have been identified for Matriosca AAP co-operation. These so-called “macro-themes” which are summarised below have been approved by the political level at the first Political Conference.

THE SELECTED MACRO-THEMES	
A) <i>Territorial development and polycentric system</i>	<ul style="list-style-type: none"> - To create a polycentric multifunctional network to simulate a competitive metropolitan region, connect urban centres with rural areas, and connect this regional network to the rest of Europe, with the aim of enhancing the AAP region’s visibility. - To develop a common understanding of the logic, content and elements of balanced spatial development planning of polycentric spatial structures, and to promote innovative instruments. - To maintain cultural and natural heritage in regional development, and integrate it into physical-planning strategies. - To increase the cohesion of planning instruments, procedures and attitudes (including the introduction of Strategic Environmental Assessment); and to improve the compatibility of existing planning databases and information instruments.
B) <i>Tangible and intangible infrastructures with prominent large-scale impact</i>	<ul style="list-style-type: none"> - To improve transport linkage (especially public transport) within the AAP region, and create gateways to international markets (airports, logistic hubs). - To fill gaps in infrastructure through joint planning and lobbying, e.g. in transport, energy supply. - To improve linkage to trans-European Corridors and bring Corridors into the AAP regions. - To enhance social infrastructure through large-scale networking (health care and social services – old, young, specific needs).
C) <i>Excellence of knowledge networking</i>	<ul style="list-style-type: none"> - To improve joint management of natural resources (including renewable energy), fostering networks of excellence of know-how. - To improve and coordinate information dissemination and management (define common standards, facilitating communication throughout the AAP region). - To establish a permanent network of centres of excellence in science and technology. - To foster the exchange of skills at various levels (professors, researchers, students), allowing the sharing of experience and knowledge. - To improve common governance at regional and local level (including civil-servant exchange schemes and the sharing of good practice).
D) <i>Innovative small-business clustering</i>	<ul style="list-style-type: none"> - To foster co-operation of clusters and networks, and technology platforms, to create critical mass, gain international visibility, and establish supply chains. - To set up mechanisms to allow sharing and dissemination of key technologies (achieving critical mass is vital for small businesses). - To promote ‘second level’ clustering, i.e. networking of existing SME-support institutions at AAP level. - The requirements and processes preparatory to mutual recognition of VET curricula will be considered a precondition to a common labour market; this is expected to give further flexibility in the exchange of practices and experience among innovative SME.

The first Political Conference also agreed that initial common activities, to be prepared within these macro-themes, should meet the criteria of long-term perspective and benefits, large geographical scale, clear benefit for the AAP area and evidence of the network value-added. And it has provided the mandate for further work to be undertaken within the MATRIOSCA AAP project as summarised in the box below.

CONCLUSIONS OF THE FIRST POLITICAL CONFERENCE

Various options and co-operation scenarios are open. The most viable path is to undertake a consensus-based process that allows new possibilities and prospects to emerge along the way.

Considering the principles and strategic framework of MATRIOSCA AAP and pursuing the common project objectives, the political representatives of the project partners agree on the following political commitment based on the results of the White Paper and analysis of the legal preconditions of territorial co-operation.

The common strategic framework will focus on the **four macro-themes** (see in Annex for further details):

- **Territorial development and polycentric systems;**
- **Tangible and intangible infrastructures with prominent large-scale impact;**
- **Excellence of knowledge networking;**
- **Innovative small-business clustering.**

Current technical co-operation – covering a wide range of fields – will focus within the MATRIOSCA AAP project on these concrete key themes for regional and spatial development. Further major issues will be the focus of later collaboration.

To act on this decision, the technical specialists of the MATRIOSCA AAP project are mandated to:

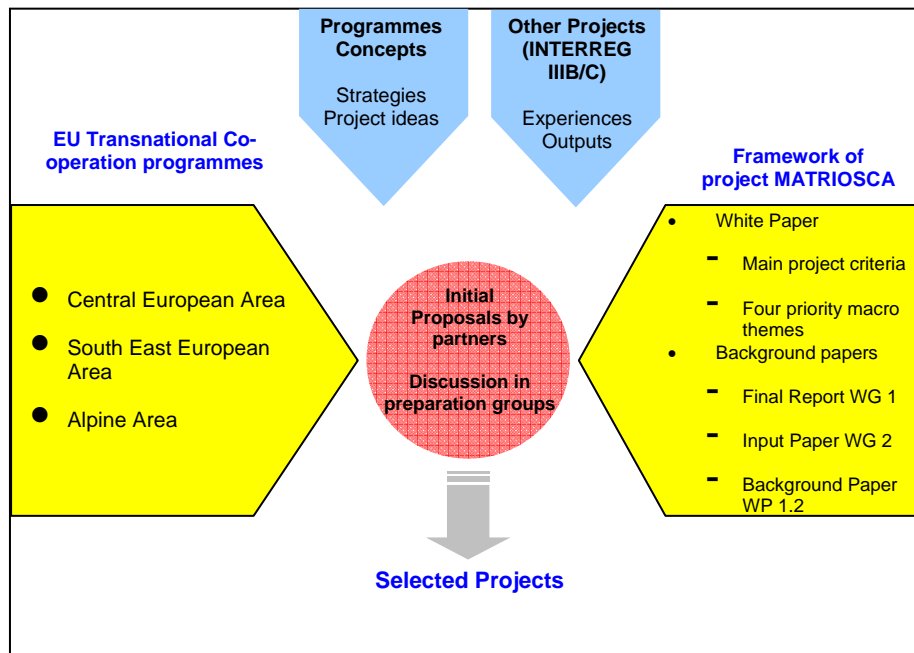
- Develop proposals for institutional setting to optimise the efficiency, effectiveness and sustainability of territorial co-operation at political and technical level based on existing bilateral and multiregional structures, at the same time investigating the possibility of using the EGTC based on European law;
- Draw up project proposals to submit to the upcoming funding objective “European Territorial Co-operation”, in particular future transnational co-operation programmes (Alpine Space, Central European and South East European Space).

4. Strategic projects under preparation

In line with the four macro themes, strategic activities were identified and developed with a view to undertake concrete actions for testing a more strategy driven cooperation in the AAP area, which also allows to refine and consolidate the intended cooperation based on real cases.

The first challenge in project identification has been to move from a “casual” and case-by-case identification of projects – which was predominant in the past – to a more structured process: the potential partnership is defined by pre-existing cooperation linkages and the common priorities have been identified in the White Paper and other background documents prepared within the MATRIOSCA project.

The framework of this project identification process is summarised in the figure below: it consisted of parallel analysis of previous cooperation projects and experiences, the respective current regional and national development strategies and the European policy context, i.e. funding opportunities for transnational cooperation.



The project identification process was carried out as a combination of two approaches:

1. Top down: through the identification of the 4 macro-themes undertaken in the White Paper. This was the first step and resulted from a structured synoptic analysis of previous experiences and projects as well as respective regional and national development strategies.
2. Bottom – up: in a second step initial project ideas were put forth by the partners, who also activated a “partnership process” in each territory by addressing the actors directly interested in the macro-themes. These ideas were subsequently discussed, modified or refined and the appropriate partnership was established for each project.

The results of this exercise are proposals for six cooperation projects, whose key features are summarised below, in alphabetic order:

1.- BIO ALPE ADRIA PANNONIA – ORGANIC CLUSTER

Objective

The varied range of organically produced and processed products from the macro AAP region should be made readily available for consumers and guests. General awareness for organic produce outside the macro region should be improved. This project should find solutions to improve efficiency in organic production in the widest sense, so as to improve the quality of life and economics in rural areas. The AAP region should lead the way in the organic field.

Rationale

Existing know-how and experience in the field of production, processing and marketing of organic food, as well as services and sustainable tourism, should be shared with all partners. Ascertain supply and demand of organic produce in the region and pass on such information. Establish cooperation between producers and retailers of organic food. Promote best practice examples of regional marketing. Promote and introduce an Organic Certificate of Origin food and services label, gene free and with a higher organic standard. Introduce consumer infopoints. Joint promotion of sustainable tourism in macro region (reciprocal advertising).

2.- CNCB – CLUSTER AND NETWORK COOPERATION FOR BUSINESS SUCCESS IN AAP SPACE

Objective

To establish better business-to-business cooperation in the AAP area; acting, promoting, networking of innovative clusters and SMEs, thus improving knowledge for improved competitiveness on the international markets.

Rationale

The project concept CNCB aims to compensate, within the AAP area, the lack of natural agglomeration advantages with the creation of clusters and co-operation networks. The average sized SME is often too small to take steps towards export. An export consortium, for a stronger joint presence on third markets, is therefore expected to be established to support SMEs.

Expected benefits of a Consortium are new business and increased profit in SMEs, need for smaller individual investment, minimization of the risk in entering new markets and the possibility of covering bigger orders. Additionally national and international training for SMEs and cluster managers will be carried out to raise the average level of knowledge regarding cluster management and internationalisation activities.

3.- INNO-CLUSTER

Objective

To test innovative methods for the research-business-collaboration at a transnational level, in order to boost synergies within the AAP area and also to synchronize, at a policy level, practices, schemes and priorities.

Rationale

Research and development, innovation and technology transfer, in particular when small businesses are involved, implies cooperation between researchers, technology intermediaries and small companies. In fact such a cooperation chain is often inefficient or totally absent. By experiencing concrete collaborative actions - between companies and research actors dealing with R&D and innovation issues - and by analyzing the outcomes of such actions from a methodological point of view, the lessons learnt will then be passed directly to policy makers for their systematization.

4.- NAT-REG – SPATIAL AND DEVELOPMENT PLANNING METHODS FOR SUSTAINABLE, NATURE FRIENDLY REGIONAL DEVELOPMENT

Objectives

The main objective of the project is to develop spatial and development planning methods which should ensure better use of regional spatial potentials, building on areas of natural value. Harmonized and compatible use of spatial and development planning methods will enable stimulation of synergies between areas of natural value and economic and social development for long-term sustainable development.

Rationale

The present status of nature and environment demands our attention since we are witnesses to a loss of biodiversity and habitats as well as alarming changes in the natural environment. It is warning us that existing spatial and developmental planning methods do not ensure the basic principle of sustainable long-term development comprising integrated and balanced objectives of economic, social and environmental development dimensions. Synergies between conservation of areas of natural value and economic and social development should be achieved through efficient spatial and development planning.

5.- SUSEN - SUSTAINABLE ENERGY DEVELOPMENT FOR REGIONS

Objective

To contribute to fulfilling the goals of climate change reduction and to support energy self-sufficiency at transnational, regional and local levels. To deepen cooperation between regions in terms of planning, developing strategies and measures concerning sustainable energy (SE) – improvement of energy efficiency, renewable energy production and means for energy storage.

Rationale

Today, half of Europe's energy consumption derives from imported fossil fuels. Fossil fuels, used in both the energy sectors, are also the main cause of CO₂ being released into the atmosphere. The area of southeast Europe is characterised by a low-level exploitation of renewable energy and of energy efficiency, and by the opportunity of existing sources for using renewable energy sources and applying environmental friendly technologies. The project focuses the transfer of know how from the most experienced zones to those with still unutilised resources and potentials for improving overall energy efficiency; additionally it is intended to foster the market penetration of both renewable and energy efficient technologies in the area.

6.- URBANET - AAP URBAN NETWORK

Objective

To create a multifunctional polycentric network to stimulate a competitive metropolitan region with an international identity by establishing an urban network of small and medium sized cities and towns in the AAP area and therefore stimulating better cooperation among the cities of this area.

Rationale

The area of AAP is characterized by the dominance of small and medium sized cities. In order to become a competitive metropolitan region that can compete with other regions in Europe, the AAP area has to build a polycentric structure, focusing cooperation and efficient urban management. In this manner a balanced and sustainable development can be achieved. Integrated urban development policy approaches should form a basis for effective and innovative urban management aiming at improving living conditions as well as social and economic performances.

An outline of the logical linkages between the selected strategic projects and the MATRIOSCA macro-themes is provided in the scheme below.

PROJECTS	MACRO-THEMES			
	Territorial development and polycentric system	Tangible and intangible infrastructures with prominent large-scale impact	Excellence of knowledge networking	Innovative small-business clustering
BIO-CLUSTER				
CNCB				
INNO-CLUSTER				
NAT-REG				
SUSEN				
URBANET				

NOTE: Degree of coherence of the projects to the macro-theme and expected impacts:

- Main reference macro-theme of the project (direct impact)
- Benefits directly implied by the project (indirect impact)
- Benefits indirectly induced by the project (collateral impact)

The experience gained with this process for generating strategic projects allows some preliminary conclusions, which can serve as points for further reflection under a strategic perspective:

- As can be seen in the scheme above, the projects will not only contribute to one prevailing macro-theme, but are also expected to induce - directly or indirectly - results and benefits into other macro-themes. This can already be considered as a significant positive outcome from having conceived the projects under a common strategic framework: the impacts of a project, or generally of any action undertaken according to a clear strategic and shared supporting scheme, are reinforced thanks to a “strategy leverage effect”;
- The common strategic platform and the possibility to work with partners from the other regions and countries who already aware and prepared on the topic and aligned on the macro-themes, was considered very beneficial. It was a notable improvement compared to previous experience and regarded as an important element for ensuring the quality of the project design and a sound partnership. From the MATRIOSCA strategic perspective, this can be considered a first check of the correctness of the overall project logic;

- The strategic perspective developed within MATRIOSCA is not yet shared by all partners, therefore projects sometimes lack strategic coherence. One reason might be that this information is often still limited to a core group directly involved in the MATRIOSCA project. In the future it will be crucial that it is more widely disseminated within all the offices of the regional and governmental institutions, in order to ensure that the expected benefits become real facts;
- Infrastructure was not only identified as one of the macro-themes, but also detected as one of the key challenges for the MATRIOSCA AAP area, where - from a strategy and long term perspective – important benefits from synergies could be obtained. However, none of the projects developed so far is directly focusing on that theme , although some project ideas have been put forth. This might be due to strong vested interests or predominant competition within the AAP area, but could also mean that projects in this field require a different mechanism or need to involve additional partners (e.g. from national level);
- Given the high interest detected in partner institutions for SUSEN project, concerning sustainable energy development (about 40 candidate partners expressed their interest to join the project), the sustainable energy theme, already considered in the macro-themes B and C, shall be given particular attention in AAP cooperation perspective. Possibly it could be considered as a macro-theme of its own, as soon as a revision and actualization of them will be undertaken in the future.

5. Future funding opportunities for co-operation

In principle, the AAP area is eligible for funding from **three trans-national co-operation programmes** within the Structural Funds new Objective 3 “Territorial Cooperation”:

- **Central European Space:** it includes eight Member States (Czech Republic, Germany, Italy, Hungary, Austria, Poland, Slovenia and the Slovak Republic) and one permanent observer (the Ukraine). Considered the “hearth of Europe”, it presents good economic performances and a rooted cultural common background. The overall budget of the programme is around 300 Meuro.
- **South East European Space:** it is the most complex programme, due to the high number and wide- range of countries involved including the poorest and richest European areas (8 EU members, Austria, Bulgaria, Romania, Greece, Hungary, Italy, Slovak Republic, Slovenia and 9 non EU members, Albania, Bosnia Herzegovina, Croatia, FYROM, Serbia, Montenegro, Turkey, Moldova and the Ukraine). However, even though territorial disparities are relevant, it is one of the most rapidly growing area. The overall budget of the Programme is around 245 Meuro.
- **Alpine Space:** the programme covers seven partner states (five EU members, Austria, France, Italy, Germany, Slovenia and two non EU members, Switzerland and Liechtenstein). It is considered one of the most competitive areas but some territorial disparities exist, even though they appear to be more limited than in Europe as a whole. The overall budget of the Programme is around 130 Meuro.

The following table shows the programmes for which Matriosca partners are eligible:

Matriosca PPs	Transnational cooperation			Other Cohesion Policy Programmes	
	CENTRAL	SEE	ALPINE	Convergence	Competitiveness and Employment
State Government of Styria	√	√	√		√
State Government of Carinthia	√	√	√		√
State Government of Burgenland	√	√	√	√	
Autonomous Region Friuli Venezia Giulia	√	√	√		√
Veneto Region	√	√	√		√
Republic of Slovenia	√	√	√	√	
Zala County	√	√		√	
Baranya County	√	√		√	
Győr – Moson – Sopron County	√	√		√	
Somogy County	√	√		√	
Vas County	√	√		√	
Tolna County	√	√		√	
Koprivnica – Krizevci County		√			
Region of Istria		√			
Autonomous Province of Vojvodina (additional partner)		√			
Varazdin County (additional partner)		√			

However, it must be noted that all three trans-national co-operation programmes have included the option granted by article 21 of Reg. (EC) 1080/06, allowing the possibility to finance expenditure incurred by partners located outside the area participating in operations (20% of the overall ERDF contribution threshold) and finance expenditure incurred in implementing operations or parts of operations on the territory of countries outside the European Community (10% of the overall ERDF contribution threshold) if this is for the benefit of the EU Countries.

Therefore projects involving partners from the entire AAP area can be co-financed by all three programmes. Moreover, an indicative matching of the Matriosca strategic approach with the objectives of the transnational programmes shows that all four macro themes and their core-strategies described in section 3 appear to be fundable from all three programmes.

Beside the thematic approach, all three programmes emphasize some strategic elements that should be taken into consideration (and which have been observed in the project generation process carried out within the Matriosca project):

- *Enhancement endogenous potentials:* existing competences, knowledge and skills, as well as cultural richness are a matchless wealth for sustainable development and competitiveness of the cooperation areas. Programmes aim to capitalise existing assets contributing to the creation of new endogenous potentials in a leverage effect;
- *Capitalisation of experiences, results oriented approach:* the manifold results of the projects implemented and the experiences made in programmes shall be exploited and used as a starting point for transnational cooperation. Dispersion of existing knowledge and relations has to be avoided. Programmes will fund projects that strive for clearly defined, tangible and quantifiable results and put significant efforts into the capitalisation and assessment of results and their transfer into concrete actions;
- *Involving relevant actors, political commitment:* the strategic approach that characterises Cohesion Policy in the period 2007-2013 calls for the involvement and commitment of relevant stakeholders and decision-makers, in order to achieve more effective results, to contribute to a better management of development processes and to enhance capacities of public authorities.

Additional funding sources that could complement the three recalled Programmes are available under different European Commission programmes:

1. In the framework of the new Objective 3, the **Interregional cooperation** Operational Programme (“Interreg IVC”), addresses the cooperation among all European regions, even if they are not neighbouring but distant regions. Eligible for funding from this OP are regions and local authorities from all 27 Member States (plus Norway and Switzerland). The total budget of the OP is 411 Meuro and the first call of proposals is already open since September.

The purpose is to establish networks and share experiences in the field of development and cohesion policy. Particular focus of the OP is the implementation of EC Lisbon and Goteborg agendas, thus the specific objectives of the OP are oriented to improve regional and local policies in the field of:

- Innovation and the knowledge economy;
- Environment and risk prevention.

To pursue those objectives, operations funded by the OP should be oriented to:

- Enable actors at regional and local level from different countries across the EU to exchange their experiences and knowledge;
- Match regions which are less experienced in a specific policy field with regions that have more experience in that field;
- Ensure that the good practices identified within interregional cooperation projects are made available to other regional and local actors and are transferred into other programmes (for instance within the EC’s so-called “Regions for Economic Change” initiative).

For the execution perspective the programme foresees two types of operation:

- Regional Initiative Projects. These projects aim to exchange experience in a specific policy field in order to identify good practice and to develop new tools and approaches for implementation. These interventions are initiated by regional actors;
- Capitalisation including Fast Track projects. To ensure that good practice identified, finds its way into the Convergence, Regional Competitiveness and Employment and European Territorial Co-operation programmes.

2. Various **cross-border cooperation** Operational Programmes, of which MATRIOSCA territories are partners and beneficiaries, and which are managed by authorities who are located in the AAP area.
3. Another opportunity for funding joint activities are the Regional Operational Programmes within the objectives “**Convergence**” and “**Competitiveness and Employments**” (ROPs) in which MATRIOSCA partners are eligible beneficiaries (or even Managing Authorities, in some cases). A first screening of these Programmes has shown that all of these OPs foresee the possibility of funding interregional co-operation at project level – in some cases even indicative sums are allocated for this purpose.
4. Finally, exists a wide range of other EU Programmes, which can be used by for co-financing joint activities by partners in the AAP area. The most important ones are the VII Research and Technology Development Framework Programme, the Competitiveness and Innovation Framework Programme (CIF) and the Instrument for Pre-accession Assistance (IPA).

It is of prime importance to stress the fact that, in order to make use of these diverse funding opportunities in a more coherent and co-ordinated manner, the governance of trans-national co-operation in the AAP area needs to be improved.

6. Proposal for institution building

6.1 *Antecedents and current situation*

The co-operation area has a heterogeneous institutional structure: the administrative levels range from nation states to NUTS II regions and NUTS III counties, which have different legislative conditions and regulations of activities in force. The analysis carried out in the MATRIOSCA project has outlined the main distinction, as far as the territorial cooperation matter is concerned, between territorial relations inside the EU and international practices, with different outcomes on the procedures to follow and acts to pass and sign. In some partner areas, there is also a regionalisation process in progress (Slovenia, Hungary).

It is evident that institutional conditions vary in partner regions in terms of division of abilities and relations between levels/sectors, especially between sectors responsible for regional development and spatial planning. Therefore overlapping of similar activities is a situation quite commonly found throughout the AAP cooperation area.

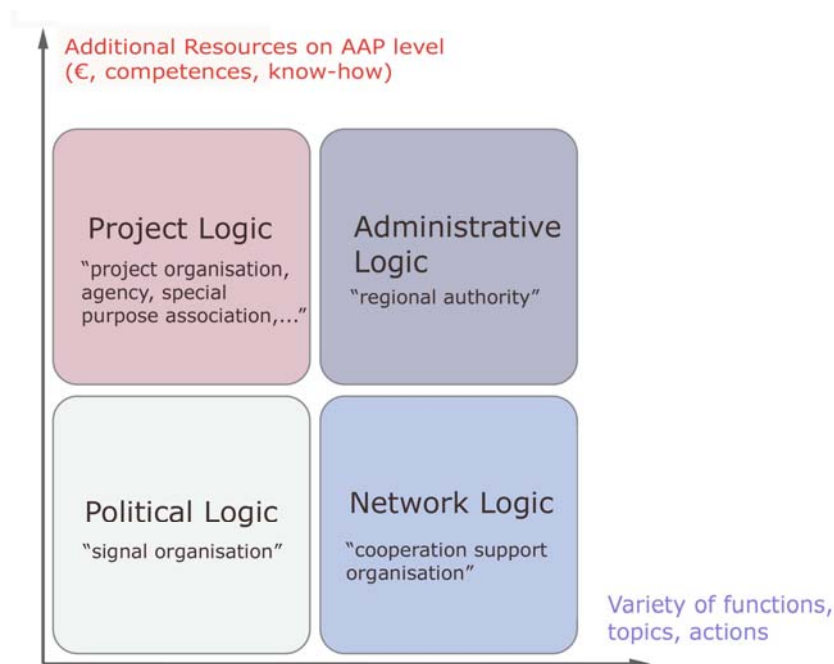
A positive antecedent is the fact that most of the MATRIOSCA AAP partners have for many years been members of the Alps Adriatic Working Community (AA WC) and thus have a very rich and long tradition of co-operation. However, AA WC is currently only based on an agreement, with limited capacity and without any involvement in management of territorial cooperation programmes or projects. Therefore the updating and strengthening of this existing structure was one of the options to be considered within the MATRIOSCA project.

Moreover, several cross-border co-operation initiatives and structures (Euregios or Euroregions) exist or are in the making involving some of the partner regions. A variety of legal agreements have been concluded (e.g. "Villa Manin" agreement), with a view to generally facilitating co-operation activities or enabling the setting up of joint structures. There are also several cross-border projects from which new experiences could be found. In addition, new Euroregions have recently been established or are in the making (e.g. CENTROPE, Adriatic Euroregion), which are located in the vicinity of the AAP co-operation area.

6.2 *Main issues considered for institution building*

Due to its multifaceted features, the institutional theme was approached not only by focusing on the analysis of mere legal options, but instead undertaking a multilevel analysis, considering various aspects at the same time.

The implications of various "logics" underpinning cooperation were considered in order to understand to what extent these could be alternative or complementary:



The challenge – according to the MATRIOSCA approach – has been oriented to keep all the various logics of intervention open for the mission of the possible common institution.

From an organizational development perspective, trans-national co-operation is perceived as co-operation system(s) of organizations and their representatives. The list of core territorial functions these co-operation systems need to fulfil in the AAP area has been identified in order to make trans-national co-operation more effective. Those core territorial functions are linked to the "roles" described in the White Paper and support the "four big needs" identified while defining the strategic MATRIOSCA perspective:

- To safeguard political commitment to coordinated action in the AAP area;
- To develop a strategic framework for future actions;
- To develop and implement joint projects of strategic transnational importance;
- To foster a lively community of potential project partners and support project generation by providing "meeting places" and technical support.

Transnational territorial cooperation is obviously more than just implementing programmes or projects and attracting funds. Indeed, it is shaping new landscapes and relations among regions and their authorities.

6.3 The institutional setting under a strategic perspective

The strategic ambition shall be to keep all the above aspects under consideration and to identify possible and viable solutions for institutionalised cooperation which correspond to the requirements of the complex, multilevel situation identified in the preceding analysis.

The most viable and promising legal instrument has been identified in the European Grouping of Territorial cooperation (EGTC), introduced by the EC Regulation 1082/2006.

Different possibilities were taken into consideration, knowing that any improved structure should:

- Provide a "neutral" ground for further territorial cooperation at all levels;
- Improve the coordination of existing Structural Fund Programmes (acting as a permanent forum);

- Constitute a meeting point between programme officers and entities for external relations;
- Facilitate the networking of administrations and the implementation of joint projects.

Various territorial levels of cooperation were taken into considered for future institution-building. Eventually three options and their specific implications have been identified :

- Option A: Expand and transform Alps-Adriatic Working Community and provide it with a legal entity (EGTC); i.e. to consider the wider scale of intervention as the predominant focus;
- Option B: Several smaller entities, each with a legal entity (EGTC); that means not establishing one common basis for cooperation encompassing all the AAP area but instead a coordination of more sub-areas, the main focus being on this smaller scale;
- Option C: Combination of Options A and B, i.e. a framework structure (e.g. AA WC) acting as an “umbrella” organisation for the AAP area and co-operation among entities of smaller territories. The mixture should ensure long term strategic perspective in undertaking short-medium term oriented operations.

Following the agreement by the First Political Conference, a viability study for establishing an EGTC was conducted. It resulted in an in-depth investigation of several legal questions:

- Considering Community, national and regional authorities and partner-country legislative-regulatory powers regarding territorial co-operation;
- Undertaking a specific insight into the EGTC, taking also into account relevant experiences in the AAP area and in Europe.

The new “EGTC” regulation is a milestone effort to improve the framework for territorial cooperation in the EU: *EGTC is an entity with a directly applicable legal status, which provides simplification of procedures and permits the stipulation of agreements involving Member States.* It is a brand new instrument, a binding regulation and constitutes a major step for strengthening territorial cooperation while respecting the jurisdictions under the respective national laws.

In general, the national provisions to ensure effective application of the Regulation (EC) No 1082/2006 are not in place yet, with the exception of Hungary, where the Parliament has approved the Act on EGTC in July 2007. In other partner regions the process is still under negotiation between the national and regional/local level. For setting up an EGTC the regulation has to be implemented in all participating Member States. Since an EGTC shall be made up of members within the limits of their competences under national law, the least common denominator regarding these competences has to be recognised.

Furthermore the draft model statute for an EGTC, suitable to be used for different levels / institutions, was elaborated.

Finally a political decision is planned to be taken by the governmental representatives of MATRIOSCA partners, who are in charge of providing the necessary inputs concerning the definition of the tasks, the territory, potential members and timeframe. After such a political decision, the final legal form and the respective convention/statute shall be drafted according to the envisaged type of EGTC.

The task is far from simple, since the countries involved have very different interests in terms of contents, form, seat, purpose and other aspects of the future strengthened cooperation. The most important is that partners opened an intense debate, knowing that desired sustainable development of the territory is strongly conditioned by enough big "critical

mass". According to the Slovene partner, who coordinated the "Institution Building" package, the process is worth to be continued and invested in developing of suitable formal structures on the basis of a new EU Regulation.

7. Need for future strategy development

By elaborating a Joint Strategy the MATRIOSCA technical team made an attempt to design a theoretical framework for territorial co-operation helpful for practical enforcement. It was based on the assumption that three ingredients are required for a more strategy-oriented cooperation platform: lobbying activity of the political level; coordination of technical and operative structures and, last but not least, strategic planning in the AAP area.

As a conclusion one can acknowledge that (at least) six projects are in the pipeline as a result of this joint strategic, some steps forward have been made for improved coordination among regions and the foundation has been laid for the activation of an EGTC as soon as it is allowed by the national application measures.

The political level – which so far has shown a positive attitude to address, discuss and answer the many problems still existing - is absolutely crucial for the whole process to be considered successful. It is expected that at the forthcoming 2nd Political Conference substantial decisions on the priorities – strategy, institutions and contents – will be taken.

But a number of challenges remain, which must be addressed in the future to continue, deepen and widen the strategy process which was initiated under the MATRIOSCA project:

7.1 — Strengthen the territorial partnership

In the new competition climate the European Union is debating a stronger territorial focus for its policies. It is the long term ambition of any European policy devoted to territorial cohesion to see a territory with many prospering regions and areas, playing an important role for Europe and providing good quality of life for their citizens.

Identity, quality, and efficiency are the three main building blocks to reach the territorial dimension of sustainability of growth and development. But, if identity is strongly pertinent to the single region, quality and efficiency are much more related to the AAP dimension, i.e. that of a trans-national cooperation area of different territories belonging to several countries.

We are therefore dealing with the chance and the challenge of a partnership among territories, which implies:

- Fostering the active role of a wider variety of different protagonists including the citizens;
- Implementing co-operation and coordination of intermediate bodies, those representing the business communities of the different regions;
- Motivating all the units and departments of the partner institutions to join in the game, not only those who are dealing with international cooperation and strategic programming, who are already involved;
- Identifying an "information & communication" strategy, both inside and outside AAP.

7.2 — Implement the territorial partnership in various arrangements

Various options are still open on how to design the common structure, the vehicle for strengthened cooperation.

The complex historical background and the variety of 'good practices' proposes to consider the possibility of variable profiles in the cooperation inside the AAP area, also including different sub-areas.

It is however crucial – to ensure long term perspective and sustainability – to come up with a common AAP strategic vision and perspective, and to identify concrete actions to be undertaken.

The operation of these different institutional arrangements in a more coordinated manner will be crucial for making effective of the various funding opportunities in the new programming period 2007 – 2013 for joint activities (Objective 3 Territorial Cooperation, Regional Operational Programmes and other EU funds).

7.3 — A pragmatic approach strongly rooted in past experiences

A priority need for optimising the experience of MATRIOSCA and to proceed further in stabilizing and strengthening the cooperation in the AAP area, is the definition of a clear methodology on how to work together, what approach to implement in order to identify, to select and to undertake common projects.

There is undoubtedly a bulk of projects, activities, and best practices within the AAP area and it is crucial to exploit and optimise them. Along this line the case of the Alps-Adriatic Working Community represents an important antecedent of MATRIOSCA, to be carefully considered.

At the same time, it is important to deal with the issues that hindered and weakened those experiences: rhapsodic approach, lack of strategic vision, weak sustainability.

7.4 — Institutional setting as a result of concrete alternatives

Trust, based on concrete facts, will be the best precondition for defining the most suitable institutional setting, detailing the role, functions and objectives of the common structure.

Trust building is certainly a crucial and significant by-product of the previous and present co-operation among AAP members.

The contents of the cooperation, and the related choices, shall take the lead in all the institutional setting process. The complex analysis undertaken and the articulated background motivations to be considered in the formulation of the best institutional setting for future cooperation, a concept above all should be kept clear: clear and shared contents for the cooperation shall prevail.

7.5 — A clear political commitment

The second Political Conference should be closed with a shared agreement:

- To confirm the decisions, already taken in the first Political Conference, of a selected small number of themes for starting cooperation, and eventually agreeing on a method to update and revise the short list;
- To guarantee the real awareness and commitment to act for AAP cooperation of all the administrative structures and units belonging to the respective institutions;

- To ensure publicity and communication to interested protagonists and the wider public, i.e. the 'visibility and image' of the AAP area;
 - To provide direct financial resources and allow for the channelling of EU funds.
 - To set up a monitoring and evaluation path of the proposed projects in order to ensure precious feed-backs to future programming actions.
8. The final slogan should be "get something done". The technical team who worked on the present 'Joint Strategy Document' therefore suggests being "modest" but, at the same time, brave enough to take decisions concerning the things to do first.

Further objectives, actions and results should be added on the basis of the first achievements, supported by confidence and mutual trust which the first results will generate.