

Territorial Cohesion and Place-based Policies in the Western Balkans: an Exchange Programme on Chapter 22 of the EU Acquis

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1. Introduction

This book presents the results of two projects developed between 2022 and 2024, funded within the calls of the “Know-How Exchange” programme (calls 2022 and 2023), managed by the Central European Initiatives and supported by the Italian Fund at the Bank for Reconstruction and Development.

The aim of the projects was to support the implementation of the EU Regional policy and the Coordination of Structural Instruments as defined in Chapter 22 of the *acquis communautaire*, “Regional Policy and Coordination of Structural Elements”. The Chapter is mainly comprised of a framework and implementing regulations which do not require transposition into national legislation, but they define the rules for drawing up, approving and implementing Structural funds and Cohesion fund programmes. The Regional policy is the EU’s main investment policy for sustainable and inclusive economic growth and pursues the strategy to promote and support the overall harmonious development of its Member States and regions. Member States bear responsibility for the implementation of Cohesion Policy that requires adequate administrative capacity and sound financial management of projects’ design and execution. To be prepared for the proper use of Cohesion Policy instruments, a future EU Member State must start preparations early on. Success in the management of Cohesion Policy is far from banal, as evident in the major differences among EU Member States concerning their ability to utilise EU funds.

The countries of origin of the beneficiaries of our project (Albania, Montenegro, North Macedonia and Serbia) are beneficiaries of EU funds under the Instrument for Pre-Accession Assistance (IPA III in the 2021-2027 programming period). The management of these funds is different from that of Cohesion Policy in many respects.

While the four countries are still not beneficiaries of Cohesion Policy funds, the project was based on the idea that preparing for Chapter 22 can help

the enlargement perspectives of Western Balkan countries. Not only is the Chapter itself part of the *acquis communautaire*, but Cohesion Policy intersects many other topics (from environment to innovation), which are also at the core of the Enlargement package. Consequently, advancing in the implementation of Chapter 22 means advancing in the EU integration process in a larger perspective.

The long-term result of the project was thus a strengthened capacity to deal with Chapter 22, based on activities of training and exchange of knowledge and know-how between all the partners involved.

The projects aimed as well at tightening the connections across the Adriatic and Ionian Sea, between Italy and Western Balkan countries, in the field of Cohesion Policy and transnational cooperation. Italy has always been at the forefront in promoting the enlargement perspective of Western Balkan countries, regardless of the political orientation of the different governments. Moreover, Italy has a vast experience in managing funds for regional development and EU Cohesion Policy funds, given its long-lasting problems of unbalanced development between the North and the South. Italy has been at the forefront of many innovations regarding Cohesion Policy in the last decades, and it is still an important laboratory in the implementation of the funds and in the definition of multilevel governance mechanisms for this purpose.

The project also had the aim of supporting the regional dimension in Western Balkan countries. Regional cooperation between the countries of the Western Balkans is part of the EU's conditionality and EU integration process. In this context, the project activities stimulated regional cooperation between the partners in a twofold manner: first, by organizing regional events bringing together national representatives of the beneficiary countries where they could meet, discuss and network together; second, by focusing on the regional dimension of Cohesion Policy, so as to stimulate the exchange of perspectives between the participants and encourage further cooperation. To this aim, particularly relevant are the frameworks

offered by the territorial cooperation programmes and the EUSAIR macro-regional strategy. All the countries participating in the projects are also involved in different forms of territorial cooperation (including cross-border, transnational and interregional programmes) with Member States and across the Western Balkans region; the programmes represent a very promising field to experience cooperation and implementation of Cohesion Policy rules. Moreover, all the countries are involved in the European Strategy for the Adriatic and Ionian region (EUSAIR), a strategic framework of coordination and strategic planning for the development of the Adriatic and Ionian Macroregion where all the countries are represented and that serves as a shared venue to address common challenges in a transnational perspective. The projects promoted a better exploitation of those existing mechanisms to strengthen the preparation for Chapter 22 in beneficiary countries.

Finally, the project contributed to the communication and dissemination in all the countries involved of the potentialities of cooperation in the field of Regional policy.

Project activities

In the first edition (November 2022-April 2024), the project “Programming the EU Cohesion Policy: Exchange programme on Chapter 22 in Serbia and Montenegro” was carried out by two Italian partners - the Institute for the Study of Regionalism, Federalism and Self-Government of the National Research Council of Italy (CNR ISSIRFA) and Osservatorio Balcani Caucaso Transeuropa (OBCT) - as knowledge providers, and the Ministry of European Affairs (MEA) of Montenegro, the Ministry of European Integration (MEI) of Serbia, and the European Fund of the Autonomous Province of Vojvodina of Serbia as knowledge beneficiaries. In the second edition (January-December 2024), in the project “Territorial Cohesion and Place-Based Policies: An Exchange Programme on Chapter 22 (COPE22)”, knowl-

edge beneficiaries included MEA of Montenegro and MEI of Serbia and was further enlarged to include the Secretariat for European Affairs (SEA) of North Macedonia and the State Agency of Strategic Programming and Aid Coordination (SASPAC) of Albania.

The projects included different steps. The first project, started with the identification of participants, following a multi-stakeholder approach, and a needs assessment, also considering the number of initiatives which are often organised in Western Balkan countries and the need not to overlap with potential other activities

On this basis, a draft proposal for each of the training activities was proposed and further discussed with beneficiaries, up to a final version that they approved. The team developing the training was based on the specific needs of the beneficiaries: the core team by CNR ISSIRFA and OBCT, in the case of the Ministry of European Integration of Serbia, was supported by experts from the Politecnico di Torino. The trainings took place between May 2023 (in Belgrade and in Novi Sad, Serbia) and June 2023 (in Podgorica), including a welcome speech by the Italian Ambassador in Montenegro and the Italian Counsellor in Serbia.

A further step was the organisation of a study visit in Rome for some representatives of the beneficiary partners. The visit took place in November 2023, in the premises of the National Research Council in Rome. The meetings included several Italian experts on Cohesion Policy at national and regional levels, as further detailed in the annexes, including representatives from the Italian Presidency of the Council of Ministers - Dept. of Cohesion Policy, the Regions Lazio and Emilia Romagna, the Autonomous Province of Trento, the Municipality of Rome, the National Association of Italian Municipalities, the EGTC GO (Italy/Slovenia), the French Mission Operationelle Transfrontaliere, the initiative Monithon Europe, the Association Riabitare l'Italia, the Newspaper Il Sole 24 Ore, and the University of Milan. Finally, a concluding webinar took place on March 14th, 2024, animated by the project partners and by representatives from the European Commission (DG

Regio and DG Near) and from the Italian Ministry of Foreign Affairs. In the meantime, the second edition of the project started following the same path; after the needs assessment and the agreement on the topics to be covered during the training activities, trainings were held in Skopje (North Macedonia) in April 2024 and in Tirana (Albania) in May 2024. Representatives of the Italian Embassy as well as of the EU delegations in the country took part in the meetings. In the case of Albania, the trainer team was enlarged to include an independent consultant on EU Cohesion Policy to follow technical implementation aspects.

In November 2024 the final event of the project was held in Belgrade (Serbia), with the participation of the Minister of European Integration of Serbia and the Italian Ambassador in Serbia. Also, representatives of the DG Regio of the European Union and of the EU Delegation took part in the event. The meeting gave the opportunity not only to present the results of the project but also to discuss the future of Cohesion Policy and of enlargement perspectives, as well as to allow for a horizontal discussion among the different countries about their achievements and obstacles in the preparation for Chapter 22.

Communication activities were developed throughout the life of the projects, coordinated by OBCT. Two main typologies of communication activities were included: on the one hand, all the activities of the project were presented and illustrated on social media and on the website and newsletter of the knowledge providers.

On the other hand, articles on the topic of the project (Chapter 22/Cohesion Policy in Southeast Europe) were disseminated via the OBCT website, in Italian and English.

The activities of the project overall contributed to the goal of a better understanding and exploitation of Cohesion Policy mechanisms and opportunities for the beneficiary partners, both directly, by participating in the training, site visit or events, and indirectly, by creating links and contacts horizontally and with Italian experts on Cohesion Policy. These contacts

gave room for further exchanges and led to the definition of personal and professional networks of collaboration that are likely to continue in the future.

Structure of the publication

This publication has two main aims. First, telling the story of the projects, focusing on their goals, activities and results. Second, offering some additional material to the beneficiaries of the courses and to other stakeholders potentially interested in learning more about EU Cohesion Policy with a focus on the experience of Italy.

The project is structured in three sections. In the first section, after this general introduction, chapter 2 presents the state of the art of the countries with respect to Chapter 22 of Acquis Communautaire based on official EU sources, while chapters 3 introduces the point of view of knowledge beneficiaries, with a contribution from the Ministry of European Integration of Serbia.

The second section of the book provides some insights into the different topics that were covered during the training activities organised throughout the project. Cohesion Policy is a very complex and vast topics, and the training activities were limited in this regard; clearly there is no ambition to offer a complete picture. Rather, this section wishes to provide beneficiaries and other stakeholders with some organised information regarding the topic of their interest that were presented during the training courses organised between 2023 and 2024.

The information is based on official sources and presents some cases related to Italy, that were used as examples for in-depth study. Chapter 4 presents an introduction on Cohesion Policy, its main principles and perspectives. Chapter 5 delves into a crucial aspect to be taken into account in the programming step: the enabling conditions, which represent ex-ante policies to be fulfilled in order to access the Cohesion resources. Chapter

6 discusses European Territorial Cooperation, the only component of Cohesion Policy accessible also for countries in a pre-accession process, and the diffusion of cross-border integrated strategies. Chapter 7 is focused on the objective of a Smarter Europe (Policy Objective 1 of the 2021-2027 programming period) and on one of the enabling conditions for its implementation, the Smart Specialisation Strategy (S3), including a focus on the state of the art of S3 in Western Balkan countries. Chapter 8 is focused on the Policy Objective 2, that of a greener Europe, and on its connections with current policies in Western Balkan countries. Chapter 9 is focused on Policy Objective 5 (A Europe closer to citizens), starting from the definition of functional areas, with a specific focus on the cross-border scale. Chapter 10 analyses the performance framework, a new structure of evaluation established in the 2021-2027 programming period, including references to the specific Italian case. Chapter 11 offers an overview of the territorial dimension of Cohesion Policy, focusing on instruments for cities and rural areas, also with reference to the case of Italy. Chapter 12, finally, focuses on the EU Strategy for the Adriatic and Ionian Region and on its potentialities for supporting the EU enlargement in the Western Balkans. Each chapter includes references and a webography on the different topics, as an instrument for accessing more detailed information.

Finally, section three presents the programmes and some pictures taken during the activities, to offer an overview of the different initiatives that were undertaken during the project.

Raffaella Coletti and Luisa Chiodi

FIRST PART
The context

2. Negotiations on Chapter 22 of the EU Acquis: State of the Art in Albania, Montenegro, North Macedonia, and Serbia

Filippo Marinoni¹

1. Introduction. – 2. The vNegotiation on Chapter 22: An Overview of Four Western Balkans Countries. – 3. Conclusion. – Further readings

Abstract: This introductory chapter provides an overview of the European Union (EU) enlargement process to the Western Balkans (WB), with a focus on Chapter 22 of the Acquis (Regional policy). Firstly, it describes the process of accession of a new member and briefly examines the EU financial assistance to the WB countries. Subsequently, it draws attention to the assessment made by the European Commission of the progress of four candidate countries (Albania, Montenegro, North Macedonia, and Serbia) on Chapter 22 of the negotiations. According to the latest EU Enlargement package, the four countries are all “moderately prepared” on this Chapter, facing similar strengths and common challenges. Institutional and legislative frameworks are indeed aligned to EU standards, while understaffing and lack of administrative capacities hinder the advancements of the negotiations in this policy area.

Keywords: EU enlargement process, Western Balkans, Chapter 22, Regional policy, EU Enlargement package

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1. Introduction

This chapter provides an overview of the performance of the four Western Balkans countries involved in the projects “Programming the EU Cohesion Policy in Montenegro and Serbia” and “Territorial cohesion and place-based policies” in Albania and North Macedonia, concerning their EU integration journey. Albania, Montenegro, North Macedonia, and Serbia are all countries from the Western Balkans (WB) region and are candidate countries in the European Union (EU) enlargement process.

After briefly introducing the EU enlargement policy to the WB and the mechanism revision that took place in 2020, this contribution analyses the evolution of the negotiations over Chapter 22 of the four countries in the last two years by taking advantage of the assessment made by the European Commission (hereinafter “the Commission”) each year: the so-called “EU Enlargement package”. These reports provide an analysis of the state of advancement of all the Chapters that need to be opened, fulfilled, and closed for a candidate country to eventually be considered ready for EU integration.

The evaluation on Chapter 22 of the four countries involved will be done in alphabetical order and by taking account of the main indicators used by the Commission: legal framework, institutional framework, administrative capacity, monitoring and evaluation capacities, internal and external audits.

2. The EU Enlargement Process to the Western Balkans

In the words of the EU: “Enlargement is the process whereby states join the European Union after they have fulfilled a set of political and economic conditions”². The conditions to be fulfilled are known as the “Copenhagen criteria”, which were adopted in 1993. The political criterion requires that, a

2. <https://www.consilium.europa.eu/en/policies/enlargement/#Enlargement>

candidate country is a fully fledged liberal democracy with a functioning rule of law that respects human rights. The economic criterion requires that the candidate country works as a “functioning market economy”. The institutional criterion requires the candidate country to develop the administrative and institutional capacity to effectively implement the set of EU rules, standards, and policies – “the Acquis Communautaire” – and to adhere “to the aims of political, economic and monetary union”³. The country that wishes to be integrated needs to prove that such a body of EU law is incorporated into its legal systems and that it is fully implemented during the accession process.

This process starts with the membership application to the Council of the European Union (“the Council”), which decides whether to grant the candidate status unanimously, following the Commission's recommendations. Once the status is granted, the negotiations for the accession begin. The Commission proposes the negotiation framework and oversees the candidate country's progress on the implementation of the reforms throughout the negotiation process. The latter is organised in 35 Chapters grouped into 6 thematic groups, each covering a specific policy area. These Chapters must be opened, fulfilled, and closed before accession is granted. Each and every step of this process needs to receive the approval of the Council. The accession needs to be approved by the Commission, by the European Council (by unanimity), and by the European Parliament. Subsequently, the treaty of accession must be signed and ratified by all the Member States and the candidate country.

The expansion of the EU took place through seven “enlargement waves”⁴. Since the “Big Bang” enlargement (2004-2007), only one country (Croatia)

3. European Council. (1993). Conclusions of the Presidency: European Council in Copenhagen, 21-22 June 1993, p. 13.

4. First enlargement, 1973 (Denmark, Ireland, and the UK). Second, 1981 (Greece). Third, 1986 (Spain and Portugal). Fourth, 1995 (Austria, Finland, Sweden). Fifth, 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia). Sixth, 2007 (Bulgaria and Romania). Seventh, 2013 (Croatia).

was integrated into the EU. All the countries part of the so-called “Western Balkans”⁵ are still in the waiting room. Some authors have identified this stalemate in the process as an “enlargement fatigue”. In order to revitalise the process of enlargement and to “re-establish a credible EU perspective for the Western Balkans”⁶, in 2020 the EU adopted a revised methodology, which is organised in 6 clusters of Chapters, the first of which – “fundamentals” – is the first to be opened and the last to be closed. However, until now, this new approach has not brought any relevant advancement in the accession path of the WB countries.

To support the accession process, the EU has provided financial and technical support to the region since 2007, aiming to facilitate the adoption of political and economic reforms in the WB countries. This dynamic is also known as “gradual integration”⁷. These countries have been beneficiaries of the Instrument for Pre-Accession Assistance (IPA), which was replicated for three seven-year programming periods: IPA I (2007-2013), IPA II (2014-2020), and IPA III (2021-2027), for a total amount of more than €28 billion⁸. Alongside this instrument, other investments have been done by the EU, like the economic support to recover from Covid (€3.3 billion) in 2020. In late 2023 the EU introduced the new ‘Growth Plan for the Western Balkans’, which includes an additional €6 billion in pre-accession funds for the period 2024–2027, of which €2 billion in grants and €4 billion in concessional loans, “with payment conditioned on the Western Balkans’ partners implementing specific socio-economic and fundamental reforms”⁹.

5. Petrović, T. (ed.) (2014). *Mirroring Europe - Ideas of Europe and Europeanization in Balkan Societies*, Brill, p. 207.

6. https://ec.europa.eu/commission/presscorner/detail/el/statement_20_208

7. Emerson, M. & Blockmans, S. (2025). *A Redynamised EU Enlargement Process, but hovering Between Accession and the Alternatives*, Centre for European Policy Studies (CEPS), <https://www.ceps.eu/ceps-publications/a-redynamised-eu-enlargement-process-but-hovering-between-accession-and-the-alternatives/>

8. https://enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance_en#:~:text=IPA%20funds%20build%20up%20the,budget%20of%20%E2%82%AC11.5%20billion

9. https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en

Despite the engagement of the EU in the region, the enlargement policy has not been decisive so far, and the WB region is still far from reaching economic convergence with the EU and the attainment of the required social and political criteria. WB countries' governments have faced democratic backsliding and failed in tackling crucial issues such as widespread corruption¹⁰. On the other side, many analysts point out that the EU has also faced multiple crises after 2008 and has not managed to be effective in the WB countries as a transformative power.

3. The Negotiation on Chapter 22: An Overview of Four Western Balkans Countries

The 22nd Chapter of negotiation is named "Regional policy and coordination of structural instruments" and is included in Cluster 5 "Resources, Agriculture, and Cohesion". The aim of the negotiations on Chapter 22 is to prepare the candidate countries to take part in the Regional (or "Cohesion") policy once they join the EU. Regional policy aims at reducing disparities and fostering inclusive socio-economic growth in the EU's territory. Given its approach devoted to territorial socio-economic development and convergence, this policy intersects many other elements which are part of the negotiations (e.g. environment, procurement legislation), and its management requires significant administrative capacity. All the candidate countries, hence, must reach the adequate level of preparation concerning this policy on a variety of indicators, such as legislative framework, institutional framework, administrative capacity, programming, monitoring, and evaluation capacity. During the negotiation phase, the candidate countries must adopt reforms in these domains to enhance their absorption capacity, which means the ability to receive funds, properly manage them, and, thus, avoid the risk of decommitment. In analysing the coun-

10. Richter, S., & Wunsch, N. (2020). Money, power, glory: The linkages between EU conditionality and state capture in the Western Balkans. *Journal of European Public Policy*, 27(1), 41–62. <https://doi.org/10.1080/13501763.2019.1578815>

tries' performance about Chapter 22, we will draw on the 2023 and 2024 "EU Enlargement package(s)" that are produced by the Commission. This annual report investigates each country's progress in their negotiations with the EU. It evaluates the performance of the countries on several aspects that concern the management of the funds deriving from the EU and their capacity for absorption and monitoring. Namely, it gives insights on the legislative and institutional framework, the administrative and programming capacity, the monitoring and evaluation system, the internal and external audit system, and the financial management and control systems.

Albania

In 2009, Albania submitted its formal application for EU membership, and in June 2014, the country was granted candidate status by the EU. In March 2020, the Council decided to open the accession negotiations, and in July 2022, the Intergovernmental Conference on accession negotiations with Albania was held. After the explanatory screenings of all the clusters, in October 2024 – ten years after being granted candidate status – the Council opened Cluster 1 of negotiations (the "fundamentals") with Albania.

The country's main institution responsible for negotiations over Chapter 22 is the State Agency of Strategic Programming and Aid Coordination (SASPAC), established in October 2021. This institution is also responsible for coordinating programmes of cross-border cooperation and managing IPA funds. Regarding Chapter 22, the overall assessment is that "Albania is moderately prepared in the area of Regional policy"¹¹. According to the Commission, "some progress was made" by the Albanian administration on this Chapter over the last year. The report states that, concerning the legislative framework, the Albanian system is largely aligned to EU acquis,

11. European Commission. (2024a). Albania Report 2024. https://neighbourhood-enlargement.ec.europa.eu/albania-report-2024_en

but the Commission recommends marking further progress in the legal framework for procurement. The Commission hailed the adoption in 2022 of the “Law on regional development and cohesion”, which divides Albanian territory into four development regions. The Albanian Development Fund (ADF), established in 1993, is responsible for implementing the law and for preparing the national plan for regional development and the regional plans for the four development regions¹². Regarding the institutional framework, then, the Commission is satisfied by the decision of Albania to enlarge the interinstitutional working group for Chapter 22 by establishing the “Directorate for Convergence and Cohesion” within the State Agency for Strategic Programming and Assistance Coordination (SASPAC), the State Agency responsible for the coordination of foreign aid for development programmes and projects. On administrative capacity, Albania still must substantially strengthen human resources and staff retention; positive remarks were made about increasing salaries for civil servants. While on programming, the Commission encourages Albania to develop a national framework for regional development.

Improvements are requested in the monitor and evaluation domain, as well as in the financial control and audit, in which Albania is requested to adopt anti-fraud strategies. This moderately positive evaluation in Chapter 22 aligns with the positive momentum in Albania’s process of integration into the EU. Indeed, optimism about the accession is perceived both at the political and public opinion levels.

Montenegro

Montenegro obtained candidate status in the EU in December 2010, and in July 2012 negotiations began. The country is – technically – the closest to the EU accession of all the ten countries involved in the current enlarge-

12. European Commission. (2023a). Albania Report 2023. https://neighbourhood-enlargement.ec.europa.eu/albania-report-2023_en

ment process. Indeed, by late 2024, 33 negotiating Chapters have been opened, of which three have been provisionally closed. Concerning the negotiations on the Regional policy, the EU opened Chapter 22 of negotiation with Montenegro in June 2017. It is the only country of the Western Balkans that has opened negotiations for this Chapter. These are carried out by the Ministry for European Affairs (MEA). Specifically, the Working Group for Chapter 22, founded in 2012, is entitled to manage IPA funds, beyond negotiating on the Chapter. The Group consists of 22 members (17 from state institutions and 5 from the civil sector). According to the 2024 report, Montenegro is moderately prepared in the area of Chapter 22, just like in the previous year's report¹³, with some progress detected. The Commission hails the plan to adopt the Law on European Structural and Investment Funds, which is envisaged for 2026. Concerning its administrative capacity, the report recognises the effort of the government to improve its retention policy by turning temporary contracts into permanent positions. Still, it remains a crucial area for reforms. In the area of programming, monitoring, and evaluation, it is relevant to notice that the Commission has reported that the country has "deployed international expertise" to strengthen its capacities, thus viewing positively projects of international cooperation for capacity building like the ones described in this book. The Commission's recommendations concern the strengthening of the inter-ministerial coordination and of the dialogue with the social partners and the civil society.

North Macedonia

North Macedonia was granted EU candidate status in 2005, making it the first among the Western Balkan countries to achieve this milestone. However, to date, it faces significant challenges in its path to the eventual ac-

13. European Commission. (2023b). Montenegro Report 2023. https://neighbourhood-enlargement.ec.europa.eu/montenegro-report-2023_en; European Commission. (2024b). Montenegro Report 2024. https://neighbourhood-enlargement.ec.europa.eu/montenegro-report-2024_en

cession. In 2020, North Macedonia and Albania were paired in a parallel EU integration process, with the expectation that their negotiations would have advanced simultaneously. However, in October 2024, North Macedonia has been decoupled from Albania. The latter was allowed to progress, while the former has not been authorised to open formal accession negotiations; the EU decision arrived after talks were already in a standstill because of the blockade made by Bulgaria to North Macedonian accession¹⁴. According to the 2024 report of the Commission on North Macedonia, the country is “moderately prepared” and has shown “limited progress” in the negotiations on Chapter 22 over the last year. Some positive actions have been conducted, and, indeed, the evaluation is better than one in 2023, when “no progress” was shown over Chapter 22¹⁵.

The Ministry of European Affairs (MEA) of North Macedonia is the institution responsible for managing negotiations on Chapter 22. Specifically, the “Sector for coordination of EU funds and other foreign assistance” within the Secretariat for European Affairs (SEA) acts as the National IPA Coordinator (NIPAC) Office.

The legislative framework has improved over the last year. Advancements were made thanks to the following provisions: North Macedonia amended the Law on Audit of the Instrument for Pre-accession Assistance (IPA); a decree concerning public investment management was drafted and adopted; the new public administration reform strategy for 2023-2030 was adopted but still not implemented. The institutional framework for the management of EU funds under IPA III has been further aligned in view of its role in EU Cohesion Policy. The Commission positively evaluates the participation of North Macedonia in territorial cooperation programmes,

14. <https://www.euractiv.com/section/politics/news/albanias-eu-path-decoupled-from-north-macedonia-while-skopje-remains-in-limbo/>

15. European Commission. (2023c). North Macedonia Report 2023. https://neighbourhood-enlargement.ec.europa.eu/north-macedonia-2023-enlargement-package-factsheet_en; European Commission. (2024c). North Macedonia report 2024. https://neighbourhood-enlargement.ec.europa.eu/north-macedonia-report-2024_en

namely five cross-border (CBC), two transnational, and two interregional. However, huge weaknesses have been observed in the administrative capacity, mainly due to the poor management of human resources across the IPA structures: modest retention policies, high turnover rates, and understaffed training centres are the main issues. Weak administrative capacity leads to the lack of absorption capacities, which caused the decommitment of €54 million in EU funds only in 2023.

In the end, the Commission recommends that North Macedonia strengthens public investment by adopting the Decree on Public Investment Management and the Law on Public-Private Partnerships. Additionally, North Macedonia is urged to enhance its administrative capacity by addressing issues such as high staff turnover and understaffing, which are contributing to weaknesses in monitoring and evaluation and in internal and external audits, as well as in financial management and control. Consequently, this has resulted in underperformance in implementing IPA programmes and, most critically, the decommitment of EU funds.

Serbia

Serbia was granted EU candidate status in 2012. As of 2024, 22 Chapters have been opened in Serbian accession negotiations. Notwithstanding the apparent good advancement in the accession process, probably the most important impasse between the EU and Serbia is political in its nature and regards the latter's non-alignment to the EU's Common Foreign and Security Policy (CFSP) and mainly to the restrictive measures against the Russian Federation¹⁶. Concerning Chapter 22, which, to date, has still not been opened, in 2019, Serbia showed commitment by adopting the Action Plan for Meeting the EU Cohesion Policy Requirements "in which it identifies a number of measures [...] that should contribute to the adoption

16. European Commission. (2024d). Serbia report 2024. https://neighbourhood-enlargement.ec.europa.eu/serbia-report-2024_en

of the requirements for the implementation of the Regional policy”¹⁷. The Chapter is negotiated by the Ministry of European Integration (MEI).

As for the last two reports, Serbia is considered “moderately prepared” in the area of Regional policy¹⁸. In the 2024 Enlargement package, the Commission has recognised some progress made by Serbia, mainly for implementing parts of the action plan on Cohesion Policy, such as the adoption of operational programmes and a tool for monitoring the fulfilment of enabling conditions.

Not only that, advancements have also been made on the legislative framework, as the government adopted the Law on Cohesion Policy in September 2024. However, this still requires adoption by the National Assembly.

The institutional framework for the management of the Cohesion fund is in place. Improvement could be made by addressing the indirect management structures and the fact that responsibility is now scattered among many Ministries.

Concerning the administrative capacity, Serbia faces understaffing (notwithstanding a considerable improvement in 2023) and must adopt retention policies. Monitoring and evaluation systems are positively assessed by the Commission, which is satisfied by the implementation of the management information system storing data on IPA III operations.

In the end, according to the Commission, Serbia must adopt a retention policy and address understaffing, further elaborate the national development plan, and further strengthen the institutional framework for Cohesion Policy, with a more balanced regional development.

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4. Conclusion

In conclusion, Albania, Montenegro, North Macedonia, and Serbia are all considered “moderately prepared” in their region policy (Chapter 22) by the Commission in the 2024 EU Enlargement package. North Macedonia was the only one showing limited progress on the issue, while the other countries registered “some progress” in the last reports.

The indicators that the four countries satisfy the most are the legislative and the institutional frameworks. These two are largely aligned to the EU’s standards or are assessed close to reaching them.

On the other hand, this analysis observes that administrative capacity remains a critical challenge shared by all four beneficiary countries. This includes weakness in staff retention, understaffing, and the need for enhanced competencies among personnel involved in Chapter 22 negotiations. Furthermore, the indirect management of EU funds raises additional concerns, particularly regarding the risk of decommitment.

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3. Serbia's Chapter 22 Journey: Regional Policy and Coordination of Structural Instruments – Achievements and Outlook

Project Team of the Ministry of European Integration of Serbia

1. Introduction. – 2. Enhancing administrative capacity. – 3. The role of European Territorial Cooperation. – 4. The experience of MEI with the Know-How Exchange programme

Abstract: The Ministry of European Integration of Serbia was one of the beneficiary partners of the projects presented in this publication. This chapter discusses Serbia's progress in preparing to manage the EU Cohesion Policy under Chapter 22, highlighting key achievements and future outlooks. In this framework, the knowledge exchange projects have facilitated collaboration with Italian counterparts and enhanced the capacity of beneficiaries. Overall, Serbia's journey towards effective Cohesion Policy implementation reflects a commitment to building institutional capacity, fostering regional cooperation, and aligning with EU standards, while addressing the specific challenges posed by the Cohesion Policy requirements.

Keywords: Serbia, Chapter 22, Cohesion Policy, EU standards

1. Introduction

Serbia is actively preparing to manage the EU Cohesion Policy within the framework of Chapter 22, which requires a comprehensive set of measures, including the development of a legal framework, establishment of institutional structures, strengthening of administrative capacity, and the creation of robust mechanisms for programming, implementation, monitoring, evaluation, financial management, and control.

The explanatory screening for Chapter 22 took place in 2014, followed by the bilateral screening in 2015. The screening report was published in 2016, and the Government adopted the Action Plan for Meeting the EU Cohesion Policy Requirements in 2019. The European Commission presented the Opening Benchmark Assessment Report (OBAR) in the Enlargement Committee (COELA). Up to now, 18 positive opinions have been received. Serbia is in the process of aligning its legislative framework with the EU policies relevant to the implementation of Cohesion Policy. While there is no specific EU *acquis* that Serbia must fully transpose in this area, the alignment focuses on adopting practices, rules, and policy standards established at the EU level. This includes the adoption of the Law on the Establishment and Functioning of the Cohesion Policy Management System, accompanied by laws for the 1st (Investments for Growth and Jobs) and 2nd (European Territorial Cooperation) goals of the Cohesion Policy. This law will establish the legal framework necessary for the effective management, implementation, and monitoring of the Cohesion Policy in Serbia and will serve as a foundation for further institutional and regulatory development.

The establishment of robust institutional structures at both national and regional levels is essential for Serbia's future management of the Cohesion Policy. The Ministry of European Integration (MEI) is envisaging a comprehensive Organisational Development Plan (ODP) for the future bodies within the management and control system. This plan is designed to assess the current institutional competencies and capacities, proposes and defines future roles and responsibilities, and identifies capacity-building needs to ensure well-prepared administration capable of effectively managing Cohesion Policy. With the support of the IPA project "Development of System for Management of Cohesion Policy", Serbia has already started draughting the ODP for MEI, which will act as the future Coordinating Body and Managing Authority for European Territorial Cooperation Programmes.

2. Enhancing administrative capacity

Serbia has undertaken significant efforts to enhance administrative capacity through targeted training and employment initiatives. Three Capacity Building Programmes (CBPs) have been developed to support institutions within the management and control system, as well as programme partners and beneficiaries. In 2024, a series of sessions were organised in cooperation between MEI and the National Academy for Public Administration, reaching around 480 participants from relevant institutions. Furthermore, the Training of Trainers (ToT) programme launched in November 2024 established a pool of trainers specialised in Cohesion Policy. Work has also started on preparing the structure and content of the Roadmap for Administrative Capacity Building (ACB), which will define tailored capacity-building measures for institutions involved in the management and implementation of Cohesion Policy programmes, as well as for partners, future beneficiaries, and other key stakeholders. The ACB is expected to be finalised by the end of 2025.

Experience in managing and implementing the Instrument for Pre-Accession Assistance (IPA) represents an asset, primarily in strengthening the capacities of relevant state authorities. This experience is valuable for the programming process and for the establishment and functioning of administrative structures required for the future implementation of Cohesion funds. In this context, it is crucial that the future pre-accession fund is designed to mirror, as closely as possible, the rules and procedures of Cohesion Policy. Such alignment has been repeatedly emphasized in evaluations of IPA implementation, as it significantly contributes to building institutional experience and administrative habits that will be directly applicable once Serbia gains access to Cohesion funds.

Two IPA III Operational Programmes for the period 2024-2027 have been prepared, focusing on the sectors of environment, energy, employment, and social housing. These programmes, along with accompanying pro-

programming documents, represent an important step in strengthening Serbia's preparedness for programming under Cohesion Policy. To support this process, MEI is using two tools for monitoring the fulfilment of thematic and horizontal enabling conditions. These tools provide an overview of the current status of the fulfilment of the enabling conditions and outline the next steps required for compliance. In addition, the Strategic Communication Framework for IPA III and Strategic Communication Action Plans for both Operational Programmes have been finalised.

Serbia is actively building its capacity in programme – and project-level monitoring and evaluation. With the support of the project, a comparative study on the management information system has been produced, and the roadmap for establishing a monitoring and evaluation system has been updated. The adoption of the law is crucial for establishing a robust monitoring and evaluation system.

3. The role of European Territorial Cooperation

The European Territorial Cooperation Programmes have been playing a key role for the last 20 years in Serbia's preparation for Cohesion Policy. The control systems for these programmes are aligned with the CPR requirements, and the system of shared management and Serbian institutions implement projects in line with Cohesion Policy Objectives. With Serbia's entry into interregional cooperation programmes in 2023 (URBACT and Interreg Europe) and the introduction of Policy Objective 5 – Europe Closer to Citizens within the Interreg CBC Bulgaria-Serbia Programme 2021-2027, the partnership principle in implementing EU policies and the place-based approach have been further strengthened to address structural problems and real territorial needs.

Promoting the participatory and integrated approach, URBACT and Interreg Europe are building the capacity of local and regional public authorities and stakeholders to design and implement effective place-based pol-

icies. Through the EUPro+ and now Integra Programmes, the EU has been supporting Serbian municipalities and other sub-national institutions in preparing integrated territorial development strategies in partnership with economic and social partners, civil society organisations, research and academia and is providing financing for integrated projects. By using transnational networks of interregional programmes, Serbian authorities are able to improve their capacity to co-design, replicate good practices and implement policy change to contribute to Cohesion Policy Objectives and better implement instruments of integrated territorial governance.

Within the INTERREG VI-A Bulgaria-Serbia CBC Programme 2021–2027, under PO5, as an initial step, an Integrated Territorial Strategy (ITS) was prepared, representing a shift in the approach to regional development. Rather than focusing on isolated needs of individual stakeholders or institutions, the ITS promotes an integrated, cross-sectoral, and area-based approach. The ITS elaboration followed the bottom-up approach whereby citizens and stakeholders participated in every stage of the draughting process using three territorial tools: a task force, consisting of regional and local actors from different sectors and institutions, public consultations, and a public campaign for collecting project ideas. As a result of the identified needs and development potentials, one functional area for interventions was defined – business development, with tourism as a sub-function – covering the entire programme territory.

Over time, the Task Force evolved into a Strategy Board, which now plays a key role in overseeing the implementation of the ITS. The Strategy Board is actively involved in defining strategic priorities, shaping the content of calls for proposals, evaluating projects, and ensuring alignment with the overall goals of the strategy. The Board is highly engaged and committed and represents an asset in steering the territorial development in a consistent and participatory manner. The implementation of the strategy is ongoing and is already demonstrating the value of a new approach vis-à-vis the previous programming periods. Projects being prepared and se-

lected are increasingly reflecting a shift from isolated, sector-specific interventions to integrated, territorially grounded solutions – across municipal, institutional, and national borders, with a focus on regional connectivity. This strategic direction is reflected in the latest call for project proposals which targets services of general interest, moving beyond fragmented initiatives toward coordinated, strategically aligned investments. Furthermore, the evaluation criteria have been designed to reward integrated solutions with territorial impact and partnership coherence. The ITS not only strengthens cross-border cooperation but also builds institutional capacity and fosters a culture of strategic planning.

By fostering synergies between urban and rural areas, the ITS strengthens functional ties and promotes joint planning and implementation of services that benefit wider communities. While functional areas within the programme territory will continue to be better specified based on the territorial needs, the process so far has laid the groundwork for improving territorial cohesion through place-based strategies, integrated territorial development and gradual alignment with EU Cohesion Policy.

The specific requirements for the implementation of the PO5 as defined in the CPR, and especially in the CBC context, remain demanding.

4. The experience of MEI with the Know-How Exchange programme

The projects “Programming the EU Cohesion Policy: Exchange Programme on Chapter 22 in Serbia and Montenegro” and “Territorial Cohesion and Place-Based Policies: An Exchange Programme on Chapter 22”, funded within the Know-How Exchange Programme of the Central European Initiatives, delivered valuable exchange of knowledge on functional cross-border areas, in particular their design methodology, providing guidance to employees in designing and organising the support for the implementation of PO5. The capacity building also focused on operation-

alising, managing and communicating the EU Cohesion policy, enabling conditions, smart specialisation, the urban dimension and territorial strategies, including cross-border integrated strategies.

The project fostered contacts, providing the basis for future collaboration with Italian government counterparts and civil society. It supported the exchange of regional experiences among authorities preparing for Cohesion Policy and discussions with the European Commission and EU Delegation on the blueprint of the future Cohesion Policy.

The success of the project in improving the capacities of MEI was due to a dedicated, professional and tailored support of the CNR ISSIRFA and OBCT team. Through such small yet impactful projects, we have built a stronger community of professionals, established a closer link with academia and continue to build the community of practice.

As an offshoot, another KEP project, Urban Nexus: Empowering Local Governance in the Western Balkans (UrbaNex-WB), led by Politecnico di Torino, was approved in 2025. UrbaNex-WB focuses on improving sustainable integrated urban planning and the project application and implementation of the URBACT Programme and the work of the Ministry in its role as National URBACT Point.

SECOND PART

The contents of the know-how
exchange projects

4. European Cohesion Policy: main principles and perspectives

Raffaella Coletti¹ and Andrea Filippetti²

1. Introduction. – 2. Priorities and structure in the 2021-2027 programming period. – 3. The principles and the programming of the Cohesion policy. – 4. The debate around EU Cohesion Policy and future perspectives. – Further readings. – Websites.

Abstract: European Cohesion Policy has so far served as a pivotal framework for regional development within the European Union (EU), addressing disparities among regions and promoting economic integration. Representing a significant portion of the EU budget, the policy aims to foster balanced growth across diverse territories through targeted interventions. Recent discussions highlight the need for reforms to enhance the policy's effectiveness, particularly in light of emerging challenges. The future of Cohesion Policy will depend on its ability to integrate with the EU's broader economic agenda while continuing to support less developed regions in narrowing income gaps.

Keywords: European Cohesion Policy, Priorities, Cohesion funds, Programming

1. Introduction

European Cohesion Policy, established in 1989, represents one of the most significant frameworks for local and regional development in the European Union (EU). It was introduced as part of the first reform of the Structural

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funds, which aimed to address disparities across EU Regions and enhance the economic integration of less developed areas within the Union. The policy accounts for about one-third of the EU budget, making it one of the most resource-intensive policies in the Union's portfolio.

Its main purpose is to promote harmonised growth and development across all EU territories, ensuring that all of them have the opportunity to benefit from the EU's single market and integration process. In so doing, the policy represents one of the crucial areas of intervention of the European Union: the promotion of a balanced territorial development has always been a crucial component of the integration process.

The policy has gone through transformations during its thirty years of implementation; currently (2021-2027 programming period) it comprises two core components.

The first, Investments for Jobs and Growth, focuses on fostering employment, improving labour market access, and boosting the competitiveness of small and medium-sized enterprises (SMEs), particularly in less developed regions. It also prioritises infrastructure investments in transport, energy, and digital sectors to stimulate regional growth.

The second, European Territorial Cooperation (Interreg), promotes cross-border collaboration between EU Regions. Despite its relatively small budget if compared to the first component, Interreg addresses shared challenges like environmental protection and cultural heritage preservation, extending cooperation to neighbouring and pre-accession non-EU countries to strengthen territorial integration across Europe.

Cohesion Policy derives from the choice of adopting an EU collective approach to regional development. The policy recognises that market dynamics do not naturally level the playing field, necessitating targeted interventions to reduce inequalities between more and less developed regions.

This underlying goal has historically shaped the policy as a mechanism for fostering balanced growth across the EU's diverse territories.

The policy is supported by the following funds in the 2021-2027 programming period:

- European Regional Development Fund (ERDF)³: with a budget of €170.4 billion in the 2021-2027 programming period, it is aimed at strengthening economic, social, and territorial cohesion within the European Union and prioritises making the EU and its regions more competitive and innovative, greener, better connected, more inclusive, and closer to its citizens.
- Cohesion Fund⁴: with a budget of €36.6 billion in 2021-2027, is focused on environment and transportation in less prosperous regions, precisely the ones within Member States with Gross National Income per capita below 90% of the EU-27 average. Particularly, this fund targets regions of Bulgaria, Czechia, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.
- European Social Fund Plus (ESF+)⁵: with a budget of €142.7 billion in 2021–2027, it aims to improve the EU’s employment, social, education and skills policies. More in general, it supports the socio-economic recovery from the coronavirus pandemic.
- Just Transition Fund (JTF)⁶: a novelty of the 2021-2027 programming period, with a budget of €19.2 billion, is meant to support the regions most affected by the transition towards climate neutrality.

2. Priorities and structure in the 2021-2027 programming period

Overall, the EU’s Cohesion Policy accounts for €392 billion for the 2021-2027 period, and it is structured around five main Policy Objectives (POs)

3. https://ec.europa.eu/regional_policy/funding/erdf_en

4. https://ec.europa.eu/regional_policy/funding/cohesion-fund_en

5. <https://european-social-fund-plus.ec.europa.eu/en/what-esf>

6. https://ec.europa.eu/regional_policy/funding/just-transition-fund_en

aimed at fostering inclusive and sustainable growth across Europe. This articulation responds to a need for simplification with respect to the previous programming period, with no substantial change in the main aims of the policy. The first objective, Priority Objective (PO) 1: *A Smarter Europe*, emphasises innovation, digital transformation, and the strengthening of regional competitiveness. PO2: *A Greener Europe* focuses on promoting energy efficiency, renewable energy sources, and the transition toward a low-carbon economy. This objective is closely aligned with the EU's broader goals related to climate change and environmental sustainability. PO3: *A More Connected Europe* seeks to improve connectivity through the development of transport and digital networks, while PO4: *A More Social Europe* promotes social inclusion, education, and equal opportunities. Finally, PO5: *A Europe Closer to Citizens* is a non-thematic objective that encourages the development of locally driven strategies to address regional needs, fostering greater involvement of local communities in decision-making processes. In addition to these main Policy Objectives, Interreg programmes can devote resources to two Interreg-Specific Objectives (ISO): ISO1: *Better Cooperation Governance*, that focuses on enhancing institutional capacity and coordination across borders; and ISO2: *A Safer and More Secure Europe*, that addresses security challenges, including disaster resilience and border management.

The majority of funding from the European Regional Development Fund (ERDF) and the Cohesion Fund is allocated to the first two Objectives – A Smarter Europe and A Greener Europe – reflecting the EU's priorities of innovation and sustainability. Depending on their economic status, Member States are required to allocate between 65% and 85% of their cohesion resources to these two key areas.

The allocation of EU Structural funds is based on common criteria that categorise Regions according to their economic performance relative to the EU average. Regions are classified as “less developed” if their GDP per capita is less than 75% of the EU average, as “transition regions” if it falls

between 75% and 100%, and as “developed regions” when their GDP per capita exceeds 100%. This classification system, crucial for determining eligibility for Structural funds, is applied at the NUTS⁷ II and NUTS III levels, which are standardised territorial units used to ensure consistent regional comparisons across the EU. This approach ensures that financial resources are primarily directed toward territories in greatest need while also enabling targeted support for Regions in transition and those that are more developed, but still require assistance for specific policy goals.

The Cohesion Policy emphasises not only regional eligibility but also the coordination of various strategies to maximise the impact of structural fund investments. Regional development activities typically focus on areas such as infrastructure, education, and incentives for productive investments, which are critical components of traditional regional policies. Although all EU regions are eligible for funding, the co-financing rates – the proportion of costs covered by the Structural funds – vary depending on the region’s level of development. More specifically, according to the Common Provisions Regulation (2021/1060, Art. 112), in the 2021-2027 programming period the coverage is the following:

- 85% for less developed regions
- 70% for transition regions that were classified as less developed regions in 2014-2020
- 60% for the transition regions
- 50% for more developed regions that were classified as transition regions or had a GDP per capita below 100% in 2014-2020
- 40% for the more developed regions

Different rules of national co-financing apply for the remaining part. The role of Regions is central, both in terms of serving as the primary areas of intervention and in managing the funds. However, the degree of regional

7. Acronym from the French “Nomenclature des Unités territoriales statistiques”, a system that allows to standardize and compare statistics all over Europe even with different administrative systems.

autonomy in managing these funds differs significantly across Member States, reflecting the varying governance structures and administrative capacities within the EU.

3. The principles and the programming of the Cohesion Policy

The principles of EU Cohesion Policy are structured around four key elements aimed at fostering balanced development across Member States: concentration, partnership, additionality, and programming. Concentration refers to the focused allocation of resources, whether geographically to underdeveloped regions, thematically to specific sectors, or financially to maximise impact. The principle of partnership mandates cooperation among all social partners, including national, regional, and local public authorities, in collaboration with the European Commission. This multilevel governance involves both vertical and horizontal cooperation, where national and supranational institutions outline strategic priorities, and regional and local bodies determine specific actions for implementation. Furthermore, the principle of additionality ensures that EU Structural funds are complementary to, rather than a replacement for, national expenditure, reinforcing Member States' own financial commitments. Programming is essential, as activities funded by Cohesion Policy must be outlined in multiannual operational programmes that are approved at the beginning of each funding period. These programmes provide a clear framework for long-term planning and the structured allocation of resources. During and after the programming, the evaluation and performance mechanisms ensure continuous monitoring and assessment, allowing for the adjustment of policies to enhance their effectiveness and alignment with set objectives. The programming phase of EU Cohesion Policy follows a structured set of steps aimed at ensuring effective financial planning and implementation across Member States. The process

begins with negotiations between the European Commission and Member States to define the EU's long-term budget, including the percentage allocated to Cohesion Policy and its objectives. Simultaneously, Member States engage in discussions on the legislative framework, which includes the Common Provisions Regulation (CPR) and fund-specific regulations, providing the legal basis for Cohesion Policy.

Following this, each Member State develops a national reference framework, known as the Partnership Agreement. This document outlines the Member State's strategy and identifies the operational programmes to be implemented during the funding period. The European Commission must approve both the Partnership Agreement and the proposed operational programmes. Once approved, implementation is the responsibility of Member States and Regions, who identify managing authorities to oversee the process. These authorities are tasked with selecting and financing projects that align with the operational programmes and contribute to the objectives of EU Cohesion Policy.

As mentioned, the principle of partnership in the programming phase underscores the significance of collaborative engagement among a diverse array of stakeholders, to enhance economic and social outcomes. Evidence suggests that robust negotiation and coordination among representative players – including firms, employees, and various other stakeholders – contributes positively to performance. The cooperation between the European Commission, national, regional, and local authorities, and other governmental and non-governmental organisations take place throughout the implementation cycle of Structural funds. Indeed, effective partnership involves the active participation of regional and local actors, as well as social partners, ensuring that the most representative entities at various levels – whether economic, social, or environmental – are engaged. This inclusive approach helps tailor interventions to local needs and enhances the overall effectiveness of Cohesion Policy by leveraging the insights and contributions of all relevant stakeholders. All partners are actively involved

in the consultation process, contributing to the preparation of the partnership agreement and the programmes. The European Commission, in its review of the submitted documents, evaluates the partnership approach by examining the level of partner involvement and the distribution of responsibilities. The Commission assesses whether the identification of partners followed transparent procedures and was publicly communicated. It also reviews the actions taken to promote broad participation and active engagement from all relevant stakeholders throughout the process.

Box 1: Italy in the 2021-2027 programming period:

The Italian Partnership Agreement, approved in 2022, exemplifies a structured and participatory approach to policy development. It involved the establishment of five working groups corresponding to the five Policy Objectives (POs), followed by multiple stakeholder meetings to draft, finalise, and submit the agreement to the European Commission for approval. The Department of Cohesion Policy (Presidency of the Council of Ministers) initially prepared a document identifying four key themes: quality jobs, sustainability of natural resources, equitable services for citizens, and culture as a driver of cohesion.

The process included four plenary meetings and organised discussions for each PO, guided by terms of reference published in May 2019. These discussions were supported by coordinating groups and structured agendas, allowing participants to provide input via a template. Additional meetings addressed the Just Transition Fund, culminating in a synthesis of priorities and the draughting of the Partnership Agreement.

With a total budget of €42.7 billion, the agreement encompasses 38 regional programmes, 10 national programmes, and 19 Interreg programmes, ten of which have Italian managing authority. The national programmes focus on areas such as culture, health equity, social inclusion, employment, digital transition, and security, reflecting Italy's comprehensive strategy for cohesion and development.

National programmes in Italy 2021-2027:

- Culture (ERDF)
- Capacity for Cohesion Policy (ERDS + ESF+)

- Equity in Health (ERDF, ESF+)
- Inclusion and fight against poverty (ERDF, ESF+)
- Metro Plus and Medium cities in the South (ERDF, ESF+)
- ESF+ Young people, women and employment (ESF+)
- School and competences (ERDF, ESF+)
- Research, Innovation and Competitiveness for the Green and Digital Transition (ERDF)
- Security for legality (ERDF)
- Just Transition Fund

4. The debate around EU Cohesion Policy and future perspectives

Economic, Social and Territorial Cohesion has always been a primary objective in the EU integration process. For this reason and given the relevant amount of financial resources channelled through the Structural funds, Cohesion Policy has been the object of a wide debate, aimed at finding ways to make the policy more effective.

One of the crucial steps in the evolution of the policy has been the “Barca report”, published in 2009 by Fabrizio Barca, that advocated for a stronger “place-based” approach for the policy, including an emphasis on local knowledge and local participation. The approach also pointed to the relevance of stakeholders’ involvement for the success of the policy, which requires as a precondition the transparency and communication of the use of the funds.

Box 2: Transparency in the allocation of funds: the case of Open Coesione and Monithon Europe in Italy

Based on the need to involve stakeholders in the management of EU Cohesion Policy, Italy created the platform OpenCoesione⁸, which marked an important shift in the availability of cohesion data for the wider public. OpenCoesione is a portal

8. <https://opencoesione.gov.it>

established in 2012 that provides access to searchable data on funds allocated and disbursed, locations, thematic areas, programming and implementing authorities, the timing required to complete operations and disbursements for each of them. All citizens and stakeholders are thus able to verify how and where funds are being used to meet the needs of the territories involved.

The availability of data made possible the development of experiences and initiatives of civic monitoring of Cohesion funds; the most popular experience in Italy is probably that of Monithon Europe⁹, an independent, non-profit initiative launched in 2013 that develops methods and tools to facilitate participatory evaluation of public policies by local communities and the direct beneficiaries of various interventions. In addition, Monithon provides specialised training and support in public policy analysis, data usage, and fieldwork investigations, fostering collaboration between governments and citizens through the co-production and joint evaluation of services and policies. This approach generates evidence and recommendations aimed at enhancing the effectiveness of public policies. Anyone can participate in Monithon by choosing to monitor a specific project within a particular territory, evaluating its progress and impact.

The evolution of EU Cohesion Policy has been influenced also by key trends in EU governance, such as the emphasis on economic competitiveness and sustainability, that have affected the shape and the priorities of the policy in recent years. As the EU grapples with its internal and external challenges, rethinking and reviving the vision behind the Cohesion Policy remains crucial for its future success.

Some reports published during 2024 offered some first elements to reflect on the future of EU Cohesion Policy. First, the European Commission has established a group of high-level specialists on the future of Cohesion Policy. The group reflected on how to maximise the effectiveness of Cohesion Policy with a view to tackling the multiple challenges identified in the 8th Cohesion Report. The group met in Brussels nine times throughout 2023 and has published its strategic conclusions and recommendations in a final report¹⁰. The report underlines the critical importance of cohesion as

9. <https://www.monithon.eu/it/>

10. <https://op.europa.eu/en/publication-detail/-/publication/c6e97287-cee3-11ee-b9d9-01aa-75ed71a1/language-en>

a unifying force for Europe, particularly in addressing complex economic challenges, poverty, social exclusion, and growing public dissatisfaction. Cohesion is essential not only for addressing these issues but also for harnessing the EU's human capital and building consensus on pressing societal concerns. According to the group, cohesion serves as the “glue” that binds the European project together, making it a cornerstone for ensuring social and economic stability across the Union.

Furthermore, the report advocates for key reforms in Cohesion Policy to enhance its effectiveness. First, it calls for a renewed focus on development by unlocking untapped economic potential in various EU regions. According to the report, the policy should adopt a more place-based and even people-centred approach, addressing the specific needs of different regions and their populations. Then, the group emphasises the importance of institutional reforms to improve governance, with better institutional frameworks and stronger partnerships across all levels of government within Member States. Enhancing multilevel governance and fostering stronger partnerships between the EU, national, and regional authorities are crucial actions for achieving more effective outcomes. Additionally, the report stresses the need for Cohesion Policy to become more performance-based, with a focus on measurable results and proactive strategies that anticipate future challenges.

Another crucial document is the 9th Cohesion Report¹¹, published in March 2024, which highlights both the achievements and the challenges faced by EU regions in the pursuit of convergence and development. While it acknowledges significant progress in the economic growth and in the improvement of the functioning of the single market, the report also underscores the persistence of uneven distribution of wealth and even rising disparities among regions. In particular, the report highlights that GDP per capita has declined in several Southern European regions since 2000 due

11. https://ec.europa.eu/regional_policy/information-sources/cohesion-report_en

to economic shocks and entrenched structural challenges, demonstrating that certain regions continue to struggle despite broader progress. The report also addresses the emerging opportunities and challenges posed by the green and digital transitions. While these transitions are essential for sustainable growth, they require substantial structural reforms, which may exacerbate inequalities, especially in regions already lagging behind. Moreover, climate change risks further widening regional disparities, with coastal, Mediterranean, and Eastern regions – typically poorer than the EU average – facing disproportionately higher economic losses and human exposure to climate-related impacts. These areas are projected to incur annual economic losses of at least 1% of GDP due to climate change. With their ageing populations, these areas are more vulnerable to the adverse effects. Furthermore, the report shows that while the EU has reduced its greenhouse gas (GHG) emissions by 27% since 1990, coinciding with a 65% increase in GDP, significant regional disparities remain. Capital city regions, characterised by high population density, report the lowest emissions per capita, whereas regions with heavy industries show the highest levels of emissions.

Finally, the report calls for a comprehensive policy approach that promotes job creation and economic opportunities while addressing the asymmetric costs of climate adaptation and green transition. It stresses the need for a more tailored policy to the unique economic and geographic characteristics of different regions, ensuring that investments are strategically targeted. This proactive approach is essential to mitigate risks and foster resilience in vulnerable regions, particularly in the context of climate and technological transitions.

Two crucial documents were finally published by the European Commission in 2025: in February, the Communication on the road to the next Multiannual Financial Framework¹²; in April, the mid-term review of 2021-

12. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52025DC0046>

2027 Cohesion Policy¹³. These documents were elaborated by the new European Commission (Von Der Leyen II), which took up service in December 2024 after the European elections. A systematisation of the documents produced in this area, together with the debate that has arisen, allows us to make some considerations on the perspectives of Cohesion Policy.

The general message is that cohesion, with its huge amount of resources, must contribute to the achievement of the new objectives of the EU agenda. These are strategic autonomy in the most advanced sectors, competitiveness and innovation of industry, green transition and security. It is also necessary to maximise flexibility in spending programmes so as to be able to intervene in areas that are not predictable today. Where new states of crisis arise, it must be possible to redirect the financial resources of cohesion with more agile mechanisms than those currently in place.

More specifically, the Commission requests to further extend – compared to what is already foreseen – the share of Structural funds to be allocated to STEP, a platform of strategic technologies for the most advanced European industry which, not enjoying its own funds, attracts funds from other European programmes. As a corollary, the Commission proposes to extend the use of Structural funds to also support large companies in the case of investments for decarbonisation or for common defence. The funds must then contribute more to the New European Industrial Policy, which follows the principle of strategic autonomy in some key sectors/technologies, as well as the green conversion of some sectors (as in the case of the automotive sector). The Commission hopes for a more incisive intervention in the use of Cohesion funds also for defence and security. In particular, it proposes that Member States: a) reprogramme part of the Structural funds resources to projects in favour of companies (without size constraints) in the defence sector; b) contribute to the construction of dual-use infrastructures to improve the mobility of armed forces in the EU. The mid-term re-

13. https://ec.europa.eu/regional_policy/sources/communication/mid-term-review-2025/communication-mid-term-review-2025_en.pdf

view also includes some new priorities and strengthens already existing ones: housing, decarbonisation and funds for urban centres.

In summary, Cohesion Policy seems able to maintain its centrality also in the next seven-year programming period, to the extent that it will be able to integrate into the new European economic policy agenda, whose priority objectives are strategic autonomy, growth of competitiveness, advanced technologies, green transition and security. The central question remains whether the new policy agenda will allow Cohesion Policy to keep alive the objective of helping less advanced regions to reduce the gap in their income level from the more advanced ones and from European capitals.

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5. Enabling conditions in the 2021-2027 programming period: a comprehensive overview

Simona Trento¹

1. Introduction. – 2. The regulatory framework. – 3. The self-assessment process in Italy. – 4. Conclusions. – Further readings

Abstract: This chapter provides an overview of the enabling conditions established for the 2021-2027 programming period, which are essential for the effective use of European Structural and Investment (ESI) Funds. Initially introduced as “ex-ante conditionalities” in the 2014-2020 period, these conditions ensure alignment between national and regional strategies and EU standards. The chapter outlines the horizontal enabling conditions that apply universally across all CPR Funds and thematic enabling conditions specific to certain investment fields. The assessment process for fulfilling these conditions is detailed, emphasizing the responsibilities of Member States and the role of the European Commission in monitoring compliance. The process adopted in Italy, which began in 2019, is highlighted as a model for ensuring effective participation and coordination among various governmental levels.

Keywords: enabling conditions, regulatory frameworks, Member States, Monitoring, Italy

1. Introduction

Enabling conditions were first introduced in the 2014-2020 programming period as “ex-ante conditionalities” and have been designed to ensure that the necessary conditions for the effective and efficient use of European Structural and Investment (ESI) Funds are in place. These conditions aim

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to align national and regional strategic documents with EU standards, guaranteeing that the funds are used in compliance with EU regulations.

The enabling conditions are divided into two main types, attained at:

1. policy and strategic frameworks: these ensure that strategic documents at the national and regional levels, which underpin ESI Fund investments, are of high quality and comply with EU agreements.
2. regulatory frameworks: These ensure that operations co-financed by ESI Funds adhere to EU legal and regulatory standards.

The enabling conditions system has undergone significant changes for the 2021-2027 programming period with respect to the previous programming period. Main novelties include:

- The overall number of conditions has been reduced compared to the 2014-2020 period, but the system has been strengthened in terms of its implementation, through the implementation of a more precise, comprehensive and consistent assessment mechanism over time, along with the application of sanctions in cases of non-compliance with even a single criterion.
- Thematic conditions automatically apply when a Specific Objective (SO) is selected by the programme. These conditions must be adhered to throughout the programming period (and not only at its beginning) to ensure that any related expenditure is eligible for reimbursement from the Union budget.
- To be considered fulfilled, all criteria related to an enabling condition must be met. In some cases, this requires that the conditions cover the entire national territory; in other cases, they can apply at a regional scale.
- If a condition is not fulfilled, any operations related to that Specific Objective, even if certifiable, will not be reimbursed.

2. The regulatory framework

Article 15 of the Common Provisions Regulation (CPR)² outlines the framework for enabling conditions. It specifies:

- Four horizontal enabling conditions – HEC (set out in Annex III) – that apply to all CPR funds (ERDF, ESF+, CF, JTF, EMFF, AMIF, BMVI, ISF) and to all Policy Objectives (POs) and Specific Objectives (SOs)³.
- Sixteen thematic enabling conditions – TEC (set out in Annex IV) – that apply to specific investment fields supported by the Cohesion Policy, particularly for ERDF, ESF+, and the Cohesion Fund.

The horizontal enabling conditions applying universally are so defined:

1. Effective monitoring mechanisms of the public procurement market
2. Tools and capacity for effective application of State aid rules
3. Effective application and implementation of the EU Charter of Fundamental Rights
4. Implementation and application of the UN Convention on the rights of persons with disability

In the table below are listed the thematic enabling conditions applying to the ERDF, ESF+, and the Cohesion Fund, and focusing on sector-specific areas connected to some SOs under POs from 1 to 4.

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2. REGULATION (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021 laying down common provisions on the regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.
 3. The HEC regarding the tools and capacity for effective application of State aid rules is not applicable to programmes supported by the AMIF, the BMVI and the ISF.

Table 1 – Thematic conditions applicable to identified SOs under ERDF, ESF+ and the Cohesion Fund within each POs

PO1	1.1 Good governance of Smart Specialization Strategy (ERDF) 1.2 National or regional broadband plan (ERDF)
PO2	2.1 Strategic policy framework to support energy efficiency renovation of residential and nonresidential buildings 2.2 Governance of the energy sector (ERDF, Cohesion Fund) 2.3 Effective promotion of renewable energy (ERDF, Cohesion Fund) 2.4 Effective disaster risk management framework (ERDF, Cohesion Fund) 2.5 Planning for required investments in water and wastewater (ERDF, Cohesion Fund) 2.6 Planning for waste management (ERDF, Cohesion Fund) 2.7 Conservation measures (ERDF, Cohesion Fund)
PO3	3.1 Transport planning at the appropriate level (ERDF, Cohesion Fund)
PO4	4.1 Strategic policy framework for active labour market policies (ERDF, ESF+) 4.2 National strategic framework for gender equality (ERDF, ESF+) 4.3 Strategic policy framework for the education and training system at all level (ERDF, ESF+) 4.4 National strategic policy framework for social inclusion and poverty reduction (ERDF, ESF+) 4.5 National Roma integration strategy (ESF+) 4.6 Strategic policy framework for health (ERDF)

Annex III and Annex IV to the CPR set out detailed criteria for each HEC and TEC to be met in order to assess a condition as fulfilled. Key provisions of Article 15 regarding the assessment process and its impact on the programme's preparation and implementation can be summarised as follows:

- When preparing a programme or introducing a new Specific Objective as part of a programme amendment, the MS must assess whether the enabling conditions linked to the selected Specific Objective are

fulfilled. An enabling condition is fulfilled where all the related criteria are met.

- MS must identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and provide a justification where it considers that an enabling condition has been fulfilled;
- Where an enabling condition is not fulfilled at the time of the approval of the programme or the amendment, MS shall inform the Commission as soon as it considers that the enabling condition has been fulfilled, with a justification of the fulfilment;
- The Commission will assess the fulfilment within three months and notify the MS. If the Commission disagrees, the MS can either present observations or begin the process again;
- MS must ensure that enabling conditions remain fulfilled throughout the programming period, notifying the Commission of any changes affecting their fulfilment. At this end, they are regularly examined by the monitoring committee;
- If an enabling condition is not fulfilled at the time of approval of the programme by the Commission, MS may declare expenditure, but the Commission will not reimburse it until the enabling condition is fulfilled, but MS may also declare expenditure for operations that contribute to the fulfilment of the corresponding enabling condition, and the Commission will reimburse it.

As specified above, the assessment of the fulfilment of enabling conditions linked to Specific Objectives is required at the time of submission of

Table 12: Enabling conditions

Enabling conditions	Fund	Specific objective (N/A to the EMFAF)	Fulfilment of enabling condition	Criteria	Fulfilment of criteria	Reference to relevant documents	Justification
			Yes/No	Criterion 1	Y/N	[500]	[1 000]
				Criterion 2	Y/N		

fulfilment of relevant enabling conditions in the Partnership Agreement (see Article 11.2 CPR – Content of the Partnership Agreement). This ensures transparency and accountability at the national level in the implementation and monitoring of enabling conditions at each programme level.

During the implementation phase of the programmes, the Managing Authority is responsible for ensuring that the selected operations falling within the scope of an enabling condition are consistent with the corresponding strategies and programming documents developed to fulfil that enabling condition.

3. The self-assessment process in Italy

In Italy, the process of self-assessment for enabling conditions for the 2021-2027 programming period began in early 2019, coordinated by the Department for Cohesion Policies of the Presidency of the Council of Ministers. The process involved various national and regional administrations responsible for relevant sectoral policies, ensuring comprehensive participation across all levels of government:

- initial phase: the process began with a coordination of national administrations, which identified and assessed the fulfilment of enabling conditions.
- involvement of the regional level: as the self-assessment progressed, regional administrations also participated, ensuring that their responsibilities in programming and management were considered.
- ongoing technical discussions: these discussions informed the EU-level negotiations on the CPR legislative proposal, particularly with regard to enabling conditions.

A close informal dialogue with the European Commission was also essential for ensuring the smooth and timely implementation of the assessment process. This dialogue, initiated in mid-2020, allowed Italy to receive informal feedback on the fulfilment of enabling conditions before submitting

the formal programme. The self-assessment reports detailing each enabling condition were discussed and agreed upon with the Commission⁴.

4. Conclusions

The enabling conditions framework in the 2021-2027 programming period plays a critical role in ensuring that ESI Funds are effectively managed and implemented. By strengthening the system, providing clear criteria for both horizontal and thematic conditions, and requiring robust monitoring and assessments, it ensures that funds are used efficiently and in alignment with EU objectives. Through processes like Member State's self-assessment and close cooperation with the European Commission, the system strives for a more transparent, coordinated, and accountable use of the funds across Europe.

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6. European Territorial Cooperation and cross-border integration in the EU

Raffaella Coletti¹

1. Introduction. – 2. Evolution of European Territorial Cooperation in the EU. – 3. European Territorial Cooperation and Covid-19. – 4. Overcoming border obstacles and strengthening territorial integration in the 2021-2027 Programming Period. – 5. Conclusions and future scenarios. – Further readings. – Websites

Abstract: This chapter examines the evolution and significance of European Territorial Cooperation (ETC) and cross-border integration within the European Union (EU). It traces the historical development of cross-border cooperation from its origins in the 1950s, to the objectives and frameworks of the 2021-2027 programming period, which aims to address persistent legal and administrative barriers to cross-border cooperation and emphasizes integrated territorial strategies. It includes a reference to the impact of the Covid-19 pandemic on CBC. Finally, it summarizes the ongoing challenges and opportunities for ETC, particularly in light of future programming beyond 2027.

Keywords: European Territorial Cooperation, cross-border living areas, border obstacles, Covid-19

1. Introduction

The need to overcome borders to jointly address common challenges and the recognition of the key role played by sub-state authorities in this context has been a significant driving force for the European integration pro-

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ject since its inception. The first structured forms of cross-border cooperation in Europe date back to the 1950s, in the aftermath of World War II. The first notable experience is traditionally identified in the cooperation along the German-Dutch border, specifically in an agreement reached in 1958 by three municipal associations between Enschede (Netherlands) and Gronau (Germany).

From the outset, cross-border cooperation has attracted the attention of national and especially supranational actors. It is the combination of grassroots initiatives championed by regional and local authorities and the openness expressed by supranational actors that allowed the issue of cross-border cooperation to gain relevance in the European policy arena.

The first venue where this transition from the local to the European dimension occurred was the Council of Europe (CoE), which recognized cross-border cooperation's ability to mend the "scars of history" represented by borders, reconciling the European population after the horrors of war. However, it was through its adoption within the European integration process and the financial support provided under Cohesion Policy that cross-border cooperation became a widespread practice across Europe².

After more than thirty years of financial support to cross-border cooperation within the European Cohesion Policy framework, a number of results have been achieved throughout Europe; at the same time, many obstacles to a full cross-border integration persist: linguistic and cultural obstacles, for example; but most of all, legal and administrative barriers still limit the opportunities for cooperation due to the normative differences across European space.

European Territorial Cooperation is also an instrument for cooperation with non-EU partners, both in the framework of pre-accession and neighborhood policies. In the first framework, territorial cooperation represents a

2. Celata F., Coletti R. (2011), Le funzioni narrative dei confini nelle politiche di cooperazione transfrontaliera in Europa, *Rivista Geografica Italiana*, 118 (2): 219-245, https://memotef.web.uniroma1.it/sites/default/files/Celata-Coletti_CoopTransfronaliere_2011.pdf

component of the European Cohesion Policy that is open to the participation of pre-accession countries; as such, it can offer an important training ground for some of the general rules applied in the European Cohesion Policy. Moreover, in the framework of the Instrument for Pre-Accession Assistance, programmes of cross-border cooperation are also funded at the borders between pre-accession countries.

In this short paper, the main elements in the evolution of European Territorial Cooperation will be discussed, followed by a focus on more recent instruments put in place by the European Commission and future prospects in the post-2027 scenario.

2. Evolution of European Territorial Cooperation in the EU

Cross-border cooperation became part of European Economic Community (EEC) policies following the first reform of the Structural funds in 1988, which granted new centrality to regions both as areas of intervention and as actors responsible for implementing Cohesion Policy.

Interreg programmes were established for the first time in 1990, modeled after existing cross-border cooperation practices that spontaneously emerged across the European territory, initially aimed at supporting the border regions of the European Community in transitioning to the single market (January 1, 1993). The abolishment of the customs across the European territory had indeed a strong economic and social impact on European border territories, which represent 40% of the EU's territory and account for approximately 30% of the EU's population. Interreg programmes were designed to support this transition by strengthening cooperation across the borders. By its second edition, during the 1994-1999 programming period, Interreg shifted toward the broader goal of supporting the development of border regions, often seen as "peripheral" relative to their national economic and political centers, by overcoming borders and creating new European centralities based on increasing cross-border cooperation

and integration. From the mid-1990s, the original cross-border cooperation (CBC) component was complemented by a window of transnational cooperation (TN), aimed at fostering collaboration and joint development in broader transnational areas, in line with efforts to harmonize territorial planning across Europe. Interregional cooperation (IR) – unbound by geographical proximity and applicable to all European regions – completed the framework. In 2021-2027 programming period, a further component of cooperation across outermost regions was included. However, the component of cross-border cooperation remains the most relevant in terms of coverage and especially funding, concentrating around 70% of the overall Interreg resources amount.

Since 2007, Interreg has been one of the main priorities of Cohesion Policy under the term “European Territorial Cooperation.” Since the 2014-2020 programming period, Cohesion Policy was streamlined into two main objectives: “Investment for Jobs and Growth” and “European Territorial Cooperation.” This simplification granted Interreg strategic relevance, albeit within a context of limited resources. The same structure was maintained in the 2021-2027 programming period. The evolution of cross-border cooperation policy in the EU framework is summarized in the following table.

Table 1 – Evolution of Interreg, 1990-2027

Programming period	Typologies of cooperation	Aims	External borders	Typology of Programme	Resources
I 1989-1993	<i>CBC (land border)</i>	<i>Preparing border areas to the single market</i>	No	<i>Community initiative</i>	1,1 BN ECU
II 1994-1999	<i>CBC (land border and sea crossing), TN (since 1996)</i>	<i>Development of border regions; development of EU territory</i>	Yes (since 1996)		3,8 BN
III 2000-2006	<i>CBC, TN, IR</i>	<i>+ interregional cooperation</i>			
IV 2007-2013			Yes – common benefit principle	<i>Main objective of the EU Cohesion Policy</i>	8,7 BN
V 2014-2020					10,1 BN
VI 2021-2027	<i>CBC, TN, IT, Outermost regions</i>	<i>+ cooperation in outermost regions</i>			9,1 BN

Source: *Elaborated by the author*

To manage programmes, Interreg requires the establishment of a Managing Authority located in one of the participating territories, supported by a Joint Technical Secretariat. Decisions are made within Monitoring Committees, composed of representatives from competent authorities, joint bodies across the program area (including EGTCs), and program partners. European Commission representatives participate in these committees in an advisory capacity.

In the 2021-2027 programming period, Italy participates in 19 European Territorial Cooperation programmes, consistent with the previous programming period.

Table 2 - Interreg programmes in Italy 2021-2027

<i>Interreg Programme</i>	<i>Typology</i>	<i>Managing Authority</i>	<i>Resources (€)</i>	<i>(of which) EU resources (€)</i>
<i>Italy-France Maritime</i>	<i>CBC</i>	<i>Region Tuscany (IT)</i>	<i>193.296.007</i>	<i>154.636.861</i>
<i>France-Italy Alcotra</i>	<i>CBC</i>	<i>Région Auvergne-Rhone-Alpes (FR)</i>	<i>227.913.112</i>	<i>182.330.487</i>
<i>Italy-Switzerland</i>	<i>CBC</i>	<i>Region Lombardy (IT)</i>	<i>102.933.343</i>	<i>82.346.673</i>
<i>Italy-Austria</i>	<i>CBC</i>	<i>Autonomous Province of Bolzano/Bozen (IT)</i>	<i>91.339.757</i>	<i>73.071.805</i>
<i>Italy-Slovenia</i>	<i>CBC</i>	<i>Region Friuli-Venezia Giulia (IT)</i>	<i>88.623.329</i>	<i>70.898.662</i>
<i>Italy-Croatia</i>	<i>CBC</i>	<i>Region Veneto (IT)</i>	<i>216.232.834</i>	<i>172.986.226</i>
<i>Greece Italy</i>	<i>CBC</i>	<i>Ministry of Economy and Development (GR)</i>	<i>106.110.571</i>	<i>79.582.928</i>
<i>Italy-Malta</i>	<i>CBC</i>	<i>Region Sicily (IT)</i>	<i>57.604.031</i>	<i>46.083.225</i>
<i>SouthAdriatic</i>	<i>IPA CBC</i>	<i>Region Puglia (IT)</i>	<i>81.258.770</i>	<i>67.026.484</i>
<i>Adriatic</i>	<i>IPA TN</i>	<i>Region Emilia-Romagna (IT)</i>	<i>160.810.020</i>	<i>136.688.515</i>
<i>Italy-Tunisia</i>	<i>NEXT CBC</i>	<i>Region Sicily (IT)</i>	<i>35.934.260</i>	<i>32.340.834</i>
<i>NEXT MED</i>	<i>NEXT TN</i>	<i>Region Sardinia (IT)</i>	<i>281.473.092</i>	<i>253.325.779</i>
<i>Alpine Space</i>	<i>TN</i>	<i>Land Salzburg (AT)</i>	<i>142.734.916</i>	<i>107.051.188</i>
<i>EURO MED</i>	<i>TN</i>	<i>Region Sud (FR)</i>	<i>293.624.033</i>	<i>234.899.226</i>
<i>Central Europe</i>	<i>TN</i>	<i>Municipality of Vienna (AT)</i>	<i>280.779.753</i>	<i>224.623.802</i>
<i>ESPO</i>	<i>IR</i>	<i>Ministry of Energy and Territorial Planning (Lu)</i>	<i>60.000.000</i>	<i>48.000.000</i>
<i>INTERACT</i>	<i>IR</i>	<i>Region of Bratislava (SK)</i>	<i>56.250.000</i>	<i>45.000.000</i>
<i>URBACT</i>	<i>IR</i>	<i>ANCT (FR)</i>	<i>108.063.537</i>	<i>84.769.799</i>
<i>Interreg EUROPE</i>	<i>IR</i>	<i>Region of Haute France (FR)</i>	<i>474.353.338</i>	<i>379.482.670</i>

Source: Author's elaboration on Dipartimento per le politiche di coesione e per il sud, <https://politichecoesione.governo.it/it/politica-di-coesione/la-programmazione-2021-2027/programmi-europei-2021-2027/cooperazione-territoriale-europea-2021-2027/elenco-dei-programmi-cte-2021-2027-a-partecipazione-italiana/>

Throughout the 2000s, additional EU instruments were developed to strengthen cross-border and transnational cooperation. Among these, European Groupings of Territorial Cooperation (EGTCs) were introduced in

2006 (Regulation 1982/2006, later amended by Regulation 1302/2013) as institutionalized public bodies for planning and managing cross-border, transnational, and interregional activities. EGTCs aim to facilitate and promote territorial cooperation among their members to strengthen the EU's economic, social, and territorial cohesion. EGTCs possess legal personality and operate under a convention agreed upon unanimously by their members, following the rules of one of the countries of origin of the participants. As of December 2024, the official EGTC registry managed by the Committee of the Regions lists 89 EGTCs operating within and across EU territory; 14 of those include Italian participants³.

Since 2009, moreover, a new instrument was created in the European framework, that of EU macroregional strategies⁴. Currently, there are four macroregional strategies across the European territory: the EU Strategy for the Baltic Sea Region (established in 2009), the EU Strategy for the Danube Region (2010), the EU Strategy for the Adriatic and Ionian Region (2014) and the EU Strategy for the Alpine Region (2015). With the participation of four EU Member States (Croatia, Greece, Italy, Slovenia) and six non-EU countries (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, San Marino, Serbia), EUSAIR is the only macroregional strategy with a majority of non-EU member countries among its participants.

The aims and scope of macroregional strategies go well beyond territorial cooperation, as they pursue the balanced development of functional areas at a macroregional scale; macroregional strategies have the ambition to create a framework where priorities and strategies can be agreed upon at multiple scales and can then be embedded into national, regional and transnational funds. However, they have been extensively supported so far by European Territorial Cooperation programmes. This is particularly the

3. <https://cor.europa.eu/en/our-work/cooperations-and-networks/european-cross-border-platform/european-grouping-territorial-cooperation#toc-official-list-of-registered-egtcs>

4. https://ec.europa.eu/regional_policy/policy/cooperation/macro-regional-strategies_en

case with Interreg programmes that reflect the geography of the macro-regional strategy (like in the case of the transnational Adrion program for the EUSAIR); in this case the regulations of Cohesion Policy (and in particular Reg. 2021/1059 dedicated to Interreg programmes) require an alignment of the programmes to the macroregional priorities, as well as support to their management.

3. European Territorial Cooperation and Covid-19

Territorial Cooperation – and cross-border cooperation in particular, in Europe as elsewhere, were particularly affected by the Covid-19 pandemic, mainly due to the new centrality acquired by borders. In March 2020, when the world became aware of the threat posed by the Covid-19 pandemic, one of the first and most widespread reactions was the closure of national borders.

The closure of national borders has been particularly traumatic for local and regional border authorities across the European territory, accustomed to experiencing border territories as common spaces where interdependence and cooperation are the main characteristics. Despite the initial shock and the unprecedented nature of the crisis, several initiatives have been organized and undertaken in the field of cross-border cooperation, at different scales and representing different instances⁵.

At the local scale, despite significant differences between border areas, many initiatives have been implemented in a relatively short time to respond to the specific needs of border communities. For example, agreements have been quickly reached between sub-national authorities to facilitate circulation at the border, or to provide citizens with adequate information on the standards and certifications adopted in the neighboring country, or to put pressure on national governments to solve specific

5. Coletti R., Oddone N. (2021), Covid-19 in the European Union and in Mercosur: Border management at different scales, <https://cris.unu.edu/sites/cris.unu.edu/files/WP21.06%20-%20Coletti%20and%20Oddone.pdf>

problems related to the sudden closure of the border. According to a study carried out in the spring of 2020 and based on extensive data collection⁶, the main activities undertaken by local and regional border authorities in Europe during the first wave of Covid-19 included lobbying and advocacy towards national authorities; coordination and management of crises in dialogue with local, regional or national stakeholders; dissemination of information to trans and cross-border workers and commuters; conducting surveys to understand the main obstacles and the impact of these measures on local inhabitants; keeping the spirit of cooperation alive in a difficult moment; drawing up reactivation/recovery plans.

Even within the Interreg cooperation programmes, with differences from case to case, an effort was made to overcome the 'border effect' in the reaction to the health crisis, and cross-border interaction continued actively even during the acute phase of the crisis. Despite inevitable delays, the management structures of the Interreg programmes continued to operate, ensuring the necessary support for ongoing projects called upon to face unforeseeable challenges and facilitating the application of the new flexibility criteria introduced by the European Commission in the management of funds. In addition to ordinary management, the programmes continued the programming of activities for the period 2021-2027, inevitably influenced by the pandemic in the definition of priorities.

Finally, it is worth noting that border regions have not started their action only with reference to their specific territories, but also collectively. In response to the challenges posed by the pandemic, as well as the unequal distribution of capacities and resources that border regions have been able to mobilize in different contexts, some European border regions have started a process of collectively strengthening the demands and interests

6. Peyrony J., Rubio J., Viaggi R. (2021), *The effects of COVID-19 induced border closures on cross-border regions. An empirical report covering the period March to June 2020*, Brussels, Mission Opérationnelle Transfrontalière and European Union <https://op.europa.eu/en/publication-detail/-/publication/46250564-669a-11eb-aeb5-01aa75ed71a1/language-en>

of border regions at a European scale. The European Committee of the Regions has offered a reference structure in this process and has devoted ample space to a reflection on the relevance of cross-border public services (including health services) to be preserved even in times of crisis. In this context, the European Committee of the Regions supported, for example, the establishment of a European alliance of cross-border citizens⁷, promoted by the French Mission Operationelle Transfrontaliere, the Association of European Border Regions and the Hungarian Central European Service for Cross-Border Initiatives, which in 2020 published a declaration entitled 'Cross-border regions at the heart of tomorrow's Europe'⁸. The declaration proposes a new centrality of cross-border regions in European development perspectives, including those related to the recovery from the Covid-19 pandemic. The declaration also calls on the European institutions to guarantee a minimum level of cross-border cooperation in the event of global, European and regional crises, such as the Covid-19 pandemic. Moreover, the Commission Communication 'EU border regions: living laboratories of European integration'⁹ of 2021 identifies, among the priorities for the future of cross-border cooperation, the quantitative and qualitative improvement of cross-border public services, including those in the health sector.

4. Overcoming border obstacles and strengthening territorial integration in the 2021-2027 Programming Period

The 2021-2027 programming period builds on the 30th anniversary of the Interreg programme. This important step, together with other inputs de-

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7. More information are available at the following link: <https://www.aebr.eu/initiatives/european-cross-border-citizens-alliance>
 8. http://www.espaces-transfrontaliers.org/fileadmin/user_upload/documents/UE/cor-2020-04018-00-01-tcd-tra-en.pdf
 9. https://ec.europa.eu/regional_policy/information-sources/publications/reports/2021/eu-border-regions-living-labs-of-european-integration_en

riving, for example, from the Covid-19 experience, forced the acknowledgment of the persisting obstacles to cross-border cooperation and integration. A number of specific instruments were thus introduced in order to tackle these obstacles and support local and regional authorities in their efforts for growing integration¹⁰.

A relevant example in this framework is the B-Solutions initiative¹¹. Launched in 2017 by the European Commission's Directorate-General for Regional and Urban Policy (DG Regio) and managed by the Association of European Border Regions (AEBR), the initiative provides tailored assistance to overcome administrative barriers at the border. The program relies on a roster of experts on several topics. Public bodies and cross-border entities can submit an applications to B-Solutions in order to receive advice from experts to better understand legal and administrative obstacles, find sustainable solutions and raise awareness of cross-border cooperation. The B-Solutions website, moreover, collects several cases and stories of cross-border cooperation problems and solutions that might be of inspiration for other border territories all over Europe.

In terms of Interreg programmes, the 2021-2027 regulations introduced two specific objectives: the Interreg Specific Objective 1 (ISO 1) for "A better cooperation governance" and the Interreg Specific Objective 2 (ISO 2) for "A safer and more secure Europea". ISO 1, in particular, supports projects aimed at strengthening the institutional capacity of public administrations, addressing legal and administrative hurdles, promoting sustainable democracy, strengthening mutual trust among citizens and improving multi-level governance. In the framework of this objective, it is possible to develop cross-border projects that help to overcome the legal and administrative differences. In the case of Italy, the objective was selected by

10. Coletti R. (2022), La cooperazione territoriale europea (Interreg) come strumento per lo sviluppo del territorio: valore aggiunto e prospettive future, *Federalismi.it*, <https://www.federalismi.it/nv14/articolo-documento.cfm?Artid=47557>

11. <https://www.b-solutionsproject.com>

all the Interreg cross-border programmes, confirming the interest of local and regional communities in instruments able to support them in managing border obstacles. ISO 2 was designed for actions in the fields of border crossing management, mobility and migration management, including the protection and economic and social integration of third-country nationals, as well as to support employment and labour market measures such as improving access to employment, encouraging life-long learning, promoting gender balance and fostering equal opportunities. None of the programmes with Italian participation includes this objective in the current programming period.

The initial draft for the 2021-2027 Cohesion Policy regulations included, moreover, a European Cross-Border Mechanism proposal to resolve cross-border obstacles through standardized procedures. The proposal was not approved, but it has been adopted as a basis for the discussions for the regulation BridgeforEU, finally approved in May 2025¹². The regulation introduces national contact points to ease the relation between local and regional border communities and national competent bodies to solve administrative and legal issues.

Finally, in the 2021-2027 programming period, many Interreg programmes also adopted the Priority Objective 5, aimed at “A Europe Closer to Citizens”. PO5 is the only non-thematic Priority Objective of the programming period and is rather focused on the adoption of integrated development plans in urban and rural settings¹³. Based on the regulations 2021/1058, those integrated plans can be designed by adopting available instruments in the European Framework (namely, Integrated Territorial Investments – ITI and Community Led Local Development – CLLD), or other forms selected by the Member States. Introduced in 2014, ITI and CLLD have been further

12. <https://eur-lex.europa.eu/eli/reg/2025/925/oj/eng>

13. Cotella G., Berisha E. (2023), *Strategie integrate, coalizioni e fondi: nuove opportunità per i territori*. In R. Coletti, A. Filippetti (eds), *La programmazione dei fondi europei 2021-2027. Emergenze e nuove priorità*. Il Sole 24 Ore, <https://www.ilsole24ore.com/ebook/sfogliabile/la-programmazione-fondi-europei-AFHCDk2>

strengthened in the regulations for the 2021-2027 period¹⁴. The inclusion of the PO5 within Interreg programmes implies the definition of integrated territorial instruments at a cross-border scale. Experiences of integrated initiatives at the borders took place in all three Italian land borders within the EU (with Slovenia, Austria and France, respectively). The Interreg programme Italy-Slovenia, for instance, adopted an ITI in 2014-2020 in the border city of Gorizia-Nova Gorica-Sempeter Vrtojba, in the same area covered by the European Grouping of Territorial Cooperation EGTC GO¹⁵ (established in 2011). The ITI, with a total financial allocation of 10 Million EUR, was implemented by the EGTC GO and included activities in the fields of healthcare and on the Isonzo-Soča cross-border nature park. The Italy-Austria Interreg program identified, since the 2014-2020 programming period, four CLLD areas, covering 480.000 citizens, with the aim of strengthening integration and local self-responsibility in the cross-border area according to the CLLD approach. The Italy-France Alcotra programme, finally, adopted integrated territorial plans at cross-border scale since the 2007-2013 programming period; in 2021-2027 the programme opened to the use of ITIs and CLLD in each of those cross-border areas.

Despite the differences and specificities of each territory, the experiences of integrated territorial strategies in the three Interreg programmes present a number of similarities. First of all, in all the considered cases, cross-border local integration was a long-lasting process, where ITI and CLLD came as tools to strengthen ongoing initiatives. From this point of view, the adoption of PO 5 in the 2021-2027 programming period was built on the capitalization of previous experiences. Second, all the experiences are characterized by a strong participation of local actors in the definition as well as in the implementation of cross-border strategies, as required

14. Pertoldi M., Fioretti C., Guzzo F., Testori G., De Bruijn M., Ferry M., Kah S., Servillo L. A., Windisch S. (2022). Handbook of Territorial and local development strategies, Luxembourg: Publications Office of the EU. JRC130788. <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>

15. <https://euro-go.eu/it/>

by the tools made available by the European Commission. The participation ensures the acknowledgement of local specificities. Third, in all of the considered cases, the integrated area is designed as a smaller sub-area with respect to the overall eligible territories of the Interreg programmes. Fourth, all the experiences share the acknowledgement of the crucial role of capacity building to involve local actors in effective cross-border strategies.

A further development has recently characterized the Italy-France context. The Treaty of the Quirinal, signed between Italy and France on 26 November 2021 and ratified by both countries during the following year, pursues the objective of enhanced cooperation in the common context of the EU and Euro-Mediterranean policies. The Treaty includes an article (Article 10) dedicated to cross-border cooperation, which states that “the Italian-French land border constitutes an interconnected cross-border living area, where the Italian and French populations share a common destiny. The parties undertake to facilitate the daily life of the inhabitants of these territories”.

The definition of “cross-border living area” (*Bassin de vie transfrontalière*, in french) to identify cross-border integrated territories comes from the French context. *Bassin de vie* has been used by the French National Institute of Statistics (INSEE) since 2003 to define “the smallest portion of territory where inhabitants use the most common services and infrastructures”. Those living areas are, therefore, defined as territories that present a geographical, social, cultural and economic coherence, expressing homogeneous needs in terms of activities and services. While the “*bassin de vie*” has thus a long history within the French national borders, the concept of cross-border living areas was adopted by France for the first time in 2021 to exempt cross-border citizens (workers, but not only) from a series of documents and obligations required at the border due to the health emergency. There is no precise and operational definition of what is meant and how the cross-border living area should be delimited in the Italian-French

context, but the concept has attracted growing attention, as it has the potential to overcome the otherwise rather technical sound of border related debates confirming, at the same time, a focus on the functional integration across national borders¹⁶.

5. Conclusions and future scenarios

Despite the important investments of the 2021-2027 programming period, there are still a number of open issues for the present and future of European Territorial Cooperation. Two issues are particularly relevant: first, legal and administrative obstacles still limit cooperation between territories belonging to different national systems, despite the efforts of the last few years; second, there is the need to more effectively anchor territorial cooperation projects to the programming of other funds available for each territory, in order to fully exploit their innovative potential. Territorial cooperation projects are often innovative but relatively small in size and not always connected with wider territorial development strategies. The role of macroregional strategies in this effort should not be underestimated, as, in principle, they could offer an important framework for harmonizing strategies of territorial development at national and transnational scale, going beyond the single project or programme. In the case of Italy-Western Balkans cooperation, the EUSAIR in particular might play a crucial role in this regard. The expectation for post-2027 is to continue to have specific funding for Interreg programmes, which allows their specificity to be pre-

16. Botteghi R., Coletti R., Rainaud A., Salerno G. Saputelli G., Weckel F. (2025), *Il Trattato del Quirinale: nuovi orizzonti per la cooperazione transfrontaliera italo-francese*, CNR Edizioni; Coletti R., Chilla T., Salerno G. (2024), Cross-border living areas as popularisation of cross-border integration? Debating 'Bacino di vita' and 'Bassin de vie', *European Journal of Spatial Development*, 21(4), https://journals.polito.it/index.php/EJSD/article/view/427?fbclid=IwY2xjawFiCOhleHRuA2FlbQixMQABHeobnJJlu0NXcREsTvcW23TIQIU-dO1qFkrvpqU_BaboDgHE-na-bHdhXmQ_aem_AzjhbX_LR2Gr39_PMG-YMg; Coletti, R. (2024). Verso una nuova governance transfrontaliera nell'Unione europea? Il caso del confine Italia-Francia. *Rivista Geografica Italiana - Open Access*, (1). <https://doi.org/10.3280/rgioa1-2024oa17378>

served within an evolving scenario of European Cohesion Policy, including the continuation of a model based on joint management structures (at cross-border, transnational or interregional scale). European Territorial Cooperation programming will continue to focus on the need for simplification, the focus on strategic investments for the territories, the opportunity for greater involvement of citizens, the ability to connect Interreg projects with other projects and strategies supported by Cohesion Policy. The topic of integrated territorial strategies at cross-border scale will probably continue to play an important role also in the future¹⁷.

In this regard, it is finally worth mentioning that, in the framework of the revision of the Schengen Protocol, proposed by the European Commission in December 2021 and adopted in June 2024 to meet a shifting European context, specific protection of cross-border areas has been envisaged, in particular in case of the resurgence of diffused border controls¹⁸. These protection measures include the establishment of green corridors to guarantee the circulation of goods and cross-border workers even in times of crisis and suspension of normal circulation, but also the possibility of defining derogations and authorisations that, if necessary, protect the interests of cross-border regions and cities classified as such by the Member States. The topic of integrated cross-border living areas and integrated functional areas at the borders is thus acquiring a growing relevance in the European framework, that goes beyond the scope of Cohesion Policy and Interreg programmes.

17. Coletti R. (2025), La cooperazione territoriale europea tra passato e futuro, in R. Coletti, A. Filippetti (eds), *Quale futuro per la politica di coesione? Temi e prospettive*, Il Sole 24 Ore https://i2.res.24o.it/pdf2010/Editrice/ILSOLE24ORE/ILSOLE24ORE/Online/_Oggetti_Embedded/Documenti/2025/06/04/Coesione-25-finale.pdf

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7. Local development policies and Cohesion Policy: the role of the Smart Specialization Strategy

Andrea Filippetti¹

1. Knowledge and innovation at the hearth of regional development policies. – 2. Territorial policy in the knowledge era: place-based policies. – 3. Cohesion Policy reform: implementing the concept of Smart Specialization. – 4. The Evolution of Budget Provisions: more science, technology and innovation are funded. – 5. Smart specialization strategy in 2021-2027 programming period: definition and implementation. – 6. Regional application of the Smart Specialization Strategy (S3). – 7. The cases of region Emilia Romagna and one regarding the region Marche. – 8. Conclusions. – Further readings.

Abstract: The Smart Specialization Strategy (S3) is a policy approach of Regional policy which recognizes the key role of the generation of knowledge and the diffusion of innovation as central ingredients for economic development. It takes stock of a major shift which took place during the '80, and '90s in developed economies, that is the transition from a capital-intensive model of production to a knowledge-intensive and innovation-led model of production. In short, from industrial capitalism to the knowledge economy. In this chapter we are first going to provide a general framework of the evolution of regional policies in the particular context of the knowledge economy. We then provide some examples of the S3 in the Italian context, and we finally describe some S3 developed in West Balkan countries.

Keywords: Smart Specialization Strategy, Innovation, Place-based policies, Italy, Western Balkans,

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1. Knowledge and innovation at the hearth of regional development policies

In the knowledge economy, the organization of production is driven by the economic properties of knowledge. In particular, agglomeration economies and increasing returns are the two most relevant features that have been reshaping the organization of the economic processes. The transformation of the economy has been further accelerated by the rise of the service sector and the relative decline of the manufacturing sector. The reorganization of production around knowledge and in the service sector has profoundly changed the territorial – that is, geographical – articulation of the economic processes, requiring a new approach of local development policies.

This paradigmatic shift of the mode of production has profoundly altered the territorial articulation of the economies and the very mechanisms of economic growth and innovation. Innovation now plays a fundamental role. In the manufacturing mode of production, innovation was prominently technological and mostly embodied in new capital, e.g. numerical control machines, new materials, new techniques of production, that is, it was centred on capital and aimed at improving capital's productivity. Contrarily, in the knowledge economy, innovation is mostly immaterial – and not embodied into new machines or equipment – and, most importantly, does not aim at increasing the productivity of capital but rather at developing new products in hi-tech industries and new services in the so-called knowledge-intensive sectors. Hence, innovation is at the root of both the modes, but its nature and aims are rather different.

Development policies in the Industrial era were based on industrial policy. The main idea was that the whole territory would have benefited from the linkages of the industry, both inward and outward, by implanting a new factory in the more competitive manufacture industry. The multiplier effect was to be driven by the network of suppliers which needed to feed

the manufacturing process and by the complementary services developed. Hence, a big push of massive investment driven by the public hand would have spurred a sustainable and reinforcing growth mechanism in the whole territory surrounding the new plant.

Public policy in the Italian Mezzogiorno, similar to that in many other lagging behind regions in EU countries, is a case in point. The regions in the south of Italy had a significantly lower level of income depending on a lower level of economic development. The state designed a big push policy, the so-called extraordinary intervention, aiming at closing the gap with the rest of the country. The policy was based on two instruments: a series of incentives to attract the big industry that was settled in the north to move to the south (in particular in the mechanical and automotive sector) and establishing public companies in the region (in particular in the chemical and in the iron and steel sector). The policy was thus based on massive investment in some strategic sectors in areas characterized by low level of economic activity and a large ration of unemployed people or underemployed workforce, e.g. people employed in the informal agricultural sector. The interventions were designed at the central level, in the ministries of Rome, which would choose the areas of destination. The philosophy of the intervention was Keynesian welfare, in the sense that it aimed at levelling out the most dramatic differences between the Mezzogiorno and the rest of Italy by means of massive public investment.

Life is harder in the knowledge economy for governments trying to design effective development policies. The mechanisms of economic growth, which was previously centred on capital and technological innovation embodied in new capital, have evolved into something different. In the knowledge economy, knowledge is the main input in the economic process; the manufacturing sector has been transformed into a more flexible and innovation-based organization, while the service sector has gained in prominence and the crucial investment is no longer that in tangible asset, rather in intangible asset. In several advanced economies, investment in

intangible assets has surpassed those in tangible ones. While the latter such as buildings, machineries, hardware, equipment and vehicles were the fundamental driver in the Industrial Era, the former – i.e. software, research and development (R&D), design, marketing, engineering – are the quintessential drivers in the knowledge economy mode of production.

To understand how the very mechanism of growth has changed, we need to look at the economic nature of the knowledge generation and the knowledge diffusion processes. Firstly, knowledge can be codified, i.e. translated into a codebook, as well as can be tacit. The former type of knowledge, however, constitutes only a fraction of the latter. Remarkably, it is the latter what makes a firm unique. As management scholars would put it, tacit knowledge is the source of competitive advantage. Secondly, knowledge is quite sticky. Contrary to the initial enthusiasm when it was envisaged that the web would have allowed the transmission of information at no cost and almost immediately, it has been later understood that knowledge does not travel as easily. Thirdly, knowledge is a public good. This implies that knowledge is freely available and accessible, at least in principle. In practice, however, getting knowledge outside and employing it in a competitive way within an organization are not as easy as plugging in a radio and turning it on. Employing knowledge in a productive and profitable way requires substantial costs for searching, learning, and adapting from prospective users.

Once we put together these three characteristics of knowledge, we can explain the most visible phenomenon of the knowledge economy: spatial agglomeration. In the present day, the organization of production process in most relevant industries – that is, in those that produce high returns and job creation – is more and more spatially bounded. As knowledge is the most relevant input, companies and skilled labour force tend to stay put in the same place. People acquire new knowledge by being where it gets generated and by interacting among themselves. Informal and social networks play a paramount role in the exchange of tacit knowledge: meet-

ing a peer at a school party can increase productivity more than reading a codebook or the content of a patent. More technically speaking, the productivity of a person regarding a company's knowledge depends on the amount of knowledge surrounding them. The greater the amount in a working environment, the greater the value of the knowledge that one possesses.²

Hence, the value of the same piece of knowledge is not the same around the world: that is, "the world is not flat". This explains why both large and small companies, prospective entrepreneurs (or as they are nowadays called: the start-uppers), financial investors and high skilled workers all tend to concentrate in certain areas. Notably, this concentration happens quite often around the greater producers of knowledge-as-a-public-good of our age: universities and research centres, as the cases of some much-celebrated clusters such as Cambridge and Oxford, Cambridge MA and Silicon Valley show. Hence, Aristotle has finally been proved right, as he seems to have said that if one wants a city in a hundred years' time, they need to establish a university today.

The reorganization of economic activity around the nature of its new most relevant input has had profound impact on the geography of the economy and of the society as a whole. The most macroscopic result has been the rise of global cities and global clusters, which have been steadily growing since the mid-1980s. These centres have grown in population, kept attracting high-skilled workers, international capital and investors and start-uppers. The same trend is observed in European countries, where economies are increasingly more dependent on a few major cities. Countries such as France and the UK have become almost totally dependent on their capital cities. More advanced regions and cities tend to establish close networks among them. Networks are nurtured by the mobility of high-skilled people, financial capital and fresh ideas with the multinational corporations

2. Cooke, P. (2001), *Regional Innovation System, Clusters, and the Knowledge Economy*, *Industrial and Corporate Change* 10, no. 4: 945–974.

playing an important role. This trend is also observed in the Central and Eastern Europe (CEE) countries. The most dynamic regions in the CEE countries are around the capitals: cities like Warsaw, Prague and Bratislava have been radically transformed into new internationalized knowledge and service hubs. At the same time, most peripheral regions have been lagging behind. Hence it is observed that the same dynamics are taking place in all Member States; the capital regions becoming more dynamic and richer, broadening the distance with peripheral regions. As a result, income disparities within countries are on the rise both in EU-15 and the CEE economies.

However, the other side of the coin shows a progressive deterioration in the economic and social conditions of inner and rural regions. The “Europe of the Regions” has seen a rise of inequality mostly within national borders. While countries have become more similar, regions within them have become more different. This is the result of the self-reinforcing process that has characterized regional knowledge-driven economic growth.³

2. Territorial policy in the knowledge era: place-based policies

This is where local development policy steps in. Territorial policy in the knowledge era is caught in a dilemma. On the one hand, efficiency consideration might encourage investing in the reinforcement of dynamic regions, as national competitiveness – the new mantra of public policy – depends on these knowledge-hubs. The knowledge-hubs need to compete internationally to attract the best ideas, people, abundant capital and corporations. This requires public investment in some enabling factors. Some of these elements such as first-class universities and research centres, local and international public transportations, facilities and housing have an

3. Barry, F. (2003), Economic Integration and Convergence Processes in the EU Cohesion Countries, *Journal of Common Market Studies* 41 (5): 897–921.

economic nature, while others including amenities such as theatres, opera houses are of a softer nature. A quick look at the transformation of the capital cities around Europe is sufficient to comprehend the extent of these competitiveness-enhancing investments.

On the other side of the dilemma lies the question what kind of policy needs to be implemented in the less advanced regions that are left at the margins of the knowledge economy and the international flows of wealth. As illustrated above, in the Industrial Age, industrial policy would bring or produce new large industry (both private or public) to spur economic activity and create jobs. Far from being a perfect mechanism, it nonetheless helped some places and regions to escape from poverty, isolation and underemployment.

In the knowledge economy boosting economic growth in marginal regions however is far more complex. Various approaches have been taken in this regard. The first was to replicate the mechanism that spurred development in the dynamic regions. In some kind of one-size-fits-all fashion, cluster policies have been designed to help poor regions to activate their own agglomeration of dynamic firms and knowledge generation process. These were also the heydays of the technological hubs, transfer-technology centres and incubators. Typical examples of this trend are the proliferation of cluster policies, which came under various names such as innovation poles and meta-district. The idea was to induce a self-reinforcing process of agglomeration economies by encouraging linkages between the university and the industry as well as within firms. Crucially, these policies have proven to be more successful in most developed regions, and less in regions lagging behind.

More recent approaches in European policy making have evolved towards the so-called place-based policies.⁴ The idea is that policies need to be

4. Avdikos, V. and Chardas, A. (2016), European Union Cohesion Policy Post 2014: More (Place-Based and Conditional) Growth – Less Redistribution and Cohesion. *Territory, Politics, Governance* 4 (1): 97–117.

tailored to the territory and adapted to the local conditions, in terms of local capabilities, human capital, industrial specialization among others. Each region and territory has to find its own policy consistently with its own technological trajectory through a process of self-discovery. Here, top-down approaches are avoided. This approach has also been the acknowledgement that the notion that every region should have its own Silicon Valley is deemed to fail. With this approach, we observe the final rescaling of state policies. National policies are no longer articulated on the territory through a top-down process of regionalization but at the regional level through a process of recognition of regional diversity that led to the rise of Regionalism. It is not a coincidence that this major rescaling of state policies went hand in hand with an increase in the regional authority. During the same years, we have observed institutional reforms in many countries – devolution or fiscal federalism - aiming at decentralizing power, legislative authority and financial resources from the centre to the subnational levels of governments.

Today, this approach is far from posing a clear theoretical picture of economic development for less advanced regions. One argument is that agglomeration economies are relentless and are here to stay; as such, the most sensible policy is to encourage mobility towards the most dynamic regions, to invest in public service in the knowledge-hubs to make their growth sustainable and to compensate marginal regions with welfare instruments and fiscal transfer – which has been the case in the UK. The opposite argument is that local development should be boosted in the more marginal regions by means of differentiated approaches.

The crux of the matter is that in the knowledge economy, one cannot simply build a three-thousand-worker factory. Instead, one needs to engineer an endogenous mechanism that favours economic growth and local development led by innovation. This brings us to the paradoxical argument that knowledge, compared to capital, is less mobile. This statement merits some further qualification: creating the condition to start a process of

knowledge generation and diffusion that generate agglomeration economies and ultimately a process of self-reinforcing pace of economic growth has its roots in complex alchemies. Studies on the birth and development of clusters have shown that these processes are based on a complex interrelation of historical, social and contingent factors. Sometimes they are rooted in centuries of accumulation of tacit knowledge, as in the case of the industrial districts in Italy; sometimes they are the result of a favourable social environment where the establishment of universities has prompted a self-reinforcing process of growth, as it has been the case for the most celebrated US-American clusters of Silicon Valley and Cambridge, MA. The key implication for policy is that knowledge-based growth mechanisms are hard to formulate into a recipe and therefore to replicate.

3. Cohesion Policy reform: implementing the concept of Smart Specialization

Cohesion Policy has been reformed as a consequence of the new economic and political environment depicted above.⁵ The need for a reform was dictated by a series of challenges, among which the slow economic growth in the EU area in the late 90s, the increasing competitiveness in the emerging economies and the transformation of the economy have been explained above. All of these elements led to a reflection on the need to reconceive the whole economic policy of the EU. The Lisbon Agenda, which was agreed on at the summit in March 2000, had the explicit aim of making the EU “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (European Council 2000, 3 – original emphasis). To achieve this goal, the agenda set the target of increasing R&D investment in the EU to 3% of the GDP by 2010. The focus on R&D and innovation, at least until the outbreak of the crisis, resulted in

5. Leonardi, R. (2006), Cohesion in the European Union, *Regional Studies* 40, no. 2: 155-166.

considerable increases in the R&D expenditure, which was also favoured by the profound revision of the priorities and guidelines of the Cohesion Policy. In part, the transformation of Cohesion Policy and the reconsideration of its added value have been supported by two main arguments. On the one hand, there was a lack of consensus about the effectiveness of Cohesion Policy. The convergence process took place very slowly without the action of the Structured Funds being significant. This criticism was also supported by the fact that the action of funds was not able to prevent polarization at the regional level, which, in some cases, was slowing down the specialization process. On the other hand, there was growing interest in regional innovation policies among scholars and policymakers who underlined the distinctive character of the innovation process for regions and sectors due to diverse technological and institutional trajectories and put emphasis on the need to move the axis of place-based policies towards supporting research and innovation on the local level.

Regional innovation policies were linked to regional innovation systems (RIS) theories. The RIS approach emerged in the 1990s in connection to both the literature on national innovation systems (NIS) and contemporary contributions on economic geography and cluster theory. It was seen as an instrument to trigger local and self-sustained growth dynamism, especially in those areas that lagged behind. Growing emphasis was put on supporting infrastructures for innovation, technological parks and centres and provision of services by innovation centres or agencies for innovation. Cooperation both among different players involved in innovation – such as enterprises and universities – and among institutions (best practices) was a crucial aspect of the new strategy. However, the transformation of the Cohesion Policy around the new priorities took place not by rupture but in a rather gradual way. The policy priority of promoting regional innovation systems was presented for the first time during the programming period 2007-13 and extended to all regions. The R&D and innovation promotion scheme, which was implemented in the cohesion framework, included

mainly the following measures: (a) financial support for the innovation activities of companies (in particular SMEs); (b) promotion and expansion of public R&D capacity and (c) support for projects aimed at the creation and establishment of regional innovation systems (i.e. cluster information).

Later on, the key priorities of knowledge, R&D and Innovation, have further been strengthened as part of “Europe 2020,” the EU’s political strategy adopted in response to the economic crisis and aimed at supporting competitiveness, social cohesion and regional development during the period of 2014-20. As a tool to foster innovation on the regional level, the European Commission encouraged the design of national and regional research and innovation strategies for Smart Specialization (the so-called S3 strategies) as a means to deliver a more targeted structural fund support and a strategic and integrated approach to harness the potential for smart growth and the knowledge economy in all regions. The concept of Smart Specialization has been promoted by the Communication “Regional policy contributing to smart growth in Europe 2020” and, although initially designed not as a Regional policy, Smart Specialization soon became a key pillar for the Cohesion Policy of the European Commission for the period 2014–2020.⁶

The promotion of innovation has been a central feature in the Cohesion Policy programmes for 2014-20, which has devoted about €65 billion to innovation and research. Some 30% of the total Cohesion Policy allocations has been invested in innovation in the wider sense. In the next section, we provide a broad overview of the evolution of budget allocation on competitiveness policy, in general and on innovation promotion, in particular.

6. Mendez, C. (2013), The Post-2013 Reform of EU Cohesion Policy and The Place-Based Narrative, *Journal of European Public Policy* 20 (5): 639–659. Brunazzo, M. (2016) The History and Evolution of Cohesion Policy, in *Handbook on Cohesion Policy in the EU*, edited by Simona Piattoni and Laura Polvari, 17–35. Cheltenham: Edward Elgar.

4. The Evolution of Budget Provisions: more science, technology and innovation are funded

From 2000 onwards, cohesion and innovation policy has turned into a common economic strategy. The set of place-based policy and the funds available in the EU became the instruments to boost innovation and competitiveness in European regions. In this light, the Lisbon Agenda effectively set the dial towards productivity and economic growth by fostering R&D investments particularly within the scope of the European Regional Development Fund.

Looking at numbers on the evolution of budget provisions, one can observe a dramatic increase of funds dedicated to research and development. Compared to the 2000-2006 period, the level of financial resources dedicated to innovation and R&D more than tripled already between 2007 and 2013. EU Cohesion Policy instruments provided some €83 billion (almost 24% of the total budget) to R&D and innovation. Out of this total, €50.5 billion went to R&D and innovation in the narrow sense⁷, €8.4 billion to entrepreneurship – including €5.2 billion for advanced support services for firms and €3.2 billion to support self-employment and business start-ups –, €13.2 billion to innovative information and communication technologies in order to foster the demand side of ICT and €14.5 billion to education and human capital development.

For the 2014-20 period, stricter rules for priority spending targets were introduced (thematic concentration) leading to a greater focus by the European Research and Development Fund (ERDF) on a few key objectives: research and innovation, information and communication technology, SME

7. Including €10.2 billion to RTD infrastructure and centres of competence, €9 billion for investment in firms directly linked to research, €5.8 for R&TD activities in research centres, €5.7 billion for assistance to R&TD particularly in SMEs, €5.6 billion for technology transfer and the improvement of cooperation of networks, €4.9 billion in developing human potential in the field of research and innovation and €2.6 billion to assistance to SMEs for the promotion of environmentally-friendly products and production processes.

competitiveness and the low carbon economy⁸. A total of €64 billion has been dedicated to the thematic objective research and innovation in the narrow sense, which has become the first item financed with the ERDF funds (around 21.5% of the total). In this particular case, R&D and innovation activities have also been supported under other thematic objectives, particularly SME competitiveness, low-carbon economy, information and communication technologies (the second priority in terms of budget allocation) and Educational and Vocational Training.

In order to provide a broad idea about the evolution of cohesion spending, we can look at the weight of R&D and innovation promotion in a selection of Member States over the five programming periods, considering only the objective 1 regions – e.g. the less developed regions that are the largest beneficiaries of Cohesion Policy - (see table 1).

Before going in depth with the analysis, however, it is important to clarify that a comparison across the different programming periods is not straightforward, given both the quality of data available and the fact that budget items evolved over time. Additionally, as transparency further decreases with the number of funds increased, only ERDF funds and Cohesion funds have been taken into consideration. Hence, our estimates should only be seen as a general indication of the direction of Cohesion Policy.

In the first three programming periods, even if there were some attempts to strengthen enterprise involvement in technology development as well as to encourage technology transfer from the most developed to the least developed regions, the percentages of fund allocation to R&D and innovation remained under 10% in all cases thus testifying to the limited importance given to the topic. As previously highlighted, the emphasis during

8. The ERDF resources allocated to these priorities depend on the category of region. In more developed regions, at least 80% of funds must focus on at least two of these priorities. In transition regions, this focus is for 60% of the funds and 50% in less developed regions.

the periods of 1989-93 and 1994-99 was heavily on infrastructure and capacity enhancement with a lesser concern paid to the innovation performance of regions.

Table 1: *R&D and innovation allocation in former objective 1 regions, % of total ERDF and Cohesion funds*⁹

Objective 1	1988-1993	1993-1999	2000-2006	2007-2013	2014-2020
Regions	%RTD	%RTD	%RDT	%RDT	%RDT
Spain	2.2	4.8	7.7	14.7	14.2
Italy	4.9	6.4	n.a.	21.4	14.5
Ireland	3.7	5.6	n.a.	39.8	35.1
Greece	0.9	4.2	n.a.	7.1	7.8
Portugal	4.5	6.9	n.a.	30.2	17.02

Source: *European Commission, own elaboration*¹⁰.

As can be seen in the table 1, the increasing trend of R&D allocation has been dramatic, considering that we are only accounting for the thematic objective research and innovation without taking into account the funds allocated to R&D and innovation under other thematic objectives. In the sample considered, the research and innovation allocation as percentage of total ERDF and Cohesion funds move from 3.4% in the period 1988-93 to 15.7% in the last seven years of the programming period. The increase has impacted all countries under analysis, as they move from a percentage weight of Reasearch and Technological Development (RTD) of 3.4% to almost 35% between 2014 and 2020. However, the performance of Ireland is especially noteworthy as the ERDF funds have been used intensely to invest in research and innovation in the country. In contrast, Greece even

9. Objective 1 regions in the framework of Cohesion Policy in the programming period of 2000-06 became less developed and transition regions in the framework of the EU Cohesion Policy 2014-20.

10. n.a. = not available.

with an increase of around seven percentage points remains the country with the lowest percentage of share of funds dedicated to R&D and innovation.

It is important to underline that the increase in R&D expenditure in the peripheral regions has not yielded the expected broader socio-economic benefits. Indeed, the net effect on economic growth and employment and, consequently, on the reduction of divergence has been modest. Understanding the reasons behind this low impact is out of the scope of this analysis, however, the limitedness of socioeconomic benefits may be explained with the so-called “European Paradox,” that is, the difficulty that peripheral regions face in transforming both basic and applied research into innovation due to (a) deficits in the supply of suitably skilled human capital, (b) industry specialization and sectoral composition which make them less prone to knowledge-intensive innovative activity, (c) lack of human capital mainly because of the loss of valuable highly qualified personnel and (d) deficient institutional settings.¹¹

5. Smart specialization strategy in 2021-2027 programming period: definition and implementation

The European Union’s Policy Objective 1 (PO1), “A Smarter Europe,” aims to foster innovative and smart economic transformation across Member States. This Objective supports broader goals of enhancing economic resilience, promoting sustainable development, and addressing regional disparities. At the heart of PO1 is the Smart Specialisation Strategy (S3), a place-based approach where regions identify and develop their unique economic strengths and innovation potential through the Entrepreneurial Discovery Process (EDP), a participatory, stakeholder-driven framework. Under S3, PO1 targets several key areas to drive regional economic growth.

11. Crescenzi, R. and Giua, M. (2018), *One or Many Cohesion Policies of the European Union? On the Diverging Impacts of Cohesion Policy across Member States*. SERC Discussion Papers No. 0230, Spatial Economics Research Centre, LSE.

First, it emphasizes strengthening research and innovation capacities and advancing technology adoption, enabling regions to compete in a digital economy. This Objective includes leveraging digitalization to benefit citizens, businesses, and public administrations, fostering efficiency, accessibility, and inclusivity. A central component of PO1 is enhancing the growth and competitiveness of small and medium-sized enterprises (SMEs), which form the backbone of the European economy. To build resilience, S3 promotes entrepreneurial skills, supports industrial transitions, and encourages lifelong learning, equipping the workforce for a knowledge-based economy.

S3's place-based approach tailors policies and investments to leverage each region's unique assets, capabilities, and opportunities. Through an inclusive EDP, stakeholders from government, academia, industry, and civil society co-create a development agenda that is responsive to regional needs and forward-looking in innovation. S3 adopts a holistic view of innovation, incorporating technological, social, cultural, and ecological dimensions to support sustainable regional development.

6. Regional application of the Smart Specialization Strategy (S3)

Each region has to develop its own S3. As explained, at the core of the programming of the S3 lies the EDP, engaging national and regional governments and partnerships. Through the EDP each regional government, along with consultation with all the regional stakeholders, including universities, trade unions, NGOs, etc., envisages its strategy. The idea of the S3 is that each region has to develop its tailored strategy depending on the local characteristics, the local institutions, the industrial specialization and technological capabilities. The aim is to put forwards a strategy through which the region will transform its industries thanks to policies funding research and development activities, technological innovation.

The key elements of each S3 are the following:

- place-based approach
- make choices for investment
- Setting priorities: inclusive process of stakeholders' involvement centred on "entrepreneurial discovery"
- a broad view of innovation

As explained above S3 is basically inspired from the place-based approach, meaning that it builds on the assets and resources available to regions. Each S3 rests upon a preliminary and deep knowledge of the resources (including institutional, technological, territorial) of the regional productive system. Each S3 requires making a specific choice. The latter concerns the trajectory that the region intends to follow in order to transform the industrial base into an innovation-led set of industries. The choice entail setting priorities and the latter have to stem from a thorough debated and discussion with all the stakeholder of the regional productive, institutional and educational environment. Finally, innovation is not necessarily close to the frontier innovation. By contrast, the type of innovation which has to be generated and diffused with the help of the policies has to be consistent with the level of development, the technological base and the degree of innovation capabilities present in the territory.

Below we provide two examples of S3, one regarding the region Emilia Romagna and one regarding the region Marche.

7. The cases of regions Emilia Romagna and Marche

Italy's implementation of S3 highlights the importance of good governance, with monitoring and evaluation systems to assess progress and adjust strategies as needed. This governance framework ensures alignment with regional goals and responsiveness to both regional strengths and global trends. Below we summarize the sectoral choices – priorities – reported in the S3 of Emilia Romagna e Marche. The following main characteristics arise. Firstly, the regional S3 are significantly different one from the other, both in terms of sectors, technologies and setting of the priorities. Second, the sectoral choices reflect to regions that are extremely different both in terms of dimension, level of industrial development and technological capabilities; in fact Emilia Romagna is among the most innovative regions in the EU.

Table 2 – *The S3 in brief of the two regions*

Emilia Romagna region	Marche region
<p>Three different areas:</p> <ul style="list-style-type: none"> • industrial specialized system e.g., agri-food, construction and building, mechatronic and motoring, health... • 15 cross sector areas e.g., circular economy, manufacturing 4.0, innovation in materials, digitalization, etc. • Two high growth potential areas <ul style="list-style-type: none"> □ Aerospace □ Critical infrastructures 	<p>Productive areas:</p> <ul style="list-style-type: none"> • Home • Engineering • Wealth <p>Innovation trajectories:</p> <ul style="list-style-type: none"> • home automation technologies • bio-architecture • smart home appliances • etc <p>Scientific capabilities:</p> <ul style="list-style-type: none"> • digital • engineering • advanced materials • biotech • human and social sciences

Source: *author's elaboration on web documents*

It is easy to see how each of the two S3 set of priorities is adapted to the economic environment of the regional productive system. The Emilia Romagna region points to some key advanced areas, and also to two “high-growth” areas of future development which require close to the frontier type of knowledge and technological capabilities. By contrast, the region Marche is pointing its priorities of development in a more mature set of industries, such as home appliance. However, also in this case the region aims to transform these sectors and encourage their evolution along a innovation- and technology led evolution. By looking at the two cases together, although a clear differentiation emerges, which is consistent with the spirit of the S3, a common message also arises. That is, the evolution and transformation of the regional industry and sectoral patterns are guided by the application of a different set of technology. The picture which emerges here is one in which, regardless the industry specialization and the level of technological development, innovation policies are the key ingredient to transform the industrial base of regional economies. The idea is that, even ‘mature’ sectors, such as “home” can evolve into a more innovative one therefore pointing to a higher segment of the market - particularly international markets – where they face a lower degree of competition from foreign countries which can benefit from lower labour costs, such as the case of Asian South-East region.

8. Conclusions

S3 have come to represent a cornerstone of Cohesion Policy and one of the most strategic Regional policy in the EU. It is not a case that candidate countries of Western Balkans have already started to develop their own S3 (see the Box at the end of the chapter). It is important for them to do that for different reasons. Firstly, they need to be ready to master one of the tools\ of Cohesion Policy, as well as an ex-ante conditionality in the 2021-

2027 programming period. Secondly, setting an S3 strategy represents an important moment of debate and rethinking of the regional development and innovation strategy for the regional stakeholders, regardless the EU process. Policy makers and the other various stakeholders involved in the discovery process that leads to the S3 have a lot to learn from the process itself. Learning and experimenting in policy making is fundamental for prosperity, especially given the nature of local economic development. As such, the S3 represents a fundamental tool for all the regions of both the Member States as well as the Candidate countries.

Box: The Smart Specialisation Strategy (S3) in the Western Balkans

Filippo Marinoni¹²

Besides its application within EU Member States, the EU has extended this economic strategy to non-EU partners, particularly those aiming to join the European Union. Since 2015, Serbia, and since 2017, Albania, North Macedonia, and Montenegro have been involved in the S3 process.

In these candidate countries, crucial support is provided by the Joint Research Centre (JRC) - the “Commission’s science and knowledge service” -, which offers scientific evidence and technical support for EU policies. The JRC has developed a specific framework for adopting the Smart Specialisation Strategy in the enlargement countries¹³. This framework is divided into practical steps: the first two steps focus on strengthening institutional capacity (institutional capacity building), followed by two stages of mapping the economic, scientific, and innovative potential; next comes stakeholder dialogue, building institutional capacity for strategy implementation, and finally, drafting the strategy itself.

“The overall objective [is] to strengthen the capacity building of the Western Balkan economies in the field of innovation policy, and to assist public authorities in the design of Smart Specialisation strategies”¹⁴.

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13. https://joint-research-centre.ec.europa.eu/document/download/09b457f8-9bee-4d4f-9466-17852cdf44db_en?filename=S3%20Framerwork%20as%20annex.pdf

14. Radovanovic, N., Fabbri, E., Matusiak, M., Conte, A., Salotti, S., Dosso, M., Hollanders, H., Merkelbach, I., Talias, Y., Duran Silva, N., Fuster Martí, E., Massucci, F.A. and Plazas, A., Smart Specialisation in the Western Balkans: potential for knowledge-based economic

Below is a brief overview of the progress made by four countries in the Western Balkans in their efforts to implement S3: Montenegro, Serbia, North Macedonia, and Albania.

Montenegro

Montenegro¹⁵ stands out as the country with the most advanced level of preparation and implementation of S3 paradigm. In 2017, Montenegro's Ministry of Science established a Working Group to develop the Strategy with the support of the JRC. By 2019, Montenegro adopted the S3 approach¹⁶, being in this the first non-EU country¹⁷. Since then, Montenegro has established the Innovation and Smart Specialisation Council to oversee the implementation of the S3, which started in December 2023¹⁸.

After conducting mapping exercises and engaging in stakeholder dialogue, Montenegro identified the following economic priority areas: 1) Renewable energy sources and energy efficiency. 2) Sustainable agriculture and the food value chain. 3) Advanced materials and sustainable technologies. 4) Sustainable tourism and health tourism. 5) Information and Communication Technologies (ICT), acting as a horizontal dimension supporting other priority areas.

Serbia

Serbia¹⁹ was the first country in the Western Balkans to register on the S3 platform in November 2015 and the S3 process started in 2017. The Ministry of Education, Science, and Technological Development set up an interministerial Working Group to develop the S3 paradigm. In April 2021, Serbia officially committed to adopt the S3 approach. The economic-innovative potential of Serbia was mapped on a regional basis, with the following specialisations identified:

Belgrade: Software development, ICT, R&D, creative economy, and monetary intermediation.

Vojvodina: Automotive industry, agricultural economy (including processing industries), petrochemical industry, plastics industry,

Šumadija and Western Serbia: Agro/forest/agricultural economy (including

cooperation, Radovanovic, N. and Fabbri, E. editor(s), Publications Office of the European Union, Luxembourg, 2024, doi:10.2760/86912, JRC136606, p.11.

15. <https://s3platform.jrc.ec.europa.eu/montenegro>

16. <https://s3.me/en/smart-specialisation-in-montenegro/>

17. <https://www.gov.me/en/article/203909--montenegro-becomes-the-first-non-eu-country-to-adopt-a-smart-specialisation-strategy>

18. Radovanovic, N. et al. (2024), op. cit., p. 12.

19. <https://s3platform.jrc.ec.europa.eu/serbia>

processing industries), automotive industry, textile industry, plastics industry, metallurgy.

Southern and Eastern Serbia: Agro-fruit economy (including processing industries), textile industry, rubber industry, electrotechnics²⁰.

North Macedonia

North Macedonia²¹ adopted the strategy in December 2023. In February 2024, the Government submitted the strategy and the accompanying action plan to the European Commission. The documentation “is currently being assessed by the European Commission services”²². During the mapping phase, North Macedonia identified the following priority areas: 1) Smart agriculture and high-value-added foods. 2) Information and communication technologies (ICT). 3) Electromechanical industry – Industry 4.0. 4) Sustainable materials and smart buildings. 5) Two “horizontal” priority areas were also identified: Future energy and tourism²³.

Albania

Albania²⁴, which began its S3 design process in 2017, has finalized the drafting phase. The priority areas identified by the Albanian S3 development team include: 1) Agriculture, fisheries, and forestry. 2) Manufacturing industry. 3) Energy. 4) Tourism. 5) Information and communication technologies (ICT). 6) Business process outsourcing (digital services)²⁵.

Overall, Montenegro and Serbia are the two countries that have most successfully committed to the S3 approach. North Macedonia is waiting for the evaluation of the strategy by Commission, while Albania, finalized the drafting phase.

According to the 2024 JRC report, Smart Specialisation in the Western Balkans and Türkiye - Lessons Learned²⁶, there has been some delay in the adoption of the S3 paradigm across these four countries, and this can be attributed to several factors. The COVID-19 pandemic was a major disruptor, slowing down many processes.

20. https://pametnaspecijalizacija.mpn.gov.rs/wp-content/uploads/2021/06/Strategija-pametne-specijalizacije_EN_WEB.pdf

21. <https://s3platform.jrc.ec.europa.eu/north-macedonia>

22. Radovanovic, N. et al. (2024), op. cit., p. 14.

23. <https://mon.gov.mk/stored/document/Draft%20S3%20MK.pdf>

24. <https://s3platform.jrc.ec.europa.eu/albania>

25. <https://s3albania.org/home-english/>

26. Radovanovic, N. and Bole, D., Smart Specialisation in the Western Balkans and Türkiye – Lessons learned, Publications Office of the European Union, Luxembourg, 2024, doi:10.2760/812189, JRC136309.

Furthermore, structural issues, such as insufficient economic and temporal resources allocated by governments (with the exception of Montenegro, which has invested significantly), internal political uncertainty, and a lack of initial knowledge and experience, have also contributed to the delay.

Despite these challenges, the implementation of S3 in the Western Balkans holds great potential to positively transform the region's economies and territories. With evidence-based approaches, localised strategies, and strong stakeholder participation, the S3 framework can guide these countries toward a sustainable economic growth and to the convergence towards the European Union's priorities.

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<https://westernbalkans-infohub.eu/>

8. PO2: The objective of a greener Europe

Serena Epis¹

1. Introduction. – 2. The European Green Deal. – 3. Greening the EU Cohesion Policy. – 4. Climate action funding. – 5. Conclusion. – Further readings.

Abstract: This chapter examines the European Union's (EU) commitment to environmental sustainability through the lens of the European Green Deal and its implications for both EU Member States and candidate countries in the Western Balkans (WB). The chapter highlights the importance of Policy Objective 2 (PO2) within Cohesion Policy, which focuses on promoting a greener, low-carbon economy and supporting regions most affected by climate change. Moreover, the chapter addresses the environmental challenges faced by the WB, which remain heavily reliant on fossil fuels and experiences significant pollution. The EU has initiated the Green Agenda for the Western Balkans to extend the Green Deal's objectives to this region, emphasizing cooperation on climate action and sustainable development. The EU's role in the region is also scrutinized due to perceived double standards, particularly regarding resource exploitation.

Keywords: Green Deal, Greener Europe, Environment, Western Balkans, EU

1. Introduction

Europe is the fastest-warming continent in the world, making it particularly vulnerable to the impacts of climate change². European countries are increasingly facing the destructive and often deadly consequences of global

1. Editor and Researcher, Osservatorio Balcani e Caucaso Transeuropa (OBCT).

2. European Environment Agency, *Climate Change Impacts, Risks and Adaptation* (March 2025)

warming: extreme weather events – such as heatwaves, wildfires, floods, and droughts – are becoming more frequent, directly affecting the quality of life of European citizens.

While the entire continent is exposed to climate-related threats, certain regions are more vulnerable than others. Within these areas, specific groups, including the elderly, those with lower socioeconomic status, and urban populations, face greater exposure to climate-related challenges like air pollution and extreme heat³.

Long-term strategies are needed to address the tangible risks posed by climate change, with a coordinated approach that brings together all levels of governance.

During Ursula von der Leyen's first term as President of the European Commission, environmental protection was one of the European Union's (EU) political priorities. The launch of the European Green Deal (EGD) in 2019 marked a significant shift in EU environmental policy, forming the basis for key legislative initiatives such as the European Climate Law and the Nature Restoration Law.

Given its complexity, the green transition requires more than just environmental regulations and calls for a cross-sectoral approach involving various policy areas, including regional development. In this context, the EU Cohesion Policy can play a central role: designed to reduce social and economic disparities across European regions, Cohesion Policy has a specific Policy Objective (PO2, greener Europe) dedicated to promoting environmental sustainability in line with the goals of the EGD.

Given the borderless nature of climate change and environmental degradation, limiting environmental action to within EU Member States, while disregarding developments just beyond the Union's borders, would be a short-sighted approach. This is particularly relevant for the Western Balkans (WB), which form a true geographical enclave within EU territory.

3. Ibid.

For this reason, the EU has increasingly sought to promote its green agenda beyond its borders, placing particular emphasis on supporting candidate countries from the WB in their environmental transition. The WB is among the most polluted regions in Europe and faces serious environmental and climate-related risks. Air pollution, in particular, emerges as a serious threat to public health and quality of life⁴.

However, the EU's role in environmental protection is not always perceived positively. Protests over lithium mining in Serbia, for example, have sparked criticism and accusations of double standards in the EU's approach to natural resource exploitation, undermining the credibility of the EU green agenda in the region⁵. These mobilisations are particularly significant because environmental activism in the WB often intersects with demands for a stronger rule of law, an issue that has recently become central in the region, highlighting the deepening link between environmental and democratic concerns in the public discourse.

This chapter explores the EU's green policy framework and examines the role of Cohesion Policy in advancing a just and sustainable transition, focusing on the overlapping of EU policies in Member States and candidate countries from the WB.

2. The European Green Deal

Launched in 2019, the EGD marked a turning point in the EU climate and environmental policy. As an integral part of the Commission's strategy to implement the United Nations 2030 Agenda, the EGD aims at making the EU the first climate-neutral continent by 2050. To move towards this objective, the Commission introduced the Fit for 55 legislative package⁶. As

4. OBCT/Cespi, *Emergenza ambientale nei Balcani occidentali: reti, movimenti e risposte politiche* (2023).

5. Federico Baccini, *Il rischio di un approccio "miope e neocolonialista" dell'Ue sull'estrazione del litio*, OBCT, March 28, 2025.

6. European Commission, *Fit for 55: Delivering on the Proposals*, European Union.

part of this package, the European Climate Law – proposed in March 2020 and adopted in 2021 – legally binds all EU Member States to cut greenhouse gas emissions by at least 55% by 2030⁷.

From a wider perspective, the EGD envisions a broader transformation of the EU economy into a resource-efficient, competitive, and circular system where economic growth is decoupled from resource use. To this aim, the EDG focuses particularly on the most polluting sectors, such as energy, transport, and agriculture, while promoting sustainable practices, innovation, and investment in clean technologies.

Following the 2024 European elections, Ursula von der Leyen reaffirmed her commitment to the EGD for her second term as President of the European Commission (2024–2029)⁸. The key challenge for the new Commission is to build on the progress made, ensuring the effective implementation of recently adopted norms. Green mainstreaming will also be a key responsibility of the Commission to ensure that environmental considerations are embedded across all sectors of EU policy.

A joint and coordinated approach with the Western Balkans

The WB are among the most polluted and polluting areas in Europe⁹. This is largely due to the region's energy mix: most countries in the Western Balkans remain heavily reliant on fossil fuels, with coal alone accounting for around 70 per cent of their energy production, which significantly contributes to greenhouse gas emissions and air pollution¹⁰.

In recent years, environmental issues have taken centre stage in the re-

7. European Union, *Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')*, 2021.

8. Ursula von der Leyen, *A Union that Strives for More: My Agenda for Europe* (2024).

9. OBCT/Cespi, *Emergenza ambientale nei Balcani occidentali: reti, movimenti e risposte politiche* (2023).

10. Marilen Martin. *A long way to go: the Western Balkans and the green transition*, OBCT, June 15, 2023.

relationship between the EU and the WB. As part of the EU enlargement process, candidate countries are required to align their national legislation with the EU environmental standards. These requirements are covered by Cluster 4 of the accession negotiations, which focuses on the Green Agenda and Sustainable Connectivity. Within this framework, Chapter 27 plays a central role, as it covers a broad range of environmental policy areas, including air and water quality, waste management, biodiversity protection, and the regulation of industrial pollution¹¹.

For candidate countries, Chapter 27 is one of the most challenging Chapters to negotiate and implement. This is due to both the wide scope of environmental regulations and the significant financial investments required for compliance. Moreover, administrative and technical limitations often pose additional barriers, as effective implementation depends on well-equipped public authorities and specialised personnel with the necessary expertise.

To support these efforts, the European Commission introduced the Green Agenda for the Western Balkans in 2020. The aim of this initiative is to extend the objectives of the EGD to the WB and foster stronger cooperation on climate and environmental issues between the EU and candidate countries.

By highlighting the economic potential of green growth and the circular economy, the Green Agenda seeks to build deeper regional integration and joint action on environmental matters. It focuses on five main policy areas: 1. Climate action; 2. Circular economy; 3. Biodiversity protection; 4. Pollution reduction (air, water, and soil); 5. Sustainable food systems and rural development.

During the Sofia Summit in 2020, the EU launched the European Investment Plan for the Western Balkans (EIP), which, with a budget of around €9 billion for 2021–2027, also prioritises implementation of the Green

11. European Commission, Chapters of the Acquis, Enlargement Policy.

Agenda. At the same Summit, the Commission presented an Action Plan outlining concrete objectives, timelines, and a multi-stakeholder governance model, which aims at coordinating efforts across all levels of government and actively involving citizens, thereby increasing transparency and accountability¹².

In this context, Cohesion Policy can play a transversal and complementary role in advancing the capacities of the WB to comply with Chapter 27 of the accession negotiations.

Box 1: The EU's controversial role in environmental protection in the WB

In recent years, environmental concerns have become a powerful mobilising force across the region, with thousands of citizens participating in protests against ecologically harmful projects and calling for more effective and sustainable environmental policies.

At the same time, the EU's role in promoting the Green Agenda in the region has come under growing scrutiny, with many activists and experts accusing the EU of adopting a double standard and a neo-colonialist approach to the use of natural resources¹³.

One of the most divisive cases is the lithium mining project in Serbia's Jadar Valley. Intended to extract a key raw material for the EU's electric vehicle industry, the project faced strong opposition from environmental groups and local communities, who warned that it would cause irreversible environmental damage and threaten the valley's unique ecosystem. In addition, many questioned whose interests the project truly served, expressing concerns that lithium extraction would primarily benefit Western industries while providing few concrete advantages to local communities or Serbia as a whole.

Cases like this highlight the contradictions in the EU's green policies. When the Union is perceived as applying double standards, prioritising its own economic interests while presenting them as efforts to promote cooperation and closer ties with the region, it risks seriously damaging its credibility as a reliable and trustworthy partner. Ignoring or downplaying the concerns of local populations, which increasingly reflect broader demands for democratic standards and the rule

12. Regional Cooperation Council, *Action plan for the implementation of the Sofia declaration on the green agenda for the Western Balkans 2021-2030*.

13. Federico Baccini, *Il rischio di un approccio "miope e neocolonialista" dell'Ue sull'estrazione del litio*, OBCT, March 28, 2025.

of law, can undermine not only the success of the green transition but also the broader prospects for EU integration.

3. Greening the EU Cohesion Policy

In line with the principle of green mainstreaming, all EU policies are expected to contribute to a fair and just transition towards a greener Europe. Cohesion Policy is designed to reduce socio-economic disparities between European regions. As such, it provides a significant contribution to support investments in the green transition, particularly in regions that are most affected or face the highest costs of climate change adaptation.

Among the five core Policy Objectives (POs) of the 2021–2027 programming period, PO2 promotes “a greener, low-carbon transitioning towards a net-zero carbon economy and a resilient Europe”¹⁴.

Cohesion funds under PO2 are used to finance initiatives, among others, in energy efficiency, renewable energy, water management, biodiversity protection, and sustainable infrastructure. These priorities are closely aligned with the objectives of both the EGD and the Green Agenda for the Western Balkans.

In addition, other Policy Objectives of Cohesion Policy also contribute to the green transition. For example: Policy Objective 1 includes support for sustainable and innovative business models, and Policy Objective 3 promotes smart and sustainable transport systems¹⁵.

Thanks to this integrated approach, Cohesion Policy plays a central role not only in enhancing the EU green agenda but also in making sure that no region is left behind in the EU’s path toward climate neutrality¹⁶.

14. European Commission, *Cohesion Policy: Priorities for 2021–2027*.

15. *Ibid.*

16. Annex IV of the Common Provision Regulation provides for seven enabling conditions for the fulfillment of PO2:

2.1. Strategic policy framework to support energy efficiency; 2.2 Governance of the energy sector; 2.3 Effective promotion of the use of renewable energy across sectors and across the Union; 2.4 Effective disaster risk management framework; 2.5 Updated planning for required investments in water and wastewater sectors; 2.6 Updated planning for waste

4. Climate action funding

Adequate funding is a critical aspect for the effective implementation of the EU climate and environmental agenda. The Sustainable Europe Investment Plan outlines the financial architecture supporting the EGD, identifying various EU funding instruments¹⁷.

The green transition inevitably implies profound economic transformations. To reflect the centrality of environmental sustainability within its political agenda, the European Commission has allocated 30% of the budget provided by the 2021-2027 Multiannual Financial Framework to support climate actions. Representing one-third of the total EU budget in the 2021-2027 programming cycle, Cohesion Policy stands out as a key source of investment for climate- and environment-related initiatives, especially in regions most in need of support.

To achieve PO2 on a greener Europe, various EU funds are available: the Cohesion Fund; the European Regional Development Fund (ERDF), which supports research and infrastructure; the European Social Fund Plus (ESF+), focused on capacity-building for the green economy; and the new Just Transition Fund (JTF), designed to support regions most affected by climate change and the transition to climate neutrality.

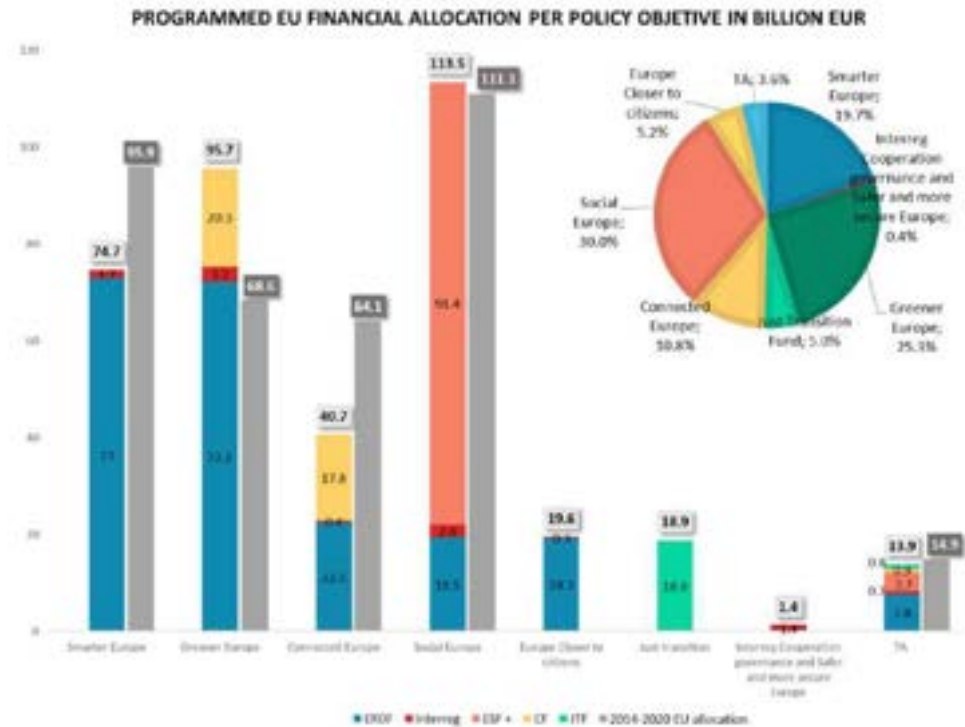
To boost the efficiency of Cohesion Policy in support of the green transition, in the programming period 2021-2027 the European Commission has earmarked 30% of the ERDF and 37% of the Cohesion Fund for green projects. In total, €95.7 billion has been allocated to PO2, accounting for roughly 25% of the Cohesion Policy budget¹⁸. Over €36 billion of this is dedicated to renewable energy, supporting the development of new energy production facilities, grid modernisation, digitalisation, and energy stor-

management; 2.7 Prioritised action framework for the necessary conservation measures involving Union cofinancing.

17. Climate Action Network (CAN) Europe, *Just Transition and Sustainable Europe Investment Plan: Briefing*, March 2020.

18. European Commission, *Just Transition Platform*.

age technologies-crucial for the efficient use of renewable energy¹⁹. €18.9 billion are allocated to regions facing the greatest challenges in moving away from fossil fuels and carbon-intensive industries through the JTF. The aim of this Fund, which was introduced with the current budgetary period, is also to ease the socio-economic impacts of the green transition by supporting workers, businesses, and communities in these vulnerable regions.



Source: Report on the outcome of 2021-2027 Cohesion Policy programming, 2023 (p7)

Currently, WB countries are not eligible for EU Cohesion funds²⁰. The main

19. Orinaldo Gjergji, EU, *the potential of renewables for local development*, OBCT, March 5, 2025.

20. Cohesion funds will only be available to candidate countries after full accession. Yet, the WB already participate in ETC-Interreg programmes (cross-border cooperation largely financed by IPA, and transnational cooperation programmes (e.g. Danube and Adria)

funding tool for the Green Agenda in the Western Balkans is the Instrument for Pre-Accession Assistance (IPA), which finances projects in areas such as renewable energy, climate adaptation, and green infrastructure. IPA III is organised into five thematic windows, aligned with the EU accession negotiation Chapters.

IPA III Windows	%	2021	2022	2023	2024	2025	2026	2027	Total
Window 1: Rule of law, fundamental rights and democracy	13,13%	241	267	292	246	304	310	317	2.067
Window 2: Good governance, EU acquis alignment, good neighbourly relations and strategic communication	16,59%	308	334	321	327	333	340	347	2.291
Window 3: Green agenda and sustainable connectivity	42,45%	785	804	820	827	853	872	898	5.860
Window 4: Competitiveness and inclusive growth	23,31%	414	422	431	440	448	457	467	3.080
Window 5: Territorial and cross-border cooperation ²¹	3,51%	65	60	68	69	71	72	73	485
Total Operational Budget	100,0%	1.815	1.894	1.932	1.971	2.018	2.051	2.091	13.804
Administrative Appropriations	n/a	40	40	50	51	52	53	54	357
Total	100,00%	1.894	1.943	1.982	2.022	2.062	2.104	2.147	14.162

Source: IPA III, 2021

Window 3, dedicated to the Green Agenda and sustainable connectivity, is the largest and includes €5.8 billion to support green transition efforts. Window 5 allocates €485 million for territorial and cross-border cooperation, including cross-border cooperation between IPA countries (IPA-IPA CBC) and between IPA countries and EU Member States (Interreg-IPA CBC). In addition, it also supports the participation of the WB in transnational and interregional cooperation programmes financed by the European Regional Development Fund, including the IPA Adriatic programme. IPA Adriatic involves 10 countries from the Adriatic-Ionian region, including 4 EU Member States and 6 non-EU countries²¹. It offers financial support to public authorities (at the local, regional, and national levels), research in-

and URBACT). In the context of EU enlargement, Chapter 22 is dedicated to regional policy and covers regulations and procedure to prepare candidate countries for the future management of EU funds.

21. Croatia, Greece, Italy, Slovenia; Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Serbia; San Marino.

stitutions, NGOs, and private companies through Calls for Proposals covering a broad range of topics based on its thematic priorities. Among these, Priority 2 focuses on promoting a greener and more climate-resilient Adriatic-Ionian region, while Priority 3 aims to foster a carbon-neutral and better-connected region. The IPA Adrion programme is closely aligned, both geographically and strategically, with the EU Strategy for the Adriatic and Ionian Region (EUSAIR). This macro-regional strategy is structured around four key pillars: blue growth, connectivity, environmental quality, and sustainable tourism. Supported by a strong political steer, the EUSAIR has the potential to complement and boost the enlargement agenda of the EU towards the WB, enhancing cooperation between participating countries and fostering the exchange of good practices to address common challenges, including climate change and the green transition.

Box 2: Additional resources for the green transition

In addition to the funds of the European Territorial Cooperation, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia (since 2021), and Albania (since 2022) participate in Horizon Europe, the EU's largest research and innovation programme. Of its €95.5 billion budget for 2021–2027, €15.1 billion supports Climate, Energy, and Mobility (Cluster 5), and €8.95 billion supports Food, Bioeconomy, Natural Resources, Agriculture, and Environment (Cluster 6)²².

North Macedonia and potentially Montenegro²³, are also eligible for the LIFE Programme, the EU's dedicated fund for environment and climate action. LIFE supports areas such as biodiversity, climate mitigation, and the clean energy transition, with €5.4 billion allocated for 2021–2027²⁴.

22. European Union, *Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013*, 2021.

23. Montenegro is negotiating its participation in the Programme. If successful, it will retroactively enter into force from January 1, 2025.

24. European Union, *Regulation (EU) 2021/783 of the European Parliament and of the Council of 29 April 2021 establishing a Programme for the Environment and Climate Action (LIFE), and repealing Regulation (EU) No 1293/2013*, 2021.

The financial resources available to candidate countries through the IPA are significantly lower than those available to EU Member States through Cohesion Policy.

As discussions continue on how to relaunch the EU enlargement process, there is growing support among experts and professionals for the idea of gradually integrating the Western Balkans into certain EU policies, such as the single market²⁵. Some also advocate for giving candidate countries earlier access to EU Cohesion Policy, arguing that this would help them progressively align with European standards and best practices in areas like strategic planning, financial management, and the design and implementation of national investment programmes²⁶.

To be sure, expanding access to EU Cohesion funding would also serve as a strong incentive to deepen joint and coordinated climate action between the EU and candidate countries, accelerating their green transitions and alignment with EU environmental standards.

5. Conclusion

Climate change represents a tangible and growing threat across Europe, as the increasing frequency and intensity of extreme weather events show. However, climate change does not impact all European regions in the same way: some regions – and some groups of people within them – are more exposed to the risks related to global warming and environmental degradation. Such a situation underscores the urgent need for coordinated and long-term responses that recognise the complexity of the ecological transition.

The EGD represents a milestone for the development of the EU's climate and environmental policy. With the high ambition of making Europe the first climate-neutral continent by 2025, the EGD requires a cross-sectoral

25. OBCT, *The EU enlargement before regional cooperation in the Western Balkans? The proliferation of initiatives and the role of the Berlin Process*, 2024.

26. Serena Epis, *Regional policy in Serbia's EU accession process*, OBCT, October 30, 2023.

approach capable of mainstreaming environmental and sustainable development principles across all areas of policymaking.

In this context, Cohesion Policy emerges as a key instrument to ensure that all European regions contribute to the ecological transition while also addressing disparities by supporting those areas that bear the heaviest burden of the transition. PO2 of Cohesion Policy is precisely focused on this aim, with a set of funding instruments – above all, the newly introduced Just Transition Fund – designed to support projects for the transition towards a more sustainable and climate-resilient Europe.

Given the borderless nature of environmental degradation, the EU has increasingly promoted its green agenda beyond its borders. In particular, it has committed to the green transition of the WB, primarily through the Green Agenda for the Western Balkans, which closely mirrors the objectives of the EGD.

While environmental protection is addressed under Chapter 27 of the EU accession negotiations, Regional policy, covered in Chapter 22, can serve as a transversal and complementary tool in promoting the green transition in candidate countries. Although these countries do not currently have access to Cohesion funds, they do participate in Cross-Border Territorial Cooperation (CTE) programmes. These programmes are essential for supporting green initiatives and familiarising candidate countries with EU fund management practices. They play a critical role in helping these nations gradually align with European standards and adopt best practices in strategic planning and financial governance.

Promoting the green transition, while progressively integrating Western Balkan countries into the EU's Cohesion Policy framework, may represent a mutually beneficial strategy, as it not only reinforces the EU's climate mitigation and adaptation efforts but also contributes to greater regional stability and sustainable development across the WB region. However, for this strategy to be effective, the EU must be seen as a credible and trustworthy partner, not only by governments, but also by the wider popula-

tion. To do this, it should move away from ambiguous policies that have recently attracted criticism, including accusations of double standards and of prioritizing its economic interests over genuine environmental protection in the region.

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9. Functional areas at the cross-border scale. Lessons for the Western Balkans

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1. Introduction. – 2. The role of cross: border territories. – 3. Functional areas' state of the art. – 4. Programming and managing cross-border areas. – 5. Conclusions. – Further readings.

Abstract: This chapter explores the concept of cross-border functional areas, focusing on their definition, challenges, and management within European territorial cooperation. Functional areas are defined not by administrative boundaries but by shared spatial, economic, and social interactions. As Europe faces increasingly complex territorial dynamics, traditional administrative boundaries often prove insufficient for effective governance. Cross-border cooperation initiatives, particularly under the EU's Interreg programme, have aimed to address these issues by fostering collaboration across national borders. However, the growing recognition of the need for more integrated and flexible governance models has led to the emergence of "cross-border functional areas". These areas are characterised by functional relationships, cooperative stakeholder ties, and governance mechanisms designed to address shared goals or challenges. The paper examines key factors that influence the development of cross-border functional areas in the Western Balkans, including transportation networks, labour markets, environmental resources, and shared socio-economic characteristics. Additionally, it highlights the obstacles that can hinder cross-border functionality in the region, such as historical political divides, economic disparities, and lack of political will. Finally, it briefly reflects on the importance of adopting a functional areas approach in the

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Western Balkans when it comes to implementing cross-border cooperation in a region where cooperation remains challenging.

Keywords: Cross-border functional areas; Territorial cooperation; Governance models; Western Balkans; Integrated territorial development

1. Introduction

The concept of functional areas has become central to discussions about territorial development, especially within the framework of European Union policies aimed at fostering regional cohesion, economic integration, and sustainable growth. Unlike traditional regions defined strictly by administrative boundaries, functional areas are regions shaped by the social, economic, and spatial interactions that occur across these borders². These regions may encompass urban, rural, and even cross-border areas, where interconnected activities create complex, interdependent systems. Understanding and managing these areas requires new governance models and policies that reflect their dynamic nature and transcend conventional territorial boundaries. Cross-border functional areas, in particular, are gaining attention due to their significance in fostering cooperation between neighbouring countries. These areas consist of regions on either side of national borders closely linked by economic ties, transportation networks, environmental issues, or shared cultural and social interactions. In response, the European Union has implemented a range of policy instruments and funding mechanisms to support cross-border cooperation, most notably through the European Territorial Cooperation framework, which includes initiatives such as Interreg³. These programmes aim to

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2. References regarding functional areas see please the work of: Leck & Simon (2018), CEMAT (2017), Juhola (2016), Walsh et al., (2012) and Measham et al., (2011).
 3. References on cross-border and transnational cooperation see for instance of Coletti (2022), Capello, Caragliu, and Frattesi, (2018), Durand and Decoville (2018; 2019); on the Western Balkans and more in general on the Adriatic Ionian Region experience, see the work of Berisha and Nikolov, 2025, Pinnavaia and Berisha (2021); Solly and Berisha (2021).

strengthen regional integration, enhance competitiveness, and address common challenges that affect cross-border functional areas. However, the development and management of cross-border functional areas face significant challenges. Administrative boundaries, political structures, and legal frameworks often do not align with the realities of these interconnected regions. This mismatch can lead to fragmented governance and inefficiencies in policy implementation. Furthermore, disparities in infrastructure, socio-economic conditions, and institutional capacities between neighbouring regions can further complicate efforts to foster meaningful cross-border collaboration. Improving cross-border cooperation is one of the challenges that the Western Balkans are facing. After three decades of transition, the region is experimenting with various cooperation initiatives that are changing the cooperation environment in cross-border areas. This chapter seeks to explore the concept of cross-border functional areas, examining the challenges they face and the opportunities for enhancing their governance and development in the Western Balkans. After this brief introduction, Section 2 discusses the role of cross-border territories in promoting territorial development, focusing on the shift from peripheral to central areas in EU territorial cooperation. Section 3 instead focuses on the peculiar conditions of the Western Balkans, highlighting both the potential and hindering factors that affect cooperation in the region. Section 4 presents the functional areas' state of the art, examining the main theoretical and conceptual trends. It also presents the spatial delimitation issues, while section 5 reflects on the governance aspects, advocating for a place-based approach. Finally, section 6 concludes by highlighting the importance of continued innovation in governance and policy design, as well as the need to ensure that these regions are adequately supported by funding mechanisms and strategic frameworks that promote sustainable and inclusive growth.

2. The role of cross-border territories

Historically, cross-border territories have been perceived as peripheral areas of a country, with their needs and priorities often overlooked. However, with the growing prominence of EU enlargement and integration in the political agenda, these territories have increasingly become hubs of innovation. The necessity of “crossing borders” to facilitate the movement of goods, people, and services has exposed institutional, political, and, at times, cultural challenges. Nevertheless, this situation has served as a testing ground for evolving forms of cooperation across various sectors, including spatial planning and territorial Governance. The primary driver of this transformation is the rising significance of functional areas across borders, facilitated by the gradual opening of national frontiers and efforts to enhance economic, social, and territorial cohesion, as well as solidarity among EU Member States. Despite these advancements, border-related obstacles in the Adriatic-Ionian region, particularly among Western Balkan countries, remain a significant challenge. These challenges stem from political, legal, geographical, economic, and socio-cultural factors, all of which contribute to a complex landscape that hinders seamless integration and collaboration. Among these, political and legal barriers are the most visible. The politically defined nature of borders – marked by unresolved territorial disputes and differing interpretations of border demarcations – has severely restricted the ability of countries in the region to cooperate effectively. For instance, land border disputes between certain nations have created an atmosphere of distrust that continues to limit cross-border initiatives. Additionally, legal frameworks and administrative practice discrepancies result in misalignment across key areas such as healthcare, labour markets, environmental protection, and civil protection. The lack of harmonisation among these systems further complicates efforts to establish coherent policies that would enhance cross-border collaboration. A significant legal hurdle is the varying levels of adherence

to the EU *Acquis Communautaire* – the body of EU law that candidate countries must implement. Legal inconsistencies hinder joint initiatives in critical fields such as water management, waste treatment, and disaster response, which are essential for cross-border resilience. Furthermore, many bilateral agreements between countries remain incomplete or incomplete, further obstructing policy alignment. Geographical barriers also play a crucial role, mainly due to the absence of integrated infrastructure that could facilitate smoother cross-border interactions. In the Western Balkans, for instance, numerous border crossings lack adequate facilities, causing delays and inefficiencies in the movement of people and goods. Socio-cultural obstacles, often deeply rooted in the region's historical legacies, pose significant challenges⁴. Nationalistic narratives, cultural differences, and language barriers create both psychological and practical hindrances to cooperation. In certain cases, these challenges are further intensified by perceptions of historical injustices, which continue to shape relations between neighbouring countries.

3. Cross-border cooperation in the Western Balkans: potentialities and challenges

Potentialities

Despite the numerous challenges, the Western Balkans holds significant potential for cross-border cooperation, particularly as it progresses toward EU integration. These opportunities are primarily rooted in the region's natural resources, cultural heritage, and economic interdependence. The area is rich in environmental assets, including rivers, lakes, forests, and coastal zones, many of which are transboundary. Effective management of these shared resources through cross-border initiatives can yield mul-

4. Zillmer et al. (2021). <https://www.co-plan.org/wp-content/uploads/2022/01/Sabine-Zillmer.pdf>

tiple benefits, including improved water quality, enhanced biodiversity conservation, and increased resilience to climate change. For instance, the joint management of transboundary river basins, such as the Sava or Drin rivers, presents a key opportunity for collaborative efforts in environmental protection and climate adaptation. The region also holds substantial economic potential, particularly in sectors like tourism, agriculture, and energy. Frameworks such as the Adriatic-Ionian Initiative and the EU Strategy for the Adriatic and Ionian Region (EUSAIR) promote cooperation in areas including sustainable tourism and transport connectivity. In particular, cross-border tourism projects can capitalise on the region's shared cultural and natural heritage, stimulating local economies and fostering stronger people-to-people connections. Additionally, the social and cultural dimensions of cooperation offer promising opportunities for fostering mutual understanding and collaboration. Initiatives aimed at promoting language learning, educational exchanges, and joint cultural events can help dismantle historical and psychological barriers that have traditionally impeded cross-border relations. Programs such as Erasmus+, which facilitate student mobility and academic collaboration, are already contributing to a gradual shift in perceptions, particularly among younger generations in the region⁵.

Challenges

While the potential for cross-border cooperation in the region is evident, several significant challenges remain in realising this potential, particularly in the context of EU integration⁶. One of the primary obstacles is the limited institutional capacity at both local and national levels. Many countries in the Adriatic-Ionian region, especially in the Western Balkans, suffer from administrative fragmentation and resource constraints, which

5. European Commission 2021 - EU-Western Balkan cooperation through Erasmus+

6. European Commission 2021 - Analysis of Cross-border obstacles between EU Member States and Enlargement Countries

hinder their ability to effectively engage in cross-border cooperation. Local authorities often lack the financial and human resources necessary to implement cross-border projects, and there is a general shortage of skilled professionals capable of managing complex cross-border initiatives. A closely related challenge is the need for better coordination between national governments and local actors. While EU programmes such as Interreg IPA (Instrument for Pre-Accession Assistance) have supported cross-border cooperation, their implementation is often undermined by insufficient coordination among the various stakeholders involved. This lack of alignment extends to policy harmonisation and resource sharing, both of which are essential for effective cross-border governance. Furthermore, ongoing political challenges persist, particularly in regions where unresolved disputes and tensions continue to pose major barriers to cooperation. As previously noted, border disputes – both land and maritime – remain significant obstacles. Additionally, corruption, organised crime, and smuggling are prevalent in certain parts of the region, further undermining efforts to build trust and foster cross-border collaboration. Environmental challenges also represent a growing threat to cross-border cooperation. Climate change is expected to exacerbate existing environmental issues, including water scarcity, flooding, and pollution. The region's shared natural resources, such as transboundary rivers and coastal areas, require coordinated management to mitigate these risks effectively. However, the absence of harmonised legislation and institutional frameworks for environmental governance remains a significant barrier to achieving sustainable cross-border collaboration.

4. Functional areas' state of the art

As outlined in the European Union's Territorial Agenda for 2030, launched in December 2020, Europe consists of diverse territories that vary by their agglomerative nature (urban areas, urban-rural areas, or rural areas), their

geographical position relative to development centres (peripheral, inner, or cross-border areas), and the functional interconnections that evolve. Recognising this diversity presents the EU with challenges not limited to geography but also concerning the emergence, consolidation, and institutionalisation of “non-standard geographies” tied to new developmental flows across the continent. In response, the EU, through programmes like ESPON⁷, has initiated projects designed to address governance and policy needs in these evolving areas. In addition to the EU’s focus, local territories are increasingly rethinking their developmental dynamics from a “functional” perspective. To reflect these interconnections, local administrations are adopting governance models that transcend rigid administrative boundaries, which often hinder their ability to respond to these dynamics⁸. Examples such as intermunicipal cooperation and metropolitan city initiatives are attempts to provide strategic territorial planning that can capture the complexity of local systems while aligning with regional, national, and European frameworks⁹. The concept of functional areas is not new in territorial planning or economic geography studies. Since the early 1990s, research has focused on “gravitational and functional areas”. The functional areas are defined as spaces made up of elements, attributes, and interrelations, which may involve dependence (where one area serves another) or interdependence (where territories share balanced relationships). This concept, adopted by the EU to ensure fairer cohesion policies, gained traction with the 1999 European Spatial Development Perspective (ESDP),

7. See www.espon.eu

8. Berisha E., Casavola D., Cotella, G., & Puntillo, E., 2024, Pianificazione di area vasta e programmazione sovralocale: il ptav della Provincia di Ravenna», *TERRITORIO* 104/2023, 120-125, doi: 10.3280/TR2023-104016.

9. Berisha E., & Casavola D., 2024a, «Agire a geografie variabili, opportunità per i territori». *TERRITORIO*, 104 pp. 83-85, Doi: <https://doi.org/10.3280/tr2023-104010>; Berisha E., & Casavola D., 2024b, «Programmazione a geografie variabili: quale ruolo per la pianificazione territoriale?» Atti della XXIV Conferenza Annuale SIU, *Transizioni, giustizia spaziale e progetto di territorio*, Cagliari, 15-16 giugno. Roma-Milano: Planum Publisher. (PDF) *Programmazione a geografie variabili: quale ruolo per la pianificazione territoriale? (researchgate.net)*.

recognising that territories are interconnected beyond administrative borders. The EU and the OECD have since developed quantitative methods to define “urban functional areas” based on distance and commuting patterns¹⁰. This approach promotes territorial development by identifying functional areas that transcend administrative borders, reducing unproductive competition¹¹, and considering spatial and relational interdependencies that are constantly evolving. Administrative boundaries, being rigid, often fail to capture these integrated development opportunities and can even hinder territorial growth¹². Although no definition of a functional area exists, it is described as a region functioning as a unified system politically, socially, or economically. Internal relationships define such areas and often span multiple administrative units linked by economic, communication, or transportation activities. According to the literature, different types of functional areas can be identified depending on the nature and type of functions interlinked (see Figure 1).

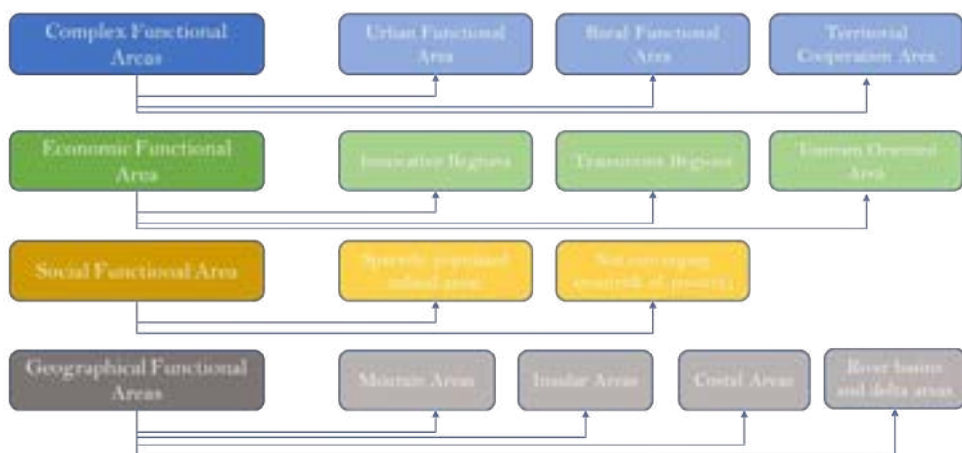


Figure 1 - Functional Area Matrix (source: author's own elaboration)

10. Additional literature on functional urban area are: CEMAT (2017), CEC (2020), OECD (2013, 2019; 2020), Dijkstra, Poelman, and Veneri (2019), Fioretti and Pertoldi (2020).
11. Cotella G., Berisha E., 2021, «Inter-Municipal Spatial Planning as a Tool to Prevent Small-Town Competition. The Case of the Emilia-Romagna Region». In: The Routledge Handbook of Small Towns).
12. Berisha, E. et al., 2024, op. cit.

Defining functional areas is complex, and this challenge becomes even more significant in areas where administrative and national borders overlap. Cross-border cooperation has been central to various EU and national initiatives, mainly through the Interreg programme, since 1990. This initiative has promoted cooperation beyond borders, transforming them into spaces for joint service planning and governance experiments. However, this approach seems outdated, with a growing need to redefine boundaries for more innovative governance models. The concept of “cross-border functional areas” is gaining traction at the European level, following similar trends seen in urban and rural functional areas¹³. These cross-border areas challenge institutional resistances, advocating for governance models that are sensitive to the needs of border regions and open to cross-national governance experiments¹⁴. Such areas are defined not by administrative boundaries but by functional relationships stemming from shared socio-economic and spatial characteristics, cooperative ties among stakeholders, and governance mechanisms that address common objectives and problems. While these are necessary conditions for defining cross-border functional areas, there are also elements that contribute to creating “dysfunctional” territories. Geographic proximity does not always imply functionality, particularly in regions where political or cultural divides have historically limited connections. Dysfunctional territories can also arise from a lack of political will to foster existing relationships or barriers – whether natural, political, administrative, or economic. Economic barriers, for instance, occur when wealth disparities between neighbouring areas discourage cooperation due to a lack of mutual benefit.

13. Dijkstra, L. and Jacobs-Crisioni, C., (2023) Developing a definition of Functional Rural Areas in the EU, European Commission, JRC135599. JRC Publications Repository - Developing a definition of Functional Rural Areas in the EU (europa.eu).

14. Jakubowski, A., Trykacz K., Studzieniecki, T., & Skibinski, J., 2022, Identifying cross-border functional areas: conceptual background and empirical findings from Polish borderlands, *European Planning Studies*, 30:12, 2433-2455. Doi: <https://doi.org/10.1080/09654313.2021.1958760> .

5. Programming and managing cross-border areas

While the challenge of defining these areas can be addressed by carefully selecting qualitative and quantitative indicators, the aspects of programming and management present even more complex challenges. The development of these areas is not solely a matter of spatial delineation but also of the governance mechanisms that can be activated. Although not specifically designed for these contexts, the 2021-2027 EU programming period provides valuable insights into local development. Integrated development, as emphasised in the European Cohesion Policy, plays a central role in Policy Objective 5 – A Europe Closer to Citizens – promoting sustainable and integrated development across various territories through local initiatives¹⁵. The European regulation on common provisions for the 2021-2027 funds (Regulation 2021/1060, Article 29) stipulates that territorial strategies must include:

- Identification of the geographical area covered by the strategy;
- Analysis of the development needs and potential of the area, including economic, social, and environmental interconnections.
- Description of the integrated approach to address development needs and realise the area's potential;
- Description of the partnership's involvement in preparing and implementing the strategy.

These strategies should, where possible, be based on the principle of “functional territories”, as confirmed by Regulation 2021/1058 concerning the European Regional Development Fund and the Cohesion Fund, Article 11. In line with this EU programming, some regions have adopted bottom-up processes to define integrated territorial strategies that contribute to the objectives of Cohesion Policy. Support tools include CLLD (Commu-

15. Cotella G., Berisha E., 2021, «Inter-Municipal Spatial Planning as a Tool to Prevent Small-Town Competition. The Case of the Emilia-Romagna Region». In: The Routledge Handbook of Small Towns (accesso: 12/12/2023).

nity-Led Local Development) and ITI (Integrated Territorial Investments)¹⁶. These tools have also been applied in border contexts, bringing governance and fund management innovations. Similarly, European Groupings of Territorial Cooperation (EGTCs) were created to facilitate cross-border cooperation. This cooperation is further supported by specific project initiatives funded by cross-border cooperation programmes. However, aside from these formal instruments, numerous cross-border cooperation initiatives emerge from bilateral agreements or bottom-up activities. These initiatives may occasionally form part of long-term strategies to manage shared territorial assets, such as natural resources (e.g., rivers and lakes). Nonetheless, the challenges of delineating “functional relationships” and working (or governing) these areas remain critical issues to be addressed on a case-by-case basis.

6. Conclusions

The analysis of cross-border functional areas underscores the importance of cooperation between adjacent territories in promoting integrated territorial development, economic cohesion, and social inclusion. The European Union’s experience demonstrates that overcoming administrative and political barriers and adopting innovative governance models can transform border areas from peripheral zones into central spaces for cooperation and growth. However, this process is not without challenges, particularly in contexts marked by historical tensions, institutional disparities, and limited resources, as seen in the Western Balkans. Western Balkans countries can learn several lessons from the European experience and cross-border cooperation programmes, adopting strategies and tools that can facilitate their path toward greater integration.

16. Servillo, L. , & De Bruijn, M._From LEADER to CLLD: The Adoption of the New Fund Opportunities and of Their Local Development Options_European Structural and Investment Funds Journal_Volume 6, Issue 3 (2018)_pp. 223 - 233 - *EStIF - European Structural and Investment Funds Journal: From LEADER to CLLD: The Adoption of the New Fund Opportunities and of Their Local Development Options.*

Here are some key lessons emerging from the analysis:

- Overcoming political and administrative barriers. The integration of the Western Balkans into the EU largely depends on overcoming institutional fragmentation and political resistance that hinder cooperation between border regions. Instruments such as European Groupings of Territorial Cooperation (EGTCs) can offer models for more effective and shared governance.
- Adopting a place-based approach. Development strategies should be based on functional areas' specific characteristics and opportunities rather than rigid administrative divisions. Using integrated programming tools, such as Community-Led Local Development (CLLD) and Integrated Territorial Investments (ITI), could strengthen the capacity for managing and enhancing cross-border territories.
- Developing institutional and administrative capacities. Institutional weakness is a significant obstacle to cross-border cooperation in the region. Investing in the training of local administrators, enhancing technical expertise, and establishing stable governance structures is crucial for ensuring the effectiveness of cooperation initiatives.

The integration of cross-border areas in the Western Balkans requires a combination of institutional, financial, and participatory tools, along with strong political will, to overcome existing barriers. Strengthening cross-border cooperation facilitates the EU accession process in relation to the discussion on Chapter 22, which represents a key driver for the region's stability and sustainable development. Adopting a functional area-based approach and innovative governance tools can enable the Western Balkans to address current challenges and transform their border areas into spaces of shared opportunities.

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10. The performance framework: rationale and objectives in 2021-2027

Simona Trento¹

1. Introduction. – 2. Emphasis on performance in the 2021-2027 period. – 3. The Regulatory Framework of the Performance Framework. – 4. The Methodology: Setting the Framework. – 5. Indicators system. – 6. Output and Result Indicators: key differences. – 7. Mid-Term Review and Adjustments. – 8. Italy's Experience: the LabOP 2021-2027. – 9. Conclusions. – Further readings

Abstract: The 2021-2027 Performance Framework (PF) represents a significant evolution in the European Union's Cohesion Policy, emphasizing result-oriented strategies to enhance accountability and transparency in the use of EU funds. Building on the insights from the Barca Report (2009), the new framework mandates Member States to establish Specific Objectives linked to measurable output and result indicators, with defined targets for 2029 and intermediate milestones for 2024. Unlike the previous programming period, the current framework eliminates financial incentives tied to performance, focusing instead on robust monitoring and evaluation mechanisms. Italy's LabOP initiative exemplifies a proactive approach to adapting to these changes, fostering inter-institutional collaboration, refining indicators, and providing practical guidance for effective implementation. This paper highlights the importance of tailored national strategies in achieving the ambitious goals set forth by the 2021-2027 Performance Framework, ultimately aiming for measurable outcomes in Cohesion Policy.

Keywords: result-orientated strategies, performance, indicators, Italian LabOp

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1. Introduction

The need for a result-orientated Cohesion Policy has been central to European discussions for over a decade, notably highlighted in the Barca Report (2009)². The European Union's Cohesion Policy for 2021-2027 builds upon a renewed commitment to fostering result-oriented strategies. Notably, key 2021-2027 reforms have strengthened the link to policy priorities in the Member States with a clear reference to the European Semester's Country Specific Recommendations and improved Cohesion Policy's *performance orientation*: more focused objectives, with a clearer intervention logic, more comprehensive common indicators and strengthened monitoring that will also enable the Commission to present the achievements of the policy in a transparent way.

It should be noted how the same approach is assumed and maximised in the Recovery and Resilience Facility programming, which is *performance-based* (amounts are paid to MS by the Commission only when they have achieved the agreed milestones and targets towards completing the reforms and investments included in their plan).

2. Emphasis on performance in the 2021-2027 period

This transformation is reflected in the refined Performance Framework (PF), which focuses on measurable outcomes, transparent evaluation, and accountability in the use of EU funds. The 2021-2027 programming period enhances the vision of a result-oriented Cohesion Policy by requiring programmes to:

- define Specific Objectives tied to result indicators, each with quantified targets for 2029, corresponding to the end date for eligibility of expenditure and completion of activities by programmes, as set out in Article 63 of the CPR;

2. https://www.europarl.europa.eu/meetdocs/2009_2014/documents/regi/dv/barca_report_/barca_report_en.pdf References/

- include output indicators that summarise actions undertaken, coupled with intermediate milestones set for 2024.

Unlike the 2014-2020 programming period, where a performance reserve provided financial incentives for achieving targets, the new framework:

- removes the reward mechanism;
- excludes a priori thresholds for milestone assessments;
- retains milestone progress as a critical criterion for mid-term reviews (Art. 18 of the Common Provisions Regulation – CPR).

This approach balances flexibility with accountability, ensuring adjustments can be made mid-programme while maintaining alignment with overarching objectives.

3. The Regulatory Framework of the Performance Framework

Under Article 16 of the CPR, Member States must establish a robust framework to monitor, report, and evaluate program performance. The PF is defined by:

- output and result indicators: linked to Specific Objectives detailed in fund-specific regulations.
- milestones (2024): intermediate values to track progress toward output indicators.
- targets (2029): final goals reflecting both output and result indicators.

This system provides the European Commission and Member States with tools to monitor progress, evaluate fund performance, and make necessary adjustments at the programme level.

It is important to specify that, despite the definition of milestones and targets, EU reimbursements in cohesion programmes are based on certified expenditures, not on milestone achievements such as for the Recovery and Resilience Facility (RRF).

4. The Methodology: Setting the Framework

The establishment of the PF relies on a rigorous methodology outlined in Article 17 CPR. This methodology encompasses:

- selection criteria for indicators: ensuring relevance and alignment with programme objectives.
- data quality assurance: leveraging reliable sources like official statistics and monitoring systems.
- acknowledgement of influencing factors: addressing external variables that may affect milestone and target achievement.

The European Commission provided additional guidance in its Staff Working Document (SWD 2021 198)³, offering national and regional authorities a systematic approach to monitoring, performance evaluation, and indicator use. This document includes detailed methodological fiches to standardise indicator application across Member States. In most cases, as in Italy, in order to facilitate the evaluation of the programme by the EC Services, methodology documents/papers/notes⁴ have been made available since the formal submission of the programme. They have also been published on each programme's website. The purpose of the PF Methodology document/paper/note is to provide background information about the intervention logic of the 2021-2027 programmes and how the target values for output and result indicators have been elaborated. Information is detailed by a single action defined under each Specific Objective, and, in line with Art 17.1(b) of the CPR, all the steps taken to ensure the quality of the data (e.g. data underpinning the indicator baselines, milestones, and targets were taken from a reliable source like the monitoring system or official statistics) are explained.

3. https://ec.europa.eu/regional_policy/sources/evaluation/performance2127/performance2127_swd.pdf

4. Example of methodology documents can be found on Programme's websites. See for example: Interreg IPA South Adriatic Programme 2021-2027 *Methodology for indicators*; Interreg NEXT MED Programme 2021-2027 *Performance Framework Methodology paper*.

5. Indicators system

The Annexes to ERDF and ESF+ Regulations offer to Managing Authorities a menu of common output and result indicators. In addition, the Commission has prepared for each indicator basic meta-information (*methodological fiches*) to facilitate the homogenous measurement of policy results by the many institutional actors defining and implementing cohesion policies. The ERDF indicator fiches are attached to the Staff Working Document of the Commission mentioned above, those relating to FSE Plus indicators are available in the Common Indicator Toolbox⁵.

The EC staff working document describes the approach to «Performance, monitoring and evaluation of programmes funded by the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027». The descriptions of the common output and result indicators are aimed at guiding the programmes in the use, collection and reporting of reliable performance monitoring data.

Through the Cohesion Open Data platform⁶ the Commission provides a summary of the choices and progress of the Programmes of all Member States, including through the set of common indicators adopted, in addition to financial information.

6. Output and Result Indicators: key differences

As specified above, the PF distinguishes between output indicators and results indicators. A clear definition is provided in article 2 of the CPR: 'Output indicator' means an indicator to measure the specific deliverables of the intervention. Therefore, output indicators reflect the actions, not the objectives, of a programme or of Regional policy. 'Result indicator' means an indicator to measure the effects of the interventions supported, with particular reference to the direct addressees, population targeted

5. <https://ec.europa.eu/sfc/en/2021/support-ms/2021MNTESF>

6. <https://cohesiondata.ec.europa.eu/themes/21-27>

or users of infrastructure. Compared to the previous period, an important change is made in the concept of “result indicator”. In 2014-2020, result indicators were proxies for the expected impacts of the intervention, as usually assessed in evaluation; in 2021-2027, result indicators are closely related to the outcome or effect of the actions and are used for monitoring and management purposes. This concept of direct result indicators will require a more significant monitoring effort by programmes in 2021-2027 but should bring more clarity on the direct effects of the interventions. The table below highlights the conceptual differences.

Table 1: Indicator concepts used in formal ERDF/CF programming and monitoring

Indicator concepts from Better Regulation Guidelines (2017) ¹¹		2014-2020	2021-2027
Output indicators	These relate to the specific deliverables of the intervention	Yes Common and specific	Yes Common and specific
Result indicators (outcomes)	These match the immediate effects of the intervention with particular reference to the direct addressees	No	Yes Common and Specific
Impact indicators	These relate to the intended outcome of the intervention in terms of impact on the wider economy/society beyond those directly affected	Yes Specific only	No

Source: EC SWD (2021) 198 final

Definitions for target and milestone are also provided in Article 2 of the CPR:

- **‘Target’** means a pre-agreed value to be achieved at the end of the eligibility period in relation to an indicator included under a Specific Objective.
- **‘Milestone’** means an intermediate value to be achieved at a given point in time during the eligibility period in relation to an output indicator included under a Specific Objective.

The following table outlines the information that must be substantiated for each type of indicator.

Table 2: Setting values for outputs and results in programming

Indicator type	Baselines	Milestones	Targets
Output	(Not required)	Required	Required
Result	Required for certain indicators	(Not required)	Required

Source: EC SWD(2021) 198 final

Below are the sections of the programme template (Annex V to Regulation (EU) 2021/1060) which include information on the indicators adopted under each Specific Objective selected by the programme and which in fact make up the performance framework.

2.1.1.1.2. Indicators

Reference: point (d)(ii) of Article 22(3) CPR and Article 8 ERDF and CF Regulation

Table 2: Output indicators

Priority	Specific objective	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit	Milestone (2024)	Target (2029)

Reference: point (d)(ii) of Article 22(3) CPR

Table 3: Result indicators

Priority	Specific objective	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit	Baseline or reference value	Reference year	Target (2029)	Source of data [200]	Comments [200]

Source: Annex V to Regulation (EU) 2021/1060

7. Mid-Term Review and Adjustments

The performance framework represents the base also for the mid-term review process, mandated by Article 18 CPR, which evaluates progress against milestones and addresses implementation challenges. By 31 March 2025, Member States must submit an assessment of the review’s outcomes, including proposals for allocating ‘flexible amounts’ referring to

the years 2026 and 2027 (Art. 86.1 CPR). In particular:

1. “For programmes supported by the ERDF, the ESF+, the Cohesion Fund and the JTF, the Member State shall review each programme, taking into account the following elements: (...) (f) the progress in achieving the milestones, taking into account major difficulties encountered in the implementation of the programme (...)”
2. “The Member State shall submit an assessment for each programme on the outcome of the mid-term review, including a proposal for the definitive allocation of the flexibility amount to the Commission by 31 March 2025”.

8. Italy’s Experience: the LabOP 2021-2027

Italy exemplifies proactive adaptation to the 2021-2027 framework through its LabOP initiative⁷. This national support action included:

1. inter-institutional collaboration: workshops engaging multiple stakeholders to address programming challenges.
2. indicator refinement: development of Italian methodological fiches clarifying common indicators and proposing new ones.
3. data integration: analysis of 2014-2020 monitoring anomalies to enhance the accuracy of 2021-2027 indicators.
4. practical guidance: elaboration of a methodological guide⁸ for drafting the PF document, tailored to national needs.

This collaborative approach ensured a seamless transition to the new framework and alignment with EU expectations.

7. <https://www.valutazionecoesione.it/attivita-di-sistema/labOP-2021-27.html>

8. https://www.valutazionecoesione.it/attivita-di-sistema/doc/2022_03_09_Guida_al_Documento_Metodologico.pdf

9. Conclusions

The 2021-2027 Performance Framework reflects a sophisticated evolution in EU Cohesion Policy. By emphasising clear objectives, robust methodologies, and enhanced monitoring, it sets a foundation for achieving measurable results. Case studies like Italy's LabOP highlight the importance of tailored national strategies in implementing this ambitious framework.

Further readings

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EC Directorate-General for Regional and Urban Policy (2020), 2021-2027 Technical seminars: Webinar on Mid-term review of Cohesion Policy programmes 2021-2027 (presentation) https://ec.europa.eu/regional_policy/2021-2027/technical-seminars/mid-term-review_en

European Court of Auditors – ECA (2021) Special report 24/2021: Performance-based financing in Cohesion Policy: worthy ambitions, but obstacles remained in the 2014-2020 period https://www.eca.europa.eu/en/publications/SR21_24

Regulation (EU) 2021/1058 – ANNEX I “common output and result indicators for ERDF and the Cohesion Fund – Article 8(1)” <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1058>

Regulation (EU) 2021/1057 – ANNEX I “Common indicators for general

support from the ESF+ Strand under shared management” <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1057>

EC Staff Working Document SWD (2021) 198 final – 8.7.2021 (FESR indicators) https://ec.europa.eu/regional_policy/sources/evaluation/performance2127/performance2127_swd.pdf

European Commission (2023), Report on the outcome of 2021-2027 Cohesion policy programming https://ec.europa.eu/regional_policy/information-sources/publications/reports/2023/report-on-the-outcome-of-2021-2027-cohesion-policy-programming_en

Italian Government LabOP 2021-27 initiative, Laboratori SNV di supporto alla Programmazione 2021-2027 <https://www.valutazionecoesione.it/attivitadi-sistema/indicatori.html#Italia>

Italian Government Presidency of the Council of Ministers, Department for Cohesion Policy – NUVAP (2022), Guide for the drafting of the PF Methodological Document https://www.valutazionecoesione.it/attivitadi-sistema/doc/2022_03_09_Guida_al_Documento_Metodologico.pdf

Websites

Common Indicator Toolbox (FSE Plus indicators) <https://ec.europa.eu/sfc/en/2021/support-ms/2021MNTESF>

Cohesion Open Data platform <https://cohesiondata.ec.europa.eu/themes/21-27>

11. The territorial dimension: instruments for cities and inner areas

Raffaella Coletti¹ and Andrea Filippetti²

1. Introduction. – 2. Cities and Cohesion Policy. – 3. The Italian Strategy for inner areas. – 4. Conclusions. – Further readings. – Websites

Abstract: This chapter explores the territorial dimension of Cohesion Policy in the European Union. It highlights the significance of the Territorial Agenda 2030, which aims to promote balanced territorial development across the EU, addressing disparities between metropolitan and peripheral regions. The chapter discusses the role of cities as centers of economic activity and environmental challenges, emphasizing the need for sustainable urban development. It also examines the case of the Italian Strategy for Inner Areas, which seeks to enhance public services and local development in less accessible regions. By integrating urban and rural dynamics, the strategy aims to mitigate demographic decline and foster inclusive growth. The chapter underscores the importance of a holistic approach to territorial cohesion, aligning socio-economic and environmental objectives to ensure equitable access to opportunities for all regions.

Keywords: Territorial Agenda, polycentric development, inner areas, cities, URBACT

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1. Introduction

The Lisbon Treaty (2007) introduced territorial cohesion as a key objective of the European Union (EU), alongside social and economic cohesion. This concept emphasizes the territorial goals of Cohesion Policy, which promotes balanced development across the EU, including between regions, cities, and municipalities.

The current framework document for this perspective is the Territorial Agenda 2030 – A future for all places³, adopted on 1 December 2020 in the Informal Meeting of Ministers responsible for Territorial Cohesion and/or Territorial Development organised by the German EU Presidency. The Territorial Agenda envisions a Europe that promotes balanced territorial development, ensuring that all regions and populations have equal access to future opportunities. The document emphasizes the importance of functional regions and cross-border integration to foster cohesion, not only between Member States but also within their territories. Achieving balanced territorial development requires addressing disparities between metropolitan areas and other regions, particularly those left behind in the national convergence process. Functional regions – defined not just by administrative boundaries but by their economic and social interconnections – play a crucial role in supporting inclusive development, especially in regions experiencing challenges related to access and growth.

Moreover, a key focus of the Territorial Agenda 2030 is creating a Green Europe that not only protects shared natural resources, but also promotes societal transitions towards sustainability. The agenda highlights the importance of cultivating a healthy environment, stimulating a circular economy, and ensuring sustainable connectivity as core principles. These priorities align with the European Union's Cohesion Policy, which is a crucial instrument in mitigating territorial imbalances within the EU and beyond.

3. https://ec.europa.eu/regional_policy/en/information/publications/brochures/2021/territorial-agenda-2030-a-future-for-all-places

However, as emphasized in the Ninth report on economic, social and territorial cohesion⁴, significant sub-national disparities persist across European Regions, particularly between large metropolitan centers and peripheral or less economically developed regions. To address these disparities, the report suggests that a polycentric development model could be effective. By strengthening small and medium-sized cities and improving the accessibility of public services in remote areas, this approach seeks to create a more balanced path of economic growth.

The integration of these principles underlines the need for a holistic approach to territorial cohesion that supports both socio-economic and environmental objectives, ensuring that the transition to a sustainable future is inclusive of all places and people, by adapting the interventions of the policy to specific territories and their challenges. In the following pages we will focus on measures undertaken by European Cohesion Policy for Cities and on a specific Italian experience funded by the Cohesion Policy and aimed at rebalancing territorial development in the country, the Italian Strategy for Inner Areas.

2. Cities and Cohesion Policy⁵

Currently, about 56% of the world's population lives in cities – 4.4 billion inhabitants. This trend is set to increase, and the urban population is expected to double by 2050, when 7 out of 10 people in the world will live in a city. On the one hand, cities are vibrant places full of opportunities, in which over 80% of global GDP is generated – 85 %, in the case of the European Union. On the other hand, cities are the places where the main challenges of our time are concentrated.

4. https://ec.europa.eu/regional_policy/information-sources/cohesion-report_en

5. The information in this section paragraph are largely based on the introduction to Coletti R., Filippetti A. (eds, 2024), *I fondi europei per città più sostenibili. Tra avanguardie e trasformazioni strutturali*, Il Sole 24 Ore, <https://www.ilssole24ore.com/ebook/sfogliabile/i-fondi-europei-citta-piu-sostenibili-AGGPsTc>

The first is environmental challenge. Within the European Union, it is estimated that 80% of total energy is consumed in cities, and 65% of CO₂ emissions are produced therein. Any attempt to reduce the environmental impact of societies can only start from urban areas and the way in which they are managed and experienced. It is in this framework that a number of key words have emerged in the policy debate, such as sustainable mobility, energy efficiency, digitalization and correct waste disposal.

Cities are also places that generate profound inequalities: within them, with growing geographical unbalanced distribution of wealth and services; and outside them, in the relationship between urban and non-urban areas. During the Covid-19 pandemic, there was much discussion about the opportunity to stimulate a new distribution of the population in a more polycentric direction, thanks to the greater use of remote working. However, the frequent lack of essential public services in marginal areas (nurseries, schools, hospitals) makes it difficult to stem depopulation and urbanization phenomena in a structural way.

Finally, cities are also at the center of new academic and political reflection with regard to governance dynamics. In a “vertical governance” perspective, cities represent the level of elected government closest to citizens; mayors are called not only to work for the well-being of citizens, but also to represent the city at a national and, increasingly, international level. In a “horizontal governance” perspective, the governance of a complex entity such as the city cannot be limited to the contribution of formal institutions but increasingly passes through the bonds and relationships of collaboration (or even conflict) with citizens, activists, and civil society.

Various concepts have followed one another over the years, in the academic and policy fields, to be able to grasp and discuss the role of cities in the global economy (global cities⁶) or the need to imagine cities that are sustainable from an environmental, social, economic, and cultural perspec-

6. S. Sassen (1992), *The Global City: New Yoirk, Tokyo, London*, Princeton University Press.

tive (smart cities)⁷. The pandemic has stimulated the spread of the idea of the “15-minute city”⁸, which aims to build polycentric cities and return to a local dimension.

For all that has been said, the growing space dedicated to cities in the context of Cohesion Policy is certainly coherent. In fact, this was born right from the start as a territorial development policy, having the region as a fundamental unit for the planning and implementation of policies. The initial spirit of cohesion intends to counter the marginalization of the most backward regions, both because they are characterized by an obsolete productive specialization and because they are distant from the more dynamic and advanced regions. However, the economic, social and territorial Cohesion Policy cannot limit itself to considering the differences between developed and less developed regions without taking into account a multiplication of inequalities at different scales.

The recognition of the urban dimension in the context of Cohesion Policy is the recognition of the growing role of cities in the social, economic and political context of the EU. If, as mentioned, on the one hand, urban development is a precursor to the economic growth of countries, there is a multiplicity of dynamics that require increasing attention and dedication from policy makers, both at the national and community levels.

Already in the 2014-2020 programming of the Structural funds, 5% of the resources of the European Regional Development Fund (ERDF) were intended to be invested in the urban area. The Commission had also made additional resources available to cities through the Urban Innovative Actions (UIA)⁹, through which cities with more than 50 thousand inhabitants had the opportunity to compete with each other to win funding of up to 5 million euros to test new solutions for sustainable urban development at a

7. https://commission.europa.eu/eu-regional-and-urban-development/topics/cities-and-urban-development/city-initiatives/smart-cities_en

8. <https://www.15minutecity.com>

9. <https://www.uia-initiative.eu/en>

local level. Around 90 projects have been funded for a total value of around 372 million euros. In the current programming (2021-2027), the percentage of ERDF funds allocated to cities rises to 8%. The European Commission's efforts are mainly aimed at supporting integrated urban development initiatives, which allow the objective of economic and cultural development to be combined with those of environmental sustainability and the fight against social and territorial inequalities. Resources are also used to support the launch of innovative actions, also within the framework of the new European Urban Initiative, as well as to promote the exchange of knowledge between cities, for example, within the framework of the URBACT program¹⁰, active since 2002.

In Italy, cities are at the center of numerous interventions planned both at a national and local scale. Among the various interventions, it is worth mentioning the National Metro Plus Program and medium-sized cities of the South¹¹, funded by the Cohesion Policy, which continues the experience of the National Metro Program 2014-2020 by allocating approximately 3 billion euros for initiatives related to the digital agenda, environmental sustainability and social inclusion and development for the 14 Italian metropolitan cities and 39 medium-sized cities of the South.

In the current programming period, in Italy as elsewhere, additional resources come from the National Recovery and Resilience Plan¹², which constitutes an unprecedented opportunity for the development of cities and metropolitan systems. It must be said that compared to the Cohesion Policy funds, those of the NRRP dedicated to cities essentially fund investments (capital expenditure); these range from urban regeneration projects to integrated urban plans, housing financing, and funds for rapid mass transport. Furthermore, the NRRP resources provide for distribution mechanisms based on calls for tenders that might penalize smaller local

10. <https://urbact.eu>

11. <https://www.pnmetroplus.it/home-2/pon-metro-plus-21-27/pn-metro-21-27-2/>

12. <https://www.italiadomani.gov.it/content/sogei-ng/it/it/home.html>

authorities in light of the complexity of the procedures. Both Cohesion Policy and NRRP support integrated strategies in cities¹³, in the form of Integrated Territorial Investments (Cohesion Policy) or Integrated Urban Plans (NRRP).

Cities are mentioned as crucial objects of Cohesion Policy intervention also in the mid-term review published in April 2025¹⁴. In particular, the document acknowledges the challenges of urban areas in terms of housing, social integration, congestion, and pollution and recalls the crucial role of cities and urban-rural connections in the efforts for decarbonization and balanced regional development. Consequently, the Commission proposes to strengthen the European Urban Initiatives, as well as to develop a specific Agenda for Cities.

Box: The URBACT program

Since its establishment in 2002, the URBACT program has become a key initiative of the European Union in pursuing integrated and sustainable urban development. In the 2021-2027 period, URBACT IV moved to include not only the 27 EU Member States but also countries such as Norway, Switzerland, and those under the Instrument for Pre-Accession Assistance (IPA), including Albania, Montenegro, and Serbia, as well as countries within the Neighborhood, Development, and International Cooperation Instrument (NDICI), like Ukraine and Moldova.

The program is primarily funded by the European Regional Development Fund (ERDF), with a budget of EUR 79.679 million, complemented by the IPA's €5 million and NDICI's €2 million for enhancing urban cooperation across these diverse territories. URBACT IV focuses on improving cooperation governance under the Interreg Specific Objective 1 (aimed at better cooperation governance), offering tailored assistance through calls for proposals to establish networks and improve capacity building. A significant component of the program is the URBACT knowledge hub, accessible through national URBACT points and online at www.urbact.eu.

13. Pertoldi M., Fioretti C., Guzzo F., Testori G., De Bruijn M., Ferry M., Kah S., Servillo L. A., Windisch S. (2022). *Handbook of Territorial and local development strategies*, Luxembourg: Publications Office of the EU. JRC130788. <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>

14. https://ec.europa.eu/regional_policy/sources/communication/mid-term-review-2025/communication-mid-term-review-2025_en.pdf

urbact.eu, providing resources to support urban practitioners and policymakers. URBACT IV offers cities, municipalities, and local agencies opportunities to exchange experiences and innovative approaches to urban development, with an emphasis on strengthening the linkages between urban and rural areas. Its core priority is promoting integrated sustainable urban development through transnational cooperation. URBACT achieves this through various networks – such as Action Planning Networks, Transfer Networks, and Innovation Transfer Networks – designed to improve the capacity of urban stakeholders to design, implement, and capitalize on urban good practices. Capacity-building activities such as URBACT Universities and National Campuses are instrumental in this regard, providing ongoing support to beneficiaries. These beneficiaries include cities, local agencies, infra-municipal government tiers, and metropolitan authorities but also extend to non-city partners such as regional authorities, universities, and Cohesion Policy's managing authorities.

URBACT IV's knowledge-sharing framework aims to make best practices and innovations accessible at multiple governance levels. By engaging with stakeholders across cities, towns, and regional authorities, it ensures that insights and expertise contribute to local, national, and European urban policies. This alignment with the broader frameworks of the European Urban Agenda and the European Urban Initiative enables URBACT to influence urban policies that address complex contemporary challenges. Its focus on inclusive, participative, and place-based development positions URBACT as a central platform for advancing sustainable urban growth in Europe and beyond.

3. The Italian Strategy for inner areas

As discussed so far, the dynamism of cities, as well as their growing challenges and disparities, has clearly attracted a growing attention in the framework of the European Cohesion Policy. At the same time, according to the Territorial Agenda 2030, to pursue a harmonious development of the EU, there is the need to invest also in measures able to rebalance territorial dynamics by strengthening opportunities and growth also in non-urban territories. In this framework, Italy developed in 2014-2020 an innovative strategy named the Italian Strategy for Inner Areas¹. The strate-

1. M. Leonetti and S. Lucatelli (2024). "Fuori città. La strategia nazionale aree interne". In R. Coletti e A. Filippetti, *I fondi europei per città più sostenibili. Tra avanguardie e trasformazioni strutturali*, Il Sole 24 Ore <https://www.ilssole24ore.com/ebook/sfogliabile/i-fondi-europei-citta-piu-so>

gy, renewed in the 2021-2027 programming period, focuses on addressing the challenges faced by “inner” areas, defined not by specific geographic characteristics (mountainous, southern, islands, etc.) but by their “relational” dynamics with larger urban centres.

The classification of inner areas was indeed based on the distance from cities and, more generally, centers of delivery of public services for citizens (health, education, mobility). For each large, medium or small city – but equipped with significant health facilities, a complete school offering, and a railway station with important connections – there are many smaller centres that do not have access to those services and that were classified based on the distance from the centres (and the services):

- Belt areas are less than 20 minutes by car from the centres;
- Inner areas are classified into three subgroups:
 - intermediate areas (distant from 20 to 40 minutes by car);
 - peripheral areas (from 40 to 75 minutes);
 - ultraperipheral areas (over 75 minutes of distance by car).

Around two hundred “centres” were identified in designing the strategy, surrounded by almost four thousand small cities, at a distance of more than thirty minutes by car from the closest centre. In terms of population, these areas include around 13 million people. They cover 60% of the entire surface area of Italy, 52% of the overall number of municipalities, and 22% of the population.

These areas are often characterized by demographic issues, such as population decline and aging, exacerbated by a lack of economic opportunities and insufficient public services. The gap in services produces a continuous loss of population, in a vicious circle that prevents a balanced development of the territory. At the same time, those areas are producers of crucial products and services for the country (water, food, energy, and balance to CO₂

stenibili-AGGPSTc; <https://politichecoesione.governo.it/it/politica-di-coesione/strategie-tematiche-e-territoriali/strategie-territoriali/strategia-nazionale-aree-interne-snai/>; and . in english, https://ec.europa.eu/enrd/sites/enrd/files/tg_smart-villages_case-study_it.pdf

emissions); moreover, they are often characterized by important cultural and identity heritage. By supporting those areas, the strategy contributes indeed to the broader EU objective of achieving more balanced territorial development. Of the “inner areas” identified in Italy, 72 were covered by the strategy in the 2014-2020 programming period – overall, 1.060 municipalities. The strategy’s goal was to support infrastructure development and local projects centred around a “strong idea” of development, reflecting the unique identity and potential of each region. The strategy was developed through a multi-level governance framework based on coordinated efforts across national, regional, and local levels. The procedure that led to the financing of individual projects on the territory was divided into three main phases: the first was the selection of the areas to be addressed by the strategy, decided by the Internal Areas Technical Committee and by the Region or autonomous Province concerned; the second was the approval of the Area Strategy by the Department for Cohesion Policies; the third was the signature of the Framework Program Agreement, through which the Central Administrations, the Regions and the territories assumed the commitments for the implementation of the objectives defined in the Area Strategies.

Each Area Strategy was structured around two key pillars: (i) improving basic public services (such as healthcare, education, and connectivity) and (ii) encouraging local development projects that leverage regional strengths. These projects focused on tourism, cultural initiatives, local manufacturing, and the sustainable use of natural resources. The first component (basic public service) was funded by national funds, while the development strategy was supported by EU Cohesion Policy.

In terms of governance, the Italian Strategy for Inner Areas was based on a multilevel governance approach, with a strong participation of local communities but also strong guidance and vision from the centre. The participatory model adopted in the strategy recalls that of integrated territorial instruments made available by the European Commission, in particular in

the framework of Priority Objective 5 (A Europe closer to citizens)¹.

For the 2021-2027 period, the strategy was renewed, with some modifications. The criteria for selecting new candidate areas, for example, were modified, including their demographic issues, public service organization, local governance capacity for cooperation, and overall area size.

In its first round of implementation, the strategy has also faced many challenges, including the presence of too many municipalities, overlapping administrations, and a lack of a cohesive shared vision among local actors. These issues underscore the complexity of coordinating a development strategy across multiple layers of governance; however, they can be used as important lessons learned for the future.

4. Conclusions

The territorial dimension is of utmost importance in the European Cohesion Policy, as far as its main aim is to reduce disparities across European territory.

The issue of cities is increasingly tackled by the European Union and Member States, including in the framework of European Cohesion Policy. Cities are central not only for economic development but, increasingly, in political terms, with mayors gaining growing relevance by managing practically and politically everyday challenges and emergencies.

At the same time, the EU and Member States cannot ignore the fate of non-urban areas, which represent a large part of the European territory. The attention to non-urban areas is not only needed to pursue a balanced development of the European territory - as recalled in the European Territorial Agenda, but also to create the conditions to integrate in the European space the so called “left behind places” which represent a crucial polit-

1. Pertoldi M., Fioretti C., Guzzo F., Testori G., De Bruijn M., Ferry M., Kah S., Servillo L. A., Windisch S. (2022). *Handbook of Territorial and local development strategies*, Luxembourg: Publications Office of the EU. JRC130788. <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>

ical topic in times of growing euroscepticism². In this framework, despite the challenges of its implementation, the Italian Strategy for Inner Areas represented a very relevant experimentation; moreover, the experience went hand in hand with the emergence of a bottom-up movement with the aim of “repopulating Italy”, from the name of the association that was created to offer a point of reference for practitioners, academics, and citizens interested in the topic³. It is currently unclear what will be the future developments of the Strategy in Italy.

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 3. https://riabitareitalia.net/RIABITARE_LITALIA/

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<https://urbact.eu>

Urban Innovative Actions

<https://www.uia-initiative.eu/en>

12. The EU Strategy for the Adriatic and Ionian Region: a tool for supporting the enlargement?¹

Luisa Chiodi²

1. Introduction. – 2. Eusair and the enlargement process. – 3. The governance of EUSAIR and the new geopolitical scenario. – 4. EUSAIR's potential for the future. – Further readings. – Websites.

Abstract: The chapter discusses the European Union Strategy for the Adriatic and Ionian Region (EUSAIR) and its potential role in supporting the enlargement process of the Western Balkans (WB). EUSAIR, established in 2014, promotes cooperation among member and non-Member States within a shared functional area, addressing common challenges and fostering economic, social, and territorial cohesion. EUSAIR's flexible, inclusive approach positions it as a valuable asset in advancing the integration of the Western Balkans into the EU framework, particularly in areas of Cohesion Policy and regional development. While EUSAIR can contribute to the enlargement process through soft policy measures, challenges remain in aligning its priorities with the core focus of EU accession negotiations.

Keywords: EUSAIR, enlargement, geopolitical scenario, Chapter 22

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1. This chapter is based on the study: European Commission (2021) *Strategy for the Adriatic and Ionian Region (EUSAIR) facilitating the enlargement process of Western Balkans*, carried out by OBCT and CeSPI and coordinated by Luisa Chiodi, with the collaboration of Raffaella Coletti, available at: https://ec.europa.eu/regional_policy/en/information/publications/studies/2021/eu-strategy-for-the-adriatic-and-ionic-ionian-region-eusair-facilitating-the-enlargement-process-of-western-balkans and on R. Coletti and L. Chiodi (2025), EU Macro-Regional Strategy in the Adriatic and Ionian Region: A Territorial Perspective on the EU Enlargement Policy, *Journal of Balkan and Near Eastern Studies*, 27 (3), pp. 392-411.
 2. Director, Osservatorio Balcani e Caucaso Transeuropa (OBCT).

1. Introduction

Despite numerous attempts to restart the enlargement process throughout the years, it is still moving slowly. This is mirrored in the variety of platforms, actors, and projects associated with it, as well as the stratification of the language used to discuss it.

Among the many initiatives undertaken, the European Union Strategy for the Adriatic and Ionian Region (EUSAIR), launched in 2014, continues to have significant potential, not the least concerning its contribution to the harmonisation of the candidate countries to the European Union (EU) regional policies and Chapter 22 of the *acquis communautaire*.

Unfortunately, some fundamental obstacles from the very beginning, first and foremost the lack of own resources, have limited EUSAIR's effectiveness over time. However, it is worth examining the strategy's approach to European integration to grasp some aspects that are relevant for the future of European integration of the Western Balkans at large.

2. Eusair and the enlargement process

The goal of macroregional strategies is to make sure that countries that are part of a common functional area – that is to say, a territory that shares social and economic relations, even beyond state boundaries – address together common challenges and achieve economic, social and territorial cohesion. As the EUSAIR is the macroregional strategy with more non-EU countries than Member States, it is crucial for its success that all its members complete the process of EU integration. Sharing the same political and legal space would considerably facilitate the achievement of common objectives, such as environmental protection or infrastructural developments, to mention a few. This is why, from the very beginning, the EUSAIR in its official documents clearly set out the support for EU enlargement in

the WB. Its first action plan³, published in 2014, made explicit reference to the accession process by referring to the foreseen harmonisation to specific EU directives and regulations as a benchmark of achievement. The convergence of interests around the enlargement process as a priority issue among all countries involved in the strategy has been confirmed by the revised action plan to be adopted in 2025 that gives to the accession process an undisputable centrality.

There are indeed significant differences between the EUSAIR and the enlargement process, but they are also reasons for the complementarity of the two. Among the important assets of the strategy is its role in promoting horizontal cooperation among its members, something that allows greater ownership of the initiatives undertaken by the countries involved as compared to the enlargement process. The latter is fundamentally a top-down process where the European Institutions define the rules and the procedures for a country to be considered for integration, while the EUSAIR, like all other macroregional strategies, is created to address common issues in a cooperative form.

Moreover, the EUSAIR is based on territorial cooperation, that is to say, it stimulates interactions between local authorities, the private sector, and other relevant stakeholders at the local, national, and transnational levels. This is another relevant difference from the enlargement process, where instead the negotiations are entertained between the EU and the national institutions. This inclusive approach empowers stakeholders as active participants and favours the ownership of the process at various levels of governance. Another difference, and reason for the complementarity of the strategy with the enlargement process, is that EUSAIR focuses on economic and social cohesion beyond the legal harmonisation that instead is the core of the EU accession, where the adoption and implementation of the *acquis communautaire* have the prominence.

3. COM (2014) Communication on EUSAIR, pag.357 https://www.adriatic-ionian.eu/wp-content/uploads/2018/02/com_357_en.pdf

There are also peculiar characteristics of EUSAIR that constitute an asset for the enlargement. In the cultural sphere, the strategy helps reconfigure a sense of shared future and common belonging in the Adriatic and Ionian region, thus reconnecting the Western Balkans (WB) to the EU after the experience of division during the Cold War.

By working on the recognition of the centrality of the functional area it covers, EUSAIR widens the idea of regional cooperation beyond the Western Balkans and the legacies of the conflicts of the '90s that left them at the margins of the European political space and makes them think of themselves as belonging to a region with different dynamics in place. In seeing themselves as part of a functional area where members participate as peers, the EUSAIR softens the tensions among its components. Those who have remained outside the EU engage with the Member States in joint strategic planning and the pooling of resources for the common goals, while the Member States consolidate their commitment towards the integration of the first ones to achieve them.

3. The governance of EUSAIR and the new geopolitical scenario

The large-scale Russian invasion of Ukraine and the new geopolitical scenario implied the return to power politics at the European level, somehow reducing the space for soft policies such as those of the macroregional strategies. Nonetheless, the Western Balkans benefitted from the re-launching of the enlargement as a security response to the new geopolitical context. Now, after long years of preparation, the EUSAIR is in the position to perform as a platform mature enough to deliver its results, advancing together all the countries involved on matters of common interest.

Indeed, the EUSAIR has a complex governance structure based on a Governing Board (GB), a rotating presidency and four Thematic Steering

Groups (TSGs), one for each pillar of the strategy that are: (1) Blue growth; (2) Connecting the region (transport and energy networks); (3) Environmental quality; (4) Sustainable tourism and the recently added (5) social cohesion. The managing bodies include representatives of central governments, the European Commission, and other regional organisations. A Facility Point supports the functioning of these bodies, while the stakeholders have at their disposal a specific web platform.

The GB and the TSGs are contexts of transnational interaction, where good practices are exchanged and where common solutions are searched for. From this point of view, the EUSAIR is also a capacity-building framework that could be better exploited if the continuity and stability of the national representatives that participate in the meetings is guaranteed.

Moreover, local authorities in the WB participate in and benefit from the assistance provided by international donors with different agendas, timelines, budgets, etc., but dealing with several interlocutors is often a burden for their administrative bodies. The EUSAIR can have a role in ensuring coordination and supporting the quality of the initiatives.

As mentioned, a considerable obstacle to the effectiveness of EUSAIR has been the lack of specific funding for the strategy. Due to the “three NOs” rule (no new EU funds, no additional EU formal structures, and no new EU legislation) under which all macro-regional strategies were established, the primary source of EUSAIR funding has so far been the Interreg programme ADRION, which has progressively aligned its priorities with the EUSAIR pillars, and one of the 5 Adrion priority axes specifically funds EUSAIR’s governing structure⁴. Since the very first EUSAIR Action Plan, the EC has proposed to go beyond Interreg funds by promoting the embedding

4. OECD 2018 Adrion Phase I Report Territorial Wide Area Cooperation in the Adriatic-Ionian Region. Lessons from the Implementation of the EU ADRION Transnational Cooperation Programme January <https://www.oecd.org/cfe/leed/OECD-ADRION-PHASE-I-Report.pdf> and OECD 2019b Adrion Phase II Report Territorial Wide Area Cooperation in the Adriatic-Ionian Region. Outlook on future Transnational Cooperation in the Region April, <http://www.oecd.org/cfe/leed/OECD-ADRION-PHASE-II-Report.pdf>

of EUSAIR's priorities in EU programmes supported by existing financing instruments (such as IPA, Structural funds, etc.) and has requested EUSAIR participating countries to contribute with their own funds.

In the last few years, a considerable effort has been carried out to identify the priority actions for the strategy and flagship them as EUSAIR so as to embed them in the ESI funds for the EU Member States (MS) and IPA III for enlargement countries. This embedding effort constitutes a clear achievement, as nine different governments agreed on common priority areas of intervention. This proved that working on equal footing allows one to overcome disagreements and see converging interests on concrete policies.

Nonetheless, coordinating the projects financed under different funds, with different timing and rules, and ensuring coherent results, remains a notable challenge. In addition, it should be considered that EUSAIR is in the position to effectively contribute to the accession process for soft policy measures only. As for expensive policy areas such as connectivity and environment, EUSAIR can do little, and the WB needs to look for resources elsewhere and do it in a coordinated manner.

4. EUSAIR's potential for the future

What EUSAIR has the potential to do, however, is to mainstream the achievements of the hundred projects that stakeholders implement with the support of EU territorial cooperation programmes (ETC), the Cohesion funds for MS and IPA funds for the WB, and make sure that new projects follow up on previous results and benefit their accession process. In this framework, EUSAIR can “upscale” the practices and experiences developed in the programmes, in EU Member States and non-Member States in particular, as far as enlargement is concerned. However, to date, this chance to move from pilot initiatives to strategic policymaking has been largely underexploited.

As many of the obstacles to the EU integration of the Western Balkans

remain, the EUSAIR can offer its contribution by working on its five pillars and specifically by supporting the adoption of the *acquis communautaire* in the policy areas it covers.

However, another limitation is constituted by the fact that the issues that it deals with are not priorities in the enlargement negotiations. As the enlargement process has been keeping the focus on the so-called fundamentals, that is to say, Chapters 23 and 24 of the *acquis*⁵, most aspects tackled by the EUSAIR will remain at the margins of the integration process for the years to come. The situation worsened after the adoption of the new enlargement methodology in 2020, when the initiatives foreseen in the EUSAIR pillars were scattered in different clusters that may or may not be opened⁶.

One of the core contributions of the EUSAIR, which is the focus on Chapter 22, Regional policy and coordination of structural instruments, has been incorporated in Cluster 5 (Resources, agriculture and cohesion). Delaying the efforts to harmonise the WB countries on Chapter 22 is not the best choice. By working on Chapter 22, the EUSAIR boosts the WB's capacity to implement policies in a wide sense by improving the design, management, monitoring and evaluation capacities. This contributes to the preparation of the candidate countries for implementing Structural funds and Cohesion funds also in administrative and financial capacities. In this sense, Chapter 22 is relevant to ensure the absorption capacities, which is particularly crucial now that the new growth plan is in place, offering additional resources for the WB transformation⁷.

Finally, advancements in Chapter 22 in particular are closely linked with

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5. Chapter 23 concerns Judiciary and Fundamental rights and chapter 24 concerns Justice, Freedom and Security.
 6. In the above mentioned study EC (2021) one can find the detailed comparison of how pillars, chapters, clusters, flagships and the like intertwine.
 7. Communication new Growth Plan for the Western Balkans (2023) Directorate-General for Neighbourhood and Enlargement Negotiations, 7th November, https://enlargement.ec.europa.eu/2023-communication-new-growth-plan-western-balkans_en

the increasing participation of stakeholders. It means establishing in WB countries open, interconnected networks of stakeholders, cooperating through strategic partnerships, and being able to respond to technological, market, and social changes.

It should be evident then that the EUSAIR, with its flexible, horizontal, and bottom-up approach, has many assets to contribute to the enlargement process. EUSAIR offers a framework where different processes, strategies, and funds (EU and non-EU) converge towards shared priorities. Through cooperation at the technical level among its participants, the EUSAIR can foster the administrative capacity in WB countries. It can support the early access to some EU policies and instruments to the WB, in particular in the field of cohesion policies.

With its territorial approach, it stresses the place-based dimension of policy-making, a strategy-orientated approach informed by the partnership principle. This can enhance the accountability of its governments and public administrations, as it offers a learning-by-doing experience of working methods that are grounded, evidence-based, and participatory. By promoting EU multilevel governance and strong involvement of stakeholders, it can contribute to the consolidation of democracy. In various fields, EUSAIR had anticipated many trends in EU policy priorities: combining innovation, economic development, and attention to environmental issues. Thus, EUSAIR is particularly well-placed to include the WB in the EU's endeavours to fight climate change with its focus on green and innovative EU agendas, its work in the field of connectivity, and its special focus on tourism. Last, but not least, the EUSAIR can become the place where stakeholders work to scale up to the policy level the achievements of the EU projects they carry out.

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THIRD PART
Annex and materials

13. Programmes and Pictures of the training activities

Edited by Nicoletta Ciaraglia



BELGRADE

MAY 8 - 9, 2023





REPUBLIC OF SERBIA
MINISTRY OF EUROPEAN INTEGRATION



Eu Cohesion Policy

Functional areas and Integrated Territorial Tools in Cross-Border Regions in Serbia

Monday 8 - Tuesday 9 May 2023

Hotel Mercure Belgrade Excelsior

KNEZA MILOŠA 5 | 11000 BELGRADE - SERBIA

Monday 8 May 2023 - 9:30 Registration of participants, welcome coffee

Morning (10.00-13.00)

- Welcome and introduction to the project
Cons. Giuseppe Cirillo - Italian Embassy
Sanda Šimić - Ministry of European Integration, Serbia
Raffaella Coletti - CNR ISSIRFA, Italy
- Introduction: Cohesion policy 21-27 - structure and priorities
- The framework: Cross-border cooperation and macroregional strategies
- Functional areas: evolution of the concept
- Typologies and criteria for defining a functional area
- Q&A
- Introduction to the workshop

Lunch break

Afternoon (14.00 - 17.00)

- Workshop on cross-border areas in Serbia: local needs and functional territories
- Collective presentation and discussion

Tuesday 9 May 2023

Morning (9.30-13.00, with coffee break)

- Integrated territorial tools: background, evolution, principles.
- PO5 - A Europe closer to citizens
- Examples of good practices, including in specific CBC contexts.
- Q&A
- Introduction to the workshop

Lunch break

Afternoon (14.00 - 16.30)

- Workshop on cross-border areas in Serbia: potentials and tools
- Collective presentation and discussion



NOVISAD

MAY 10 - 11, 2023





EU Cohesion Policy: principles, opportunities and prospects in Vojvodina

Chamber of Commerce and Industry of Vojvodina
3rd floor, Master centre, Braće Popović 5, Novi Sad
10-11 May 2023

1st Day – Wednesday 10 May 2023 - 9:00 Registration of participants

Morning (9.30-13.00)

- Welcome and introduction to the project
Representative of the European Affairs Fund of AP Vojvodina
Raffaella Coletti - CNR ISSIRFA, Italy
- Aims and structure of cohesion policy: mainstream programmes and cross-border cooperation
- Principles and governance of the EU cohesion policy. Focus on participation and the role of open data: the case of OpenCoesione

Coffee break 11.00

- Priorities of cohesion policy and enabling conditions: between continuity and challenges
- Territorial imbalances and a focus on the “Smarter Europe” objective: definition and example of good practices in planning and monitoring
- Q&A

Lunch break

Afternoon (13.45 - 16.00)

- Laboratory: Smart Specialization Strategy (S3) in Vojvodina Region
- Collective presentation and discussion

2nd Day – Thursday 11 May 2023

Morning (9.30-13.00)

- Environmental challenges and a focus on the “Greener Europe” objective
- Present and future of cohesion policy and the role of regional scale
- The Italian governance model: achievements and challenges

Coffee break (11.00)

- The role of territory: cities, inner areas and functional areas
- Q&A

Lunch break

Afternoon (13.45 - 16.00)

- Laboratory: Cities, inner areas and functional areas in Vojvodina region
- Collective presentation and discussion



PODGORICA

JUNE 13 - 14, 2023





EU Cohesion Policy: Principles, Instruments, Opportunities

Hotel Aurel

Josipa Broza Tita bb, Podgorica 81000, Montenegro

13-14 June 2023

1st Day – Tuesday 13 June 2023 – 8:30 Registration of participants

Morning (9.00-13.00, with coffee break)

- Welcome and introduction to the project
Andreina Marsella – Ambassador of Italy in Montenegro
Irena Bošković – Ministry of European Affairs, Montenegro
Raffaella Coletti – CNR ISSIRFA, Italy
- Cohesion policy: structure, principles, governance
- Programming EU Cohesion policy: from the EU budget to the operational programmes.
Examples from the 2021-2027 programming period in Italy
- A focus on the “Smarter Europe” objective: definition and example of good practices in planning and monitoring

Lunch break

Afternoon (14.00 – 15.30)

- Laboratory: Smart Specialization Strategy (S3) in Montenegro
- Collective presentation and discussion

2nd Day – Wednesday 14 June 2023

Morning (9.00-13.00, with coffee break)

- Territorial dimension in EU Cohesion policy:
 - European Territorial Cooperation: general principles and opportunities
 - the urban dimension of EU Cohesion policy
 - case study: The Italian Strategy for Inner Areas
- Managing bodies in EU cohesion policy: what they are, how they work
- A focus on partnership principle

Lunch break

Afternoon (14.00 – 15.30)

- Laboratory: Implementing the partnership principle in Montenegro
- Collective presentation and discussion



SKOPJE

APRIL 22, 2024





Eu Cohesion Policy: Territorial strategies and governance challenges

SEA Training Center
Square Presveta Bogorodica, 3
Skopje, 22-23 April 2024

Monday, 22 April 2024 - 1st day

Morning (9.00-13.00, with coffee break)

- Welcome and introduction to the project
Mario De Rosa, Italian Embassy Skopje
Luisa Chiodi, OBCT
Karl Giacinti, EU Delegation to North Macedonia
- Territorial imbalances in the EU and Cohesion Policy aims and structure
- The urban dimension of EU Cohesion Policy
- The urban-rural relation: the case of the Italian Strategy for Inner Areas
- Integrated territorial strategies (PO5)
- Q&A

11:00 Coffee break

- European Territorial Cooperation: general principles and opportunities with focus on programmes involving North Macedonia
- The concept of macro-regional cooperation and macro-regional strategies with focus on EUSAIR and its role for enlargement
- Q&A

13:00 Lunch break

Afternoon (14.00 - 16.00)

- PO5: example of good practices in different territorial settings
- Laboratory: Cities, inner areas and functional areas in North Macedonia
- Collective presentation and discussion

Tuesday, 23 April 2024 - 2nd day

Morning (9.00-13.00, with coffee break)

- Principles and governance of EU Cohesion Policy: present and future prospects
- Focus on the partnership principle, in programming, implementation and monitoring of EU Cohesion Policy. Case study: The Italian experience of OpenCoesione
- Q&A

11:00 Coffee break

- Enabling conditions
- The emphasis on performance and the performance framework
- Q&A

13:00 Lunch break

Afternoon (14.00 - 16.00)

- PO1: example of good practices in planning and monitoring
- Laboratory: Smart Specialization Strategy (S3) in North Macedonia
- Collective presentation and discussion



TIRANA

MAY 13, 2024





EU Cohesion Policy: from programming to communication

Blue Room, Tirana International Hotel

Tirana, 13-14 May 2024

Monday, 13 May 2024 - 1st day

Morning (9.00-13.00, with coffee break)

- Welcome and introduction to the project
Embassy of Italy to Albania (TBC)
Jona Suli, General Director of SASPAC
Marie Augouy, EU Delegation to Albania
Raffaella Coletti, CNR ISSIRFA
- EU Cohesion Policy: aims and structure
- Programming the EU Cohesion policy: from the Partnership Agreement to the Programmes
- Focus on enabling conditions (2021-2027)
- Q&A

11:00 Coffee break

- The performance framework: rationale and objectives in 2021-2027
- Programming the performance framework: the Italian experience
- Q&A

13:00 Lunch break

Afternoon (14.00 - 16.00)

- Communicating EU policies: rules, strategies and targets
- Case studies: The Italian experience of OpenCoesione, Monithon, "Information measures for the EU Cohesion Policy"
- Q&A

Tuesday, 14 May 2024 - 2nd day

Morning (9.00-13.00, with coffee break)

- Green deal and cohesion policy
- The Just Transition Fund
- "Do no significant harm": the experience in Italy
- Q&A

11:00 Coffee break

- The territorial dimension of EU Cohesion Policy
- Urban dimension and the URBACT programme
- The Italian Strategy for Inner areas
- Integrated territorial strategies (PO5): principles and programming

13:00 Lunch break

Afternoon (14.00 - 16.00)

- Workshop: Territorial challenges in Albania
- Collective presentation and discussion
- Final Q&A

Speakers in the training activities

Erbilin Berisha (PhD – Urban and Regional Development) is an assistant professor at the Interuniversity Department of Regional and Urban Studies and Planning (DIST) of Politecnico di Torino, Italy. His research focuses on spatial planning systems, territorial governance and development policies in the Western Balkans, territorial cooperation, functional areas and EU Cohesion Policy. He co-authored the book “Governing Territorial Development in the Western Balkans-Challenges and Prospects of Regional Cooperation”, Springer, 2021.

Training course: “Eu Cohesion Policy Functional areas and Integrated Territorial Tools in Cross-Border areas in Serbia” Belgrade 8-9 May 2023

Luisa Chiodi has been the director of Osservatorio Balcani Caucaso Trans-europa since 2006. She holds a PhD in Social and Political Science from the European University Institute of Fiesole (Florence) and a degree in Political Science from the University of Milan. From 2003 to 2008 she was lecturer for the chair of ‘Eastern European studies’ at the Faculty of Political Science at the University of Bologna. She coordinated several research projects and is author of publications on civil society and transnational social dynamics. She has coordinated the research group of the Study “EUSAIR facilitating the enlargement process of the Western Balkans” for the DG REGIO.

Training course: “Eu Cohesion Policy: territorial strategies and governance challenges” Skopje 22-23 April 2024

Raffaella Coletti (Phd in Economic and Political Geography) is researcher at the National Research Council of Italy - Institute for the Study of Regionalism, Federalism and Self- Government (CNR ISSIRFA). Previously, she has worked as advisor for the Italian Presidency of the Council of Ministers - Department of EU Cohesion Policies, on European Territorial Cooperation

programs in the Mediterranean (2019-2020); as research fellow at the University of Rome Sapienza - Dept. Memotef (2011-2018) and as researcher at CeSPI - Research Centre on International Politics in Rome (2003-2013/2017-2019). Her research interests include borders and cross-border cooperation, EU Cohesion policy and neighbourhood policy, nationalism, populism, popular geopolitics and social movements in Rome.

All training courses

Serena Epis is Editor and Researcher at Osservatorio Balcani Caucaso Transeuropa. She is a master's graduate in European and International Studies from the University of Trento. Since June 2021 she has been working as a research assistant for OBC Transeuropa on projects related to enlargement and civil society engagement. She was selected as a student of the Honours Programme Talete, an advanced training programme on the themes of global interdependence and international cooperation. She is particularly interested in civic participation and environmental issues.

Training course: "EU Cohesion Policy: principles, opportunities and prospects in Vojvodina" Novi Sad 10-11 May 2023

Andrea Filippetti is researcher director at the National Research Council of Italy (CNR ISSIRFA), Visiting Fellow at Birkbeck Centre for Innovation Management Research, University of London. He has been Fulbright-Schuman Post Doc at Harvard University, Center for European Studies, and Marie Curie Fellow at the London School of Economics and Political Science, Department of Geography and Environment. He is interested in innovation, the globalization of intellectual property rights, technological change and productivity growth. He has worked as advisor for the Italian Ministry of Economic Development at the Department for Cohesion and Economic Development, the Italian Agency for the Promotion of Technologies for Innovation, the European Commission, the UNESCO, the Directorate Growth and Innovation of the Joint Research Centre

of the European Commission and the OECD Centre for Entrepreneurship, SMEs, Regions and Cities.

All training courses

Gentiola Madhi MA degree in EU International Relations and Diplomacy at the College of Europe (Bruges campus), after the MSc in International Relations at the University of Florence and the Advanced European Studies at the European College of Parma. Previously, she has worked with Albanian institutions, Italian local administrations and international NGOs. In 2018 she started collaborating with OBCT covering political and social developments in Albania. Since 2023, she works at OBCT as researcher and policy analyst on issues of enlargement, territorial cohesion and macro-regional strategies.

Training course: "EU Cohesion Policy: Principles, Instruments, Opportunities" Podgorica 13-14 June 2023

Loris Servillo is professor in spatial planning at the Politecnico di Torino (DIST) and director of the interdepartmental centre Future Urban Legacy Lab (FULL). He has a long-standing experience in researches about spatial planning and policies, in particular with a EU-wide focus. He has investigated the crossing road of socio-spatial dynamics and spatial policies (and in particular EU policies), with a specific attention to the theme of spatial justice and territorial cohesion, and with a focus on fragile and marginalized territorial areas, and related regeneration programs, e.g. the European instrument Community-Led Local Development (CLLD) and its application in the EU, and the National Strategy for Internal Areas (SNAI) in Italy.

Training course: "Eu Cohesion Policy Functional areas and Integrated Territorial Tools in Cross-Border areas in Serbia" Belgrade 8-9 May 2023

Simona Trento is an expert in cohesion policy, local development and European territorial cooperation. She has worked for fifteen years as project manager coordinating several programs and projects financed by European structural funds on behalf of public owned bodies and organizations, by accompanying central and local administrations in cohesion policy's programming and implementation. Between 2016 and 2023 she was engaged as senior advisor at the Department for Cohesion Policies and at the Territorial Cohesion Agency of the Presidency of the Council of Ministers, where she initially collaborated on supporting the national governance of Italian-participated Interreg programs and later contributed to the coordination process for defining 2021-2027 cohesion policy at national level. From September 2022, she served as an Expert Member of the Evaluation and Analysis Unit for Programming (NUVAP) within the same department, until its restructuring in December 2023.

Training course: "Eu Cohesion Policy: from programming to communication" Tirana 13-14 May 2024

14. Programmes and Pictures of the collective events

Edited by Nicoletta Ciaraglia



ROME

NOVEMBER 7, 2023





Site visit in Rome

Consiglio Nazionale delle Ricerche CNR
Piazzale Aldo Moro, 7
Biblioteca centrale sala "A"
7 - 8 November 2023

Tuesday, 7 November 2023

9.30 - 10.00 Welcome remarks

Giulio Salerno, CNR ISSIRFA

Luisa Chiodi, OBCT/CCI

Cristina Caputo, Ministry of Foreign Affairs and International Cooperation of Italy

10.00 - 11.00 Project meeting: state of the art and future steps

11.00 - 11.30 Coffee break

1. Operationalizing cohesion policy: programming, implementation and monitoring

11.30 - 13.00 Managing the EU cohesion policy: achievements and challenges

Andrea Ciaffi, Lazio Region

Mara Giua, University Roma Tre

Francesca Leoni, Autonomous Province of Trento

13.00 - 14.00 Lunch break

14.00 - 15.30 Enabling conditions for the EU cohesion policy: horizontal and thematic conditions

Antonia Baraggia, University Statale of Milan

Andrea Filippetti, CNR ISSIRFA

Gabriella Saputelli, CNR ISSIRFA

Benedetta Vimercati, University Statale of Milan

15.45 - 17.15 Communicating the EU Cohesion Policy

Paola de Fazio, Il Sole 24 Ore

Tea Ivanisevic, Dept. of Cohesion Policy, Presidency of the Council of Ministers of Italy

Luigi Reggi, Monithon



Wednesday, 8 November 2023

2. Territorial strategies in EU Cohesion Policy

09.30 - 11.00 Italian Strategy for Inner Areas

Caterina Brancaleoni, Emilia Romagna Region (*online*)

Sabrina Lucatelli, "Riabitare l'Italia" and former coordinator of the Italian Strategy for Inner Areas (SNAI)

Daniele Zini, Autonomous Province of Trento

11.00 - 11.30 Coffee break

11.30 - 13.00 Examples of cross-border integrated strategies (online)

Irene Covi, Interreg Italy-Austria

Tanja Curto, GECT-GO Italy -Slovenia

Raffaele Viaggi, Mission Operationelle Transfrontaliere, France

13.00 - 14.00 Lunch break

14.00 - 15.30 Cities in EU Cohesion policies

Massimo Allulli, National Association of Italian Municipalities (ANCI)

Raffaele Barbato, City of Rome

Gentiola Madhi, OBCT/CCI

15:30 - 16:30 Closing remarks

link teams



FINAL WEBINAR

of the project “Programming the EU Cohesion Policy:
Exchange Programme on Chapter 22 in Serbia and Montenegro”
KEP 2022

14 March 2024

11.00-13.00h CET

In the framework of the accession negotiations to the European Union (EU), Chapter 22 of the *acquis communautaire* – namely a set of EU policies and standards - aims at the development of a regional policy in the candidate countries, which reduces socio-economic and territorial disparities both at the national level and between the territories of the various member states. The path of alignment with the European standards is long and complex process, and the relevant authorities at both central and local level are requested to develop specific administrative and financial capacities that enable the implementation of the EU Cohesion Policy funded programs.

This webinar aims to discuss the role played by regional policy in the context of the European integration process of the Western Balkans. It will also provide an overview of the work conducted by OBCT and CNR-ISSIRFA with the public institutions in Montenegro, Serbia, and the Autonomous Province of Vojvodina in strengthening their technical-administrative capacities and promoting horizontal inclusion of a diverse range of stakeholders.

AGENDA

11.00 - 11.15: **Welcome remarks**

Roberto Antonione, Central European Initiative*

Giulio Salerno, CNR ISSIRFA

Luisa Chiodi, CCI/OBCT

11.15 - 11.45: **Regional Policy contributing to EU enlargement in the Western Balkans**

Gilles Kittel, European Commission, DG REGIO

Nelli Timm, European Commission, DG NEAR

11.45 - 12.30: **Presentation of the project: results and follow up**

Raffaella Coletti, CNR ISSIRFA

Sanda Šimić Stambolić, Ministry of European Integration of Serbia

Bojan Vujović, Ministry of European Affairs of Montenegro

Mina Radmilović Pjevac, European Affairs Fund, PA Vojvodina



12.30 - 13.00: **Discussion and conclusions**

Andrea Cascone, Ministry of Foreign Affairs and International Cooperation of Italy

Milena Rosa, Italian Presidency of the Council of Ministers – Cohesion Policy Department

Moderator: Andrea Filippetti, CNR ISSIRFA

The webinar will be hold only in **English language**.

To attend the event, please fill in the [online registration form](#).

Info: segreteria@balcanicaucaso.org



BELGRADE

NOVEMBER 5, 2024





Final event of the project "Exchange programme on Chapter 22 of the acquis". The event aims at discussing accession negotiations on Chapter 22 of the EU acquis on regional policy, unpacking the current state of the art and future perspective with representatives of national competent authorities and EU institutions.

Focusing on the planning phase of the cohesion policy, the project carried out by OBCT/CCI together with CNR ISSIRFA aimed at promoting training and exchange of know-how and expertise with the national authorities of four Balkan countries candidate to the European Union, i.e. Albania, Montenegro, North Macedonia and Serbia.

The event aims at discussing accession negotiations on Chapter 22 of the EU acquis on regional policy, unpacking the current state of the art and future perspective with representatives of national competent authorities and EU institutions. It will also provide an opportunity for the exchange of good practices among professionals from Albania, Montenegro, North Macedonia and Serbia to share achievements and difficulties encountered during the negotiation process.

Programme:

9.00-9.10 **Welcome**

Luisa Chiodi, Osservatorio Balcani Caucaso Transeuropa/Centro Cooperazione Internazionale, OBCT-CCI, Italy

9.10-9.30 **Introductory remarks**

- Tanja Mišević, PhD, Minister of European Integration, Serbia
- Luca Gori, Ambassador of Italy to Serbia

9.30-11.00 **Panel**

Regional Policy, Territorial Cooperation, Enlargement: Experiences and Future Perspectives in the Western Balkans

Speakers

- Gilles Kittel, DG REGIO, European Commission: "The role of Chapter 22 and future perspective of cohesion policy"
- Nicola Bertolini, EU Delegation to Serbia: "The Enlargement, Chapter 22 of the acquis and the future of IPA"
- Sanda Šimić, Ministry of European Integration, Serbia: "The territorial approach in Interreg"
- Marija Jeftić, PhD, Faculty of Geography, University of Belgrade: "Functional areas and spatial plans of special purpose areas"

Moderator

Raffaella Coletti, National Research Council of Italy - Institute for the Study of Regionalism, Federalism and Self-Government (CNR ISSIRFA)

11.00-11.20 **Coffee Break**

11.20 - 12.50 **Round table**

State of Play at Country Level: Achievements and Challenges on Chapter 22 of the Enlargement

Speakers

Kledia Nakuçi, State Agency for Strategic Programming and Assistance Coordination (SASPAC), Albania

Irena Bošković, Ministry of European Affairs (MEA), Montenegro

Elizabeta Buova, Ministry of European Affairs (MEA), North Macedonia

Valentina Vidović, Ministry of European Integration (MEI), Serbia

Moderator

Luisa Chiodi, OBCT-CCI

12.50 - 13.00 **Concluding Remarks**

Luisa Chiodi, OBCT-CCI

Raffaella Coletti (CNR ISSIRFA)

13.00 Lunch

INFO:

Osservatorio Balcani Caucaso Transeuropa

e-mail: redazione@balcanicaucaso.org

15. Projects' partners in the Western Balkans

Albania: The State Agency for Strategic Programming and Aid Coordination is established under the Prime Minister Office and plays a central role in coordinating and overseeing development programs, projects and strategies in Albania. In close cooperation with EU and international donors community, it coordinates financial and investment instruments, mainly IPA and WBIF, as well as development cooperation programs and projects, it aims to ensure they are fully aligned with the National Strategy for Development and European Integration. SASPAC assists the Prime Minister in setting national development priorities, including the national strategic projects pipeline and the responsible institutions in the development of sectoral and cross-sectoral strategies.

Montenegro: The Ministry for European Affairs of the Government of Montenegro is in charge of the dynamic process of negotiations on Montenegro's accession to the European Union. It pursues the following activities: representation of the most demanding stage of the European integration; monitoring the harmonisation of Montenegrin legislation with the EU acquis; coordination of the process of preparation of the official translation of the EU legislation into Montenegrin language; coordination of the use of the EU pre-accession funds that are available to Montenegro through national and regional programs, and through the programs of CBC and transnational cooperation.

North Macedonia: The Secretariat for European Affairs (SEA) is a professional service within the Government of the Republic of North Macedonia, with rights and obligations of a function-holder responsible for a state administrative authority. SEA has a horizontal coordinative function related to the issues associated with the preparation and execution of the negotiation for EU membership. Its basic function is as Secretariat for negotiations with the EU,

as coordinator of the activities and work of the negotiating structure. SEA is headed by the Deputy Prime Minister in charge of European Affairs, who at the same time performs the role of a National IPA Coordinator and holds the responsibility to manage the funds that the EU allocates for reforms implementation.

Serbia: The Ministry of European Integration of the Republic of Serbia carries out state administration affairs and expert tasks including: coordination, monitoring and reporting on the EU accession; establishing and developing a system for the use of EU Structural and Cohesion funds; preparation of strategic documents defining development priorities for financing from the EU Structural and Cohesion funds; Cooperation experience coordination of the programming and monitoring of IPA funds; coordination of instruments for implementation of macro-regional strategies; coordination and organisation of trainings in EU fields.

Serbia: The European Affairs Fund monitors and implements the European integrative processes and builds the institutional capacities of the Autonomous Province of Vojvodina, aiming at faster integration of the Republic of Serbia into major European political and economic processes, and establish economic, scientific, and cultural cooperation with European regions and their institutions. Fund's main activities are: cooperation with local authorities and other stakeholders involved in the EU integration; cooperation with scientific institutes on issues falling within the scope of its activities; promotion of common European values to the public, through seminars, round tables and lectures; activities related to the use of EU structural and development funds and EU Technical Assistance Program; coordination with the activities of the EU Integration Office of the Government of Republic of Serbia.

The book presents the results of two projects promoted by Cnr Issirfa and Osservatorio Balcani Caucaso Transeuropa between 2022 and 2024, funded within the “Know-How Exchange” programme managed by the Central European Initiatives and supported by the Italian Fund at the Bank for Reconstruction and Development. The aim of the projects was to support the preparation for the implementation of the EU Regional policy and the Coordination of Structural Instruments as defined in Chapter 22 of the *acquis communautaire* in for Western Balkan countries (Albania, North Macedonia, Montenegro, Serbia). The book has two main aims: first, telling the story of the projects, focusing on their goals, activities and results; second, offering some additional material to the beneficiaries of the courses and to other stakeholders potentially interested in learning more about EU Cohesion Policy, with a focus on the experience of Italy.