

ISO 1: Better Cooperation Governance

01 October 2020, Version 1
Fostering governance in Interreg



Disclaimer: You are permitted to print or download this material for your personal use. This material can be used for public use, provided the source is acknowledged and the publisher is given prior notice. None of this material may be used for commercial purposes. The information and views set out in Interact documents do not always reflect Interact's opinions.

Publisher Interact Programme **Date** 01 October 2020 **Publication leader** Bernhard Schausberger

Contributors Philipp Schwartz, Mercedes Acitores, Robert Mazurkiewicz, Linda Ring

www.interact-eu.net

Table of Contents

Introduction	5
1. Key intent of ISO 1	6
1.1. Which programmes are addressed?	7
2. The context of ISO 1	7
2.1. Position of ISO 1 in the Programme	7
2.2. Institutional capacity building and governance	8
2.3. Examples of development challenges	9
3. Thematic scope	11
3.1. ISO 1 versus POs 1 to 4	11
3.2. ISO 1 versus PO 5	12
3.3. SPF and people-to-people actions in the framework of ISO 1	12
3.4. Support to governance of MRS/SBS	13
3.5. Support to governance of OMR	13
3.6. Cooperation across programmes	14
3.7. External cooperation	14
4. Implementation issues	15
4.1. Demarcation lines to TA	15
4.2. Eligible expenditure	16
4.3. Indicators	16
5. Reference to further materials	18

List of Abbreviations

Abbreviation	Full term
CBC	Cross-border cooperation
CLLD	Community-led local development
CP	Cooperation Programme
CPR	Common Provisions Regulation
DG	Directorate General
EC	European Commission
EGTC	European Grouping of Territorial Cooperation
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
GIS	Geographic Information Systems
ISO	Interreg-specific Objective
ITI	Integrated Territorial Investment
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MLG	Multi-level governance
MRS	Macro-regional strategy
MS	Member State
NGO	Non-governmental organisation
OMR	Outermost regions
PO	Policy Objective
SBS	Sea basin strategy
SC	Steering Committee
SO	Specific Objective
SPF	Small Project Fund
Strand A	Cross-border cooperation
Strand B	Transnational cooperation
Strand C	Interregional cooperation
Strand D	Outermost regions' cooperation
RCO	Common output indicator in Annex 1 of the ERDF-Regulation
RCR	Common result indicator; ERDF Regulation, Annex 1
TA	Technical assistance

Introduction

Each programming period brings new elements with its legislative proposals. This paper on the Interreg-specific Objective (ISO) “Better Cooperation Governance” is largely based on an online Q&A Session from 16 June 2020, and needs to be checked against the final versions of the relevant regulations. Based on questions from the Interreg community and answers provided by the European Commission, DG Regio (Units D1 and D2), it elaborates on the key aspects of this Objective in the 2021-2027 programmes.

This ‘ISO 1’ paper aims at:

- Providing a good understanding of the idea behind ISO 1 and showing how to integrate it into future programmes.
- Proving that owing to the specificities and challenges in cooperation, targeted support to governance under ISO 1 could be a rewarding investment for programmes.

1. Key intent of ISO 1

ISO 1 is one of two Interreg-specific objectives which 2021-2027 Interreg programmes can choose from Art. 14(4) and (5) Draft ETC Regulation. According to the latest compromise text on the draft regulation, ISO 1 is about:

Strand	Activities proposed in Article 14, draft ETC regulation
A	<p>(i) <i>enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders;</i></p> <p>(ii) <i>enhance efficient public administration by promoting legal and administrative cooperation, and cooperation between citizens, civil society actors and institutions, in particular, with a view to resolving legal and other obstacles in border regions;</i></p> <p>(iii) <i>build up mutual trust, in particular by encouraging people-to-people actions</i></p>
A, B, D	<p>(iv) <i>enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies;</i></p>
B, C, D, A ext.	<p>(v) <i>building up mutual trust, by enhancing sustainable democracy and by supporting civil society actors and their role in reforming processes and democratic transitions;</i></p>

Source: Compromise proposal for the draft ETC-Regulation, June 2020

The difference between “thematic” policy objectives 1 to 4 and PO 5 on integrated territorial development and ISO 1 is that while the former address single thematic challenges (1-4) respectively integrated, strategy-based development approaches (PO 5) in a certain territory, ISO 1 addresses governance challenges related to cooperation.

- If actions are needed in one thematic sector only, PO 1 to 4 are the ones to choose.
- If simultaneous and interlinked actions in several thematic sectors are needed, PO 5 and the integrated development is the way forward.
- If unresolved governance issues hamper cooperation, if new themes in cooperation arise and capacities need reinforcement, or if MRS or SBS need support to their governance – then ISO 1 on “Better cooperation governance” is the relevant choice.

Simply put:

- Use PO 1 to 4 as sectoral objectives.
- Use PO 5 for a functional area with multi-thematic challenges requiring action not only in one sector, but in an integrated way across sectors.
- Use ISO 1 as a catalyst to make the cooperation in the area and programme strategies work, or make it work better and more sustainably.

1.1. Which programmes are addressed?

The Interreg-specific Objective addresses all Interreg programmes. This document applies to any future Interreg programme, whether it is a cross-border, transnational, interregional¹ or outermost regions' cooperation programme (if not otherwise stated).

2. The context of ISO 1

2.1. Position of ISO 1 in the Programme

The Interreg-specific Objective is equal to any PO. It should be a separate programme priority with its own strategic rationale. Unlike the POs, specific objectives for Interreg-specific Objectives are not explicitly mentioned in the draft Interreg regulation. However, for pragmatic reasons the actions listed in Article 14 of the draft ETC regulation will be considered as specific objectives. Thus, "Better cooperation governance" covers the following "specific objectives":

1. Building institutional capacity of public authorities
2. Legal and administrative cooperation
3. People-to-people actions for increased trust
4. Building institutional capacity to manage macro-regional strategies and sea-basin strategies, as well as other territorial strategies
5. Support to democracy and civil society
6. Other actions to support better cooperation governance

Table 1: Actions under ISO 1 and options according to strands

Actions	A CBC	B TN	C IR	D OMR	A Ext
Building institutional capacity of public authorities	X				X
Legal and administrative cooperation	X				X
People-to-people actions for increased trust	X				X
Building institutional capacity to manage MRS and SBS, as well as other territorial strategies	X	X		X	X
Support to democracy and civil society		X	X	X	X
Other actions to support better cooperation governance	X	X	X	X	X

Cooperation programmes may also choose No. 6. ("Other actions") if they, for example, intend to merge several of the proposed eligible actions, or have other ideas when respecting the spirit of the eligible actions proposed to them.

¹ ESPON and Interact are obliged to use ISO 1 (Better Interreg/cooperation governance).

2.2. Institutional capacity building and governance

Engaging in cooperation with neighbouring regions across a border requires capacities and sustained efforts.² Key steps in cooperation require substantial institutional capacities; namely,

- building the fundamentals for cooperation;
- working on common understanding of cross-border issues;
- identifying legal and administrative obstacles, and other impediments to cooperation;
- developing shared strategies, as well as proceedings and sustained mechanisms for cooperation and alleviation of obstacles;
- thus, delivering consistent and well-managed policies across borders.

Institutional capacity and governance are the key to successful and sustainable cooperation. There are many definitions and concepts for the term “governance”. As one example, we would like to share the definition of European governance as used by the EU, since this definition pinpoints several crucial issues and values for a contemporary approach to governance:

European governance³ is based on the following principles:

- *opening up and transparency of the institutions;*
- *involving civil society in decision-making;*
- *framing and implementing consistent and well-managed policies;*
- *ensuring a clear, stable and predictable regulatory framework supporting growth and jobs;*
- *respecting the principles of proportionality and subsidiarity;*
- *ensuring that each of the institutions [and EU countries]⁴ explains and takes responsibility for what it does [in Europe];*
- *[contributing to the global governance debate with a view to improving the operation of international institutions.]*

The “European” definition of governance emphasises the participatory approach and involvement of civil society, as well as the consistency and predictability of institutions and their actions. It is important to see that the political-administrative systems in MS consist of institutions at several levels; i.e., at national, regional and local levels. Only if institutions at all levels cooperate can governance be holistic and lasting.

Thus, another important point in the context of Interreg – as an instrument fostering cooperation between the regions of the EU - is “multi-level governance” (MLG); MLG as

² European Quality of Government Index (EQI) could be a source of information considered during the analysis, but the focus of ISO 1 is the governance of cooperation, and an assessment of that requires quite specific expertise. Programme partners and MC members of Interreg programmes could often provide substantial expertise related to that.

³ See: <https://eur-lex.europa.eu/summary/glossary/governance.html>

⁴ Elements in brackets are specifically related to the EU governance

the guiding principle for cooperation across all tiers of government; i.e., vertically and horizontally, involving quasi-governmental bodies, NGOs and civil society.⁵ Support to governance and strategy-building under ISO 1 should respect the principle of MLG. It is understood as a dynamic process and it rests on shared responsibility. Several key success factors in terms of good cooperation governance rely on MLG. To pinpoint just two aspects which are particularly relevant in the context of ISO 1:

- MLG is a pre-requisite for strategy-ownership across borders, since in particular integrated and multi-sectoral approaches require cooperation across several tiers of the administration.
- Effective work on alleviation of administrative and legal obstacles across borders requires MLG, since such obstacles often reveal quite complex roots extending through several tiers of government. Capturing the essence can be a demanding exercise and in addition competency layers might differ between MS

Both concepts; i.e., those for governance and for MLG, clearly indicate the need for cooperation among institutions. In the context of cooperation across borders, ISO 1 calls for support to governance, thus capacity-building for the cooperation of institutions is a pre-requirement. In the longer-run, this can bring about more change than investment in stand-alone infrastructure projects. For a comprehensive approach programmes should consider including all of the following:

- people-to-people actions (ISO 1 or any PO) and infrastructure investment (PO) providing visible results in a short- to mid-term perspective next to
- strategic support to governance for the longer-term integration of the cross-border area under ISO 1

2.3. Examples of development challenges

ISO 1 could help to tackle challenges standing in the way of cooperation across borders and negatively affecting the lives of citizens in border regions. Starting with the Cross-Border Review⁶ in 2015, DG Regio has made a major effort to raise awareness of cross-border issues and the added-value of cooperation. Major challenges are:

- Legal and administrative obstacles
- Missing links
- Lack of joint public services⁷
- Lack of data and evidence

⁵ This major initiative to foster the principle of MLG in European governance has been taken by the Committee of Regions (CoR) (see the CoR's Whiter Paper on MLG, 2009 and its Charter on MLG, launched in 2014: <https://portal.cor.europa.eu/mlgcharter/Pages/MLG-charter.aspx>)

⁶ For more details please see: https://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/review/

⁷ An interesting project on cross-border public services has been launched in ESPON: CPS – Cross-border Public Services. For more details, please see: <https://www.espon.eu/CPS>

In particular, the removal or alleviation of legal and administrative obstacles is an important policy goal for the 2021-27 period. The major challenge is that people become aware of obstacles affecting their daily lives but, in most cases, they do not know the root cause of the obstacles. Legal implications across borders are often tricky, and efficient work on their alleviation requires expertise. It would be beneficial to think about capacities and structures to work on these issues. For example, these could be pools of experts supporting the work of regular committees. Evidently, pro-active, efficient and effective work requires cooperation between both countries. Inspiration for this type of work can be found in the “b-solutions” initiative (see the table below).

Missing links could become an issue for ISO 1; for example, if a programme area lacks a coherent transport strategy and struggles to define shared investment priorities in cross-border transport infrastructure, or if efficient border-crossing public transport encounters legal and/or administrative obstacles.

A series of publications provides valuable insights into the aforementioned challenges:

Publications	Link
Obstacles <i>Easing legal and administrative obstacles in EU border regions (2017)</i>	<p>The study includes a final report, 15 thematic case studies and an inventory of border obstacles.</p> <p>https://ec.europa.eu/regional_policy/en/information/publications/studies/2017/easing-legal-and-administrative-obstacles-in-eu-border-regions</p> <p>In particular, over 200 well-documented border obstacles have been collected and analysed in the process. The collection has been put together in an inventory.</p> <p>https://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/review/#1</p>
<i>B-solutions initiative</i>	<p>In the current framework of the initiative (mid-2020), 43 obstacles have been analysed and solutions proposed. A compendium of cases is available.</p> <p>https://www.b-solutionsproject.com/.</p>
<i>Communication: Boosting growth and cohesion in EU border regions (2017)</i>	<p>https://ec.europa.eu/regional_policy/en/information/publications/communications/2017/boosting-growth-and-cohesion-in-eu-border-regions</p>
Missing links <i>Comprehensive analysis of the existing cross-border rail transport connections and missing links on the internal EU borders (2018)</i>	<p>“Missing links”, non-operational, small-scale, cross-border railway connections within the EU have gained political visibility in recent years. The study provides an inventory of all rail connections along the EU and EFTA internal land borders, including considerations on their economic viability.</p> <p>https://ec.europa.eu/regional_policy/en/information/publications/reports/2018/comprehensive-analysis-of-the-existing-cross-border-rail-transport-connections-and-missing-links-on-the-internal-eu-borders</p>
Public transport in Cross-Border Regions	<p>DG Regio has also launched a collection of examples on cross-border public transport solutions across Europe. The conference report “Boosting Cross-Border Regions through better transport” is available.</p> <p>https://op.europa.eu/en/publication-detail/-/publication/7bdaacc0-05cb-11ea-8c1f-01aa75ed71a1/language-en/format-PDF/source-108771252</p>

3. Thematic scope

The basic consideration underlying ISO 1 is as follows: What makes cooperation work in your area? This is in contrast to the question: What makes my Interreg programme work? The answer to the latter question is Technical Assistance (TA).

To start with, and as mentioned above, ISO 1 is neither a thematic policy objective nor an objective limited to one specific theme, as it should focus on governance issues for cooperation. ISO 1 is a programme priority primarily addressing governance issues through strategic projects, regardless of to which sector they belong. The following issues could be addressed under ISO 1:

- Building the strategic fundament;
- Tackling legal and administrative obstacles, or developing “enabling” projects to address solutions for bridging important gaps in soft or hard infrastructure;
- Setting-up cooperation mechanisms such as the tools required for the implementation of strategies in PO 5;
- Supporting the implementation of MRS and SBS as well as other territorial strategies.

3.1. ISO 1 versus POs 1 to 4

POs 1 to 4 follow a sectoral logic. However, governance issues may surface in all sectors; for example, many legal and administrative obstacles are of a sectoral nature. This is where projects under ISO 1 could become an important enabling factor: ISO 1 could help to improve cooperation governance in sectors by explorative strategy-building, or to establish lasting cooperation frameworks between key players, or the removal of obstacles. Examples for support to governance under ISO 1 are:

- PO 1: Exchange of researchers and flexible cooperation between universities could be blocked or held back by a lack of mutual recognition of test results or qualifications – projects under ISO 1 could work on this.
- PO 3: If cross-border mobility in public transport is hampered by legal and administrative obstacles such as a lack of shared planning, coordination and ticketing mechanisms, ISO 1 could be used for an enabling project to prepare the ground; subsequent implementation projects should be funded from PO 3.
- PO 4: Cross-border health planning and use of infrastructure has a lot of legal implications. A project under ISO 1 might help to clarify legal implications, develop scenarios to match different compensation schemes used in health insurance, or to set up regional health plans and feasibility studies for the shared use of infrastructure.

3.2. ISO 1 versus PO 5

ISO 1 is meant for strategy building. If a programme selects PO 5, the multi-sectoral territorial strategies as an essential element of the territorial tools⁸ do not have to be in place when the programme starts.

- If strategies do not yet exist, ISO 1 can be used to support their development process – with a view to then seeing their implementation financed under PO 5.
- If the strategies already exist – their implementation should be financed in full under PO5, and not under ISO 1; the “running costs” of implementing the strategies are to be counted under the PO5 budget.

When it comes to the approach, the major differences between PO 5 and ISO 1 are: Projects in ISO 1 can be stand-alone actions, whereas projects in PO 5 have to contribute respectively to be part of an agreed integrated territorial strategy. Projects in PO 5 should result from a bottom-up approach, whereas projects in ISO 1 can be developed in both ways: bottom-up initiated by stakeholders on the ground, or top-down as strategic capacity-building actions.

3.3. SPF and people-to-people actions in the framework of ISO 1

First of all, both Small Project Fund (SPF)⁹ and people-to-people actions are tools and not objectives. Both are a means to an end.¹⁰ People-to-people actions and SPF might be used under all POs and ISOs to implement their specific (thematic) aims.

People-to-people projects usually refer to small projects that bring citizens together – typically, such actions address children, culture, language, sports. The main objectives are getting to know each other and enhancing trust-building. The implementation of such actions could be done as SPF according to Article 24 of the draft ETC Regulation. But it could also be done by MAs directly managing small projects.

Two examples:

- For people-to-people actions or actions working on the identification and alleviation of cross-border obstacles¹¹, an SPF under ISO 1 might be the right choice. Following the spirit of the Commission’s Cross-border Review, the work on the identification and alleviation or removal of legal and administrative cross-

⁸ If a programme decides to go for PO 5 there are certain pre-requirements for the implementation; i.e., either to use CLLD, ITI or “another territorial tool”; all three options are about a strategy-based approach for integrated (multi-sectoral) territorial development

⁹ According to Article 24 of the draft ETC-Regulation

¹⁰ At first these tools are independent from each other; people-to-people actions might happen in big or small projects; an SPF might target actions other than people-to-people actions, such as seed financing for bigger projects

¹¹ We recommend looking into the B-Solutions initiative by the Commission; see <https://www.b-solutionsproject.com/>

border obstacles should become an important focus in the forthcoming period.¹² Programmes could develop their own “b-solutions” scheme as an SPF.

- For awareness-raising for climate change and people-to-people actions working on behavioural changes, you should establish an SPF under PO 2.

3.4. Support to governance of MRS/SBS

Support to the implementation of MRS and SBS is clearly on the agenda of ISO 1.¹³ Evidently, MRS and SBS will not work without dedicated support to institution building, coordination and governance. It should be considered as a specific action offered under ISO 1 for Strand B programmes working in territories covered by such strategies.

For transnational programmes working in the territories of an MRS, the alignment of programme priorities with the priorities of the MRS is obligatory¹⁴ – work under ISO 1 could be an incentive to deepen the work on shared priorities.

In addition to the reports and action plans of the respective strategies, recent policy reports might also provide supportive information.¹⁵

3.5. Support to governance of OMR

From the perspective of OMR, the answer to the key question is different from what it is for CBC or transnational cooperation: In the case of OMR, what makes cooperation work in the area primarily targets non-EU countries. OMR programmes under Interreg are designed for regional integration in their specific area. Thus, a major issue for OMR is the coordination between the European Development Fund (working in the third countries next to the OMR) and the ERDF. Platforms that would be designed to set-up, develop and foster cooperation between the Funds would have their place under ISO 1.

Cooperation between OMR on certain thematic issues is also relevant, but not an issue for ISO 1. Thematic cooperation among OMR cooperation should be embedded in mainstream programmes, since it does not foster the regional integration of OMR in their areas.

¹² The Euregio Maas-Rhine (EMR) is currently discussing an interesting approach: to use an SPF to make obstacles visible and provide funds for resolution – knowing that even with small amounts one could achieve a lot in the alleviation and mitigation of obstacles. For more information, please see our video with exemplary intents for ISO 1 from several programmes: <http://www.interact-eu.net/library#o=library/video-interreg-specific-objective-1-better-interreg-governance-programmes-reflections>

¹³ It is an exception to the general rule that the implementation of strategies should be funded from respective POs and not from ISO 1.

¹⁴ Cf. draft ETC Regulation, Article 15.3

¹⁵ See the following quite recent policy reports: *Council conclusions on the implementation of EU macro-regional strategies (2019)* and *Second Report on the implementation of EU macro-regional strategies - COM(2019) 21 final*

It is also recommended to read the recent Communication on OMR.¹⁶ In practical terms, Interreg programmes for OMR should most probably choose “specific objective” 6 “Others” under ISO 1.

3.6. Cooperation across programmes

Support to cooperation across programmes is an option under ISO 1. However, it is important to consider:

- if it is cooperation at programme level among programme authorities it should be funded from TA;
- if the cooperation across programmes targets the level of beneficiaries one could think of many types of projects under ISO 1 for fostering engagement and capitalisation.¹⁷ Such projects could address several programmes (strands A and B) in a geographically-confined area, provided that the project would increase the knowledge of the territory and help avoid reinventing the wheel. But please note: cooperation should take place in a coherent territory and not as cooperation between geographically-dispersed programmes - if the idea targets cooperation across programmes all over Europe, then it is a project for Interreg Europe;
- Support to MRS / SBS is strongly linked to cooperation across programmes.

3.7. External cooperation

Interreg programmes at external borders should focus strongly on support to sustainable democracy and civil society. This is an essential link to EU external policy. To some extent, the programmes work at the edge of cohesion policy and EU external policy. The involvement of local NGOs is most welcome – SPF and people-to-people actions might be good tools to foster this.

Owing to the fact that projects under ISO 1 should be focussed on governance, thus the range of adequate applicants might be very limited - and calls not necessarily an efficient and effective approach to project generation. The selection of projects without calls under ISO 1 will also be possible for external programmes.

The second ISO, i.e. ISO 2, primarily addresses external cooperation programmes. There is a clear demarcation line between ISO 1 and ISO 2; the latter is about a safer and more secure Europe. ISO 2 allows for continuation of work on border-crossing management and migration - two major thematic objectives under external cooperation.¹⁸

¹⁶ COM(2020) 104 final on the implementation of the Commission Communication on a stronger and renewed strategic partnership with the EU's outermost regions

¹⁷ As an example one could look at the initiative of Arctic Programmes, where several cross-border and one transnational programme (NPA) have engaged in cooperation and promoted clustering projects, such as bringing together the knowledge of project partnerships working on similar topics in different programmes.

¹⁸ For more information on ISO 2, please see the recording of the Q & A session on : <http://www.interact-eu.net/library#o=library/video-iso2-qa-session-ec-dg-regio>

4. Implementation issues

4.1. Demarcation lines to TA

In short, the main demarcation line is as follows: If a project involves programme authorities and bodies along the functions set out in the regulations, it is a TA project. A couple of examples should help to illustrate the approach to the demarcation line between projects in TA and ISO 1:

- **Institutional cooperation** : If a line ministry represented in the MC identifies the need to develop a shared regional strategy and to strengthen cooperation capacities in regional offices, it could become a project in ISO 1 and it might indirectly support the generation of quality projects in one of the sectoral POs (1 to 4) or PO 5. Under Strand B such cooperation among ministries could be funded from ISO 1, if it supports the governance of MRS and SBS and provides a clear link to the improvement of governance). If the cooperation among the ministries is primarily based on their advisory role or decision-making in the MC, it should be funded from TA.
- **Building a project pipeline** : Short-term oriented consultancy activities focussing on advice to applicants for better access to funding is understood to be a task for TA. Under ISO 1 it could be set up as institution-building and capacity-building to support capacities for long-term governance.
- **Support to applicants¹⁹ for an SPF:**²⁰ implemented under ISO 1 should be covered from the maximum 20% for management of the Fund as part of the SPF budget
- **Cooperation across programmes** : If it is staff exchange between programme authorities and/or MC members it should be funded from TA. If it refers to cooperation of project partnerships working on the same theme (capitalisation), but having worked in different programmes, it could be funded under ISO 1.

The work of programme bodies funded from TA and ISO 1 should by no means be understood as completely disconnected work areas. At best, the work of programme bodies and the projects under ISO 1 have a joint impact on governance. In order to consolidate the role of Interreg programmes as strategic hubs for cooperation, the programme bodies and authorities should consider their job partly as a governance task. Take the example of working on legal and administrative obstacles. This is a long-term and really demanding challenge which should be considered not only in programming but also during implementation. Whether legal and administrative obstacles are on the agenda of the programme and MC meetings is to a significant extent a governance task for the MA/JS. The MC usually includes several institutions from national and regional levels representing many policy areas. Thus, the MC could be an expert body assessing institutional frameworks, capacities and obstacles in key

¹⁹ Support to applicants is a "typical" TA task, but in the case of SPF funding it should be part of the management budget of the SPF.

²⁰ Referring to an SPF according to Article 24 of the draft ETC Regulation

areas. Finally, the JS and the MC have a strong role in shaping future projects in ISO 1: the JS since it provides support to applicants, and the MC since it is in charge of project selection.

4.2. Eligible expenditure

ISO 1 is not an investment priority for building and construction works. Investment in equipment or in databases under ISO 1 is possible if clearly justified by the project objectives. In general, investment should have a limited weight under ISO 1 and be an essential tool/part to reach the project's objective. Given the wide range of possible projects under ISO 1, it is unrealizable to list all types of possibly eligible equipment being in line with the intent of ISO 1. When it comes to the purchase of equipment, one could think of an example such as hardware and software for the visualisation of data or measuring passenger flows or providing better and more illustrative pictures and maps on the programme territory, or making GIS data systems between two countries compatible, etc.

In short: the purchase of equipment or small-scale investment is not completely excluded, but good justification is required! This also becomes obvious when reading the type of actions envisaged under ISO 1. None of the actions listed in the Draft ETC Regulation indicates a focus on investment.

Another point is that projects under ISO 1 should exclude operating costs not clearly related to project implementation. Obviously, there is a fine line between operating costs and costs linked to supporting governance. The key question is: are the staff financed in the project doing something new and specific? If the staff are already in place and will continue to do what they are currently doing, it is clearly a running cost which should not be covered through the project under ISO 1.

Bodies such as Euregios are often involved in many projects, or their role quite often goes beyond project implementation; in many programmes, Euregios take over advisory functions for the programme or act as employers for staff of programme bodies. For example, if Euregios embark on new projects or initiatives under ISO 1, then their staff costs are eligible to the point they are needed to implement that particular project or initiative.

4.3. Indicators

Common indicators help to communicate the achievements of Interreg at large! The use of common indicators by programmes allows Interreg achievements to be aggregated at the European level, thereby showing a critical mass. Interact recommends using the common Interreg indicators²¹ for ISO 1.

It is clear that the definition of common indicators tends to be broad. If the programme sees the need to express its outcomes more concisely, we recommend using at least

²¹ See the second table on common indicators for Interreg in Annex 1 to the draft ERDF-Regulation

the common output indicators and being more specific with the result indicator. We also recommend limiting the number of indicators pairs (output & result) to a maximum of two or three per SO.

The proposed common indicators point at many types of outcomes potentially relevant in the context of ISO 1. The selection of common indicators in the table below provides a hint that several indicators could be used for ISO 1.

Table 2: Examples of common indicators fit for ISO 1

Proposed RCO	Proposed RCR
Participation in joint actions across borders	Participation in joint actions across borders after project completion
Solutions for legal or administrative obstacles across border identified	Legal or administrative obstacles across borders alleviated or resolved
Jointly-developed solutions	Solutions taken up or up-scaled by organisations
Organisations cooperating for the multi-level governance of macro-regional strategies	Organisations cooperating across borders after project completion

5. Reference to further materials

Association of European Border Regions (AEBR) and EC 2020, b-Solutions – Solving Border Obstacles, A Compendium of 43 Cases, Luxembourg: Publications Office of the European Union, 2020.

Committee of Regions (CoR); see the CoR's Whiter Paper on MLG, 2009 and its Charter on MLG launched in 2014:

<https://portal.cor.europa.eu/mlgcharter/Pages/MLG-charter.aspx>

ESPON: CPS – Cross-border Public Services.

<https://www.espon.eu/CPS>

DG Regional and Urban Policy 2017 (Pucher, J. Stumm T.), Easing legal and administrative obstacles in EU border regions, Study commissioned by DG Regional and Urban Policy, Brussels 2017.

DG Regional and Urban Policy 2018, (L. Sippel, j. Nolte et al.), Comprehensive analysis of the existing cross-border rail transport connections and missing links on the internal EU borders; study commissioned by DG Regional and Urban Policy, Brussels, 2018.

DG Regional and Urban Policy 2019, Boosting Cross-Border Regions through better Transport, Report from the Conference held on November 14, 2019.