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**MEASURES, TOOLS AND METHODS
FOR SUPPORTING CROSS-BORDER
CO-OPERATION**

– The case of REGIOLAB project –

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MEASURES, TOOLS AND METHODS FOR SUPPORTING CROSS-BORDER CO-OPERATION – THE CASE OF REGIOLAB PROJECT

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Abstract

The purpose of this methodological working paper is to establish the basis for better strategic planning of future cross-border or transnational co-operation activities. We observe that past cross-border co-operation projects lacked strategic focus on long-term key development priorities of the co-operation area. Therefore, we propose an approach that is based on the needs and key competencies of the co-operation area and their placement in the design and implementation of development activities. We present the measures, tools and methods for strategic planning of cross-border co-operation (CBC) that were developed and applied within the CBC project “REGIOLAB” – REGIONal development LABoratory (OP Slovenia-Austria 2007-2013). These measures, tools and methods could be easily adapted for use in other cross-border and transnational co-operation projects in the period 2014-2020.

JEL Classification: R580, R110, R120

Key words: cross-border cooperation, EU cohesion policy, regional development promotion, policy setting, regional growth, regional convergence, key common and complementary competences, measures, tools and methods

1. Introduction

Considering the length of external borders and the fact that most of the Slovenian citizens live in border areas, territorial co-operation is recognised as a key instrument supporting the development of these areas.

Many cross-border projects in the past (before 2007), mainly co-funded by EU, brought good results and aimed at the establishment of numerous links between partners from both sides of the border. However, long-term key priorities based on the needs and competencies of individual thematic fields and areas aiming at planned, faster, harmonised and sustainable development of the whole area had not been identified, politically adopted and/or sufficiently well worked out to attain long-term benefits for the whole area.

Despite increased amount of funds available and more strategy-oriented approach towards cross-border co-operation applied in the period 2007-2013, additional work on the strategic planning of future cross-border activities, especially after 2013 is needed. That requires in the first place strategic orientations: up-to-date analyses, analysis of past and on-going projects, policy framework, SWOT analysis, and definition of common and complementary competencies (priorities/measures/projects). Moreover, adequate knowledge and resources are needed. In 2009, a project "REGIOLAB" – REGIONal development LABORatory was approved in the frame of the OP SI-AT 2007-2013. One of the main goals of this cross-border co-operation project was to apply such strategic planning of future cross-border activities. To prepare the analytical basis for a joint regional development planning, adequate methodologies and tools were developed and applied in the project. This Working Paper serves as a methodological toolkit, presenting the measures, tools and methods that were used to identify the capacities of the regions involved, key common and complementary competencies, gaps in knowledge and sources for successful cross-border development as well as methods of planning/guiding of joint development in the cross-border co-operation area. The measures, tools and methods applied could be easily adapted to use in other cross-border and transnational co-operation projects in the period 2014-2020.¹ Moreover, the approach proposed could also be used for the elaboration of regional and local strategies.

¹ In the 2014-2020 programming period Slovenia participates in the following 13 European Territorial Co-operation (ETC) programmes:

- four cross-border: Slovenia–Italy, Slovenia–Hungary, Slovenia–Croatia, Slovenia–Austria;
- five transnational: Alpine Space, Central Europe, Adriatic-Ionian, Mediterranean and the Danube Region;
- four interregional: INTERREG EUROPE, INTERACT, ESPON and URBACT.

2. Theoretical background

2.1. Value added of cross-border co-operation

Cross-border co-operation represents important socio-economic added value in the respective regions, albeit in different ways, through:

- The mobilisation of endogenous potential by strengthening the regional and local levels as partners for and initiators of cross-border co-operation;
- The participation of actors from the economic and social sectors (for example, chambers of commerce, associations, companies, trade unions, cultural and social institutions, environmental organisations and tourism agencies);
- The opening up of the labour market and harmonisation of professional qualifications;
- Additional development, e.g. in the fields of infrastructure, transport, tourism, the environment, education, research and co-operation between small and medium-sized enterprises, as well as the creation of more jobs in these areas;
- Long-term improvements in the planning of spatial development and regional policy (including the environment);
- The improvement of cross-border transport infrastructure.

European Union has played a decisive role in supporting (financing) cross-border co-operation. In the period 2007-2013 the cross-border co-operation strand of the European territorial co-operation (ETC) objective comprised the operational programmes to be implemented at the internal borders of the European Union. The ETC objective² provides assistance in border regions mainly for the development of cross-border economic, social and environmental activities through joint strategies for sustainable territorial development, primarily focused on:

- Encouraging entrepreneurship, especially the development of SMEs, tourism, culture and cross-border trade;
- Encouraging and improving joint protection and management of the environment, as well as the prevention of natural and technological risks;
- Supporting links between urban and rural areas;
- Reducing isolation through improved access to transport, information and communication networks and services, as well as cross-border water and energy systems and facilities;
- Developing collaboration, capacities and joint use of infrastructures, in particular in sectors such as health, culture, tourism and education;
- Contributing to the promotion of legal and administrative co-operation, integration of cross-border labour markets, local employment initiatives, gender mainstreaming and equal opportunities, training, social inclusion, sharing of human resources as well as facilities for research and development.

² Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999.

2.2. Experience with the cross-border co-operation between Slovenia and Austria

Slovenia and Austria have a century-old tradition of co-operation. The cross-border co-operation between Austria and Slovenia, co-financed by the EU, started in 1995. Since then there have been numerous examples of cross-border co-operation between both countries, ranging from successful small projects (co-operation of hospitals, co-operation of schools and others) to more complex projects financed in the period 2007-2013. Projects have covered a wide range of domains, such as industry, tourism, agriculture and rural development, as well as culture, human resources, the environment, traffic and many others.

Experiences with the implementation of the cross-border programmes between Slovenia and Austria in the period until 2007 were positive.³ The evaluation of the implementation process revealed a high rate of committed funds and a high number of projects carried out. Many project partners were participating in the programme implementation on both sides of the border; additionally, relevant structures for project creation and project support have also been established. However, deficiencies in the coherence of the projects were identified. In Austria, due to the federal system, most of the projects were focused on the provincial (Länder) level, and only five projects covered the entire border region. This differs significantly from the Slovenian approach, where approximately half of the projects targeted the entire border region. Therefore, it can be assumed that the potential for co-operation on both sides regarding project content and involvement of relevant partners was not sufficiently exploited.⁴

Moreover, in the period up to 2007, long-term key priorities based on the needs and competencies of individual thematic fields and areas aiming at planned, faster, harmonised and sustainable development of the whole cross-border co-operation area were not identified, politically adopted and/or sufficiently well worked out to attain long-term benefits for the whole area. There were various reasons for this:

- Inadequate definition of common (joint) development issues/needs/interests/capacities, lack of joint long-term development goals & strategies and concrete action plans in general and in specific thematic fields.
- Rather poor general awareness of the need for joint planning and coordination of development activities among decision-makers, professional and general public.
- Non-recognised potentially complementary development competencies.
- Lack of committed and properly structured long-lasting cross-border development partnerships.
- Rather modest transfer of knowledge in all forms.
- Ad-hoc development and implementation of joint cross-border projects that are poorly integrated into a broader development context with a long-term perspective. Therefore, long-term priorities of vital interests may not be addressed; project results may not contribute to a broader long-term development context and usually do not enable sustainability of the project activities co-financed.

³ Before 2007, Austria and Slovenia participated in the Interreg IIA/Phare CBC Programmes 1995-1999 (EUR 23.0 million) and Interreg IIA/Phare CBC Programmes 2000-2006 (EUR 43.4 million).

⁴ Operational Programme Cross-border Co-operation Slovenia – Austria 2007–2013.

On 21 December 2007, the European Commission approved a Cross-border Operational Programme between Slovenia and Austria for the period 2007-13. The Programme involved providing Community support as part of the European Regional Development Fund (ERDF) for specific Austrian and Slovenian regions that lie along their common border.

The Operational Programme had a total budget of around €79 million. Community funding through the European Regional Development Fund (ERDF) amounted to some €67 million, which represented approximately 0.8 % of the total EU investment allocated for the European Territorial Co-operation Objective under the cohesion policy 2007-13.⁵ In total, 77 projects were contracted which practically absorbed all available funds, involving more than 400 project partners contributing to tourism, health, protection of the environment, regional development, development of SMEs, regional co-operation, etc. Despite the relatively long tradition of cross-border co-operation between Slovenia and Austria, there was still a lack of good projects due to weak strategic orientation, too extensive and inappropriate partnerships, and inadequate quality of some projects (projects were not »ready-to-go«).

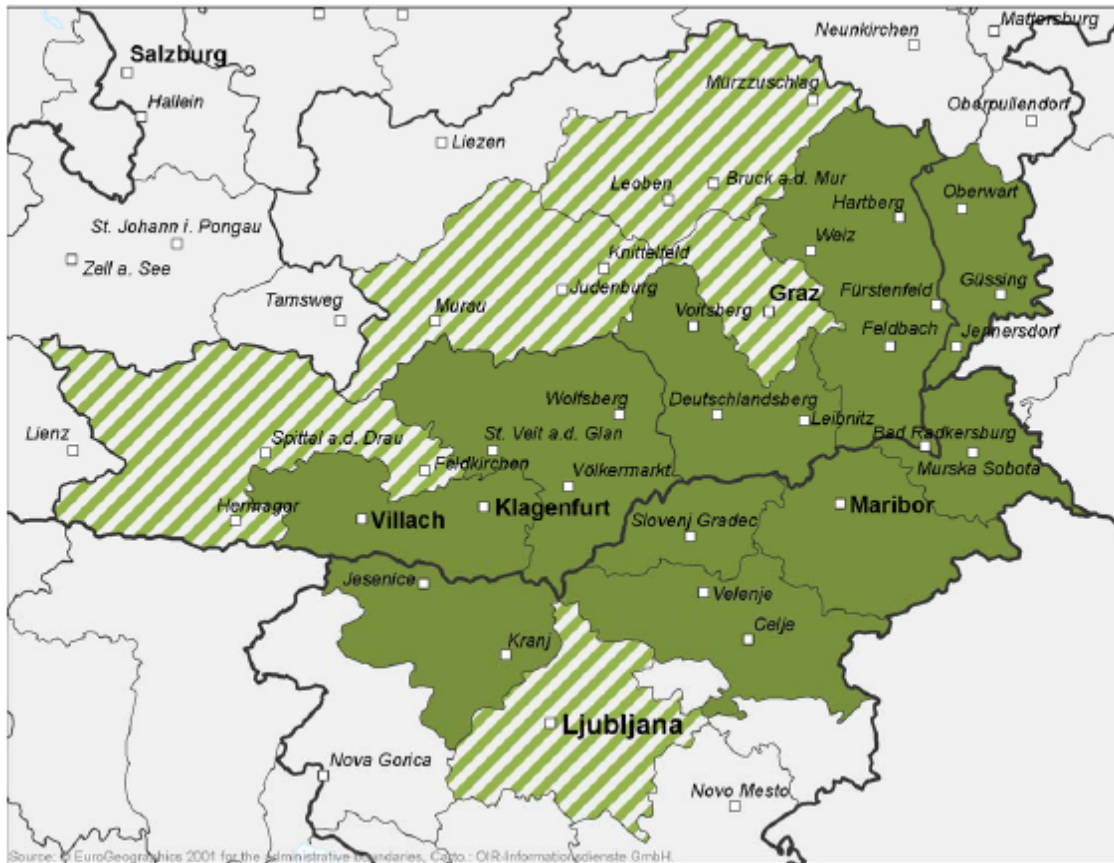
In the current financial period 2014-2020 the programme funds of around €48 million will be available from the ERDF. The bilaterally selected thematic objectives will support the strengthening of research, technological development and innovation, the enhancement of the competitiveness of small and medium-sized enterprises, the promotion of environmental protection and an efficient use of resources, and the enhancement of institutional capacity and an efficient public administration.

2.3. Project “REGIOLAB” – REGIONal development LABORatory

Cross-border co-operation project “REGIOLAB” – REGIONal development LABORatory was approved in the frame of the OP SI-AT 2007-2013. Programme area of the OP SI-AT 2007-2013 was the following: the core programme area included the eligible NUTS III regions Oststeiermark, West- and Südsteiermark, Klagenfurt – Villach, Unterkärnten and Südburgenland on the Austrian side, and the NUTS III regions of Gorenjska, Koroška, Savinjska, Podravska and Pomurska statistical region on the Slovenian side. The NUTS III areas Graz, Obersteiermark Ost, Obersteiermark West and Oberkärnten in Austria and Osrednjeslovenska statistical region in Slovenia were included in the programme on the basis of Art 21 (1) of the Regulation No 1080/2006 on the European Regional Development Fund, whereby expenditure incurred by implementing operations or parts of operations in the adjacent NUTS III areas may be financed from the ERDF up to a limit of 20% of the amount of its contribution to the Operational Programme. Compared to the 2000-2006, the programme area as a whole was increased with the inclusion of the NUTS III regions Südburgenland, Obersteiermark Ost, Obersteiermark West and Osrednjeslovenska statistical region.

⁵ <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/453&format=HTML&aged=0&language=en&guiLanguage=en>

Figure 1: Eligible area



Source: Operational Programme Cross-border Co-operation Slovenia – Austria 2007–2013.

The co-operation area has a lot of development potentials, institutions, knowledge and ideas that, nevertheless, have been used independently and without (steady) cross-border connections. Lack of cross-border co-operation restrains the reaching of the »critical mass« for the successful competition with large regions of the globalized world and leads to a duplicity of the performance and the development of potential conflict situations.

In order to prepare a concise strategic document focusing on the competitiveness of this area, only selected topics were covered by the Regiolab project (see Table 1). Partners have decided to build on the Operational Programme: Cross-Border Co-operation Slovenia–Austria 2007–2013 (OP) and EU documents, especially Europe 2020. The project focused on activities that are dominantly oriented towards economic development with a strong role of the business sector. Selection of topics was based on Priority 1 of the OP, taking into account horizontal themes.

The project was structured along three main themes:

- Theme 1: Cross-border co-operation (CBC) among scientific institutions and the economic sector
- Theme 2: Cross-border co-operation (CBC) among enterprises
- Theme 3: Cross-border co-operation (CBC) in common key competence fields

Table 1: Selected topics

TOPIC	THEME 1	THEME 2	THEME 3
Horizontal themes, tools and principles:	✓	✓	✓
Human resource development, Networking, Innovation	✓	✓	✓
Information and communication technology	✓	✓	✓
Sustainable development, Equal opportunities	✓	✓	✓
Priority 1: COMPETITIVENESS, KNOWLEDGE AND ECONOMIC CO-OPERATION			
SME development		✓	✓
Tourism			✓
Framework for knowledge-based economy	✓		
Thematic fields of strengths			✓

In this working paper, we analyse the methodology applied in the activities of Theme 3: CBC in common key competence fields.

2.4. Approach to strategic planning

Strategic planning is not needed because of cohesion policy only, but it is necessary and important for different reasons. In the world of globalisation, quick technological change, challenges arising from the development of knowledge and information based society, ageing of population, climate change and limited financial resources compared to the development needs, it is more than necessary to have a clear vision and strategy of country's or region's development aimed at increasing its competitiveness and social and economic welfare.

There are numerous diverse approaches to preparing a regional development strategy that have been attempted in different parts of the EU.⁶ Each strategy is unique, reflecting the challenges and opportunities faced by the region. It should contain four main elements: analysis, vision, action plan and evaluation. The analysis should assess the state of the regional economy, opportunities and threats posed by external trends and forces, and availability of partners and resources for economic development. The vision and goals of the region, together with an appraisal of the region's competitive advantage, should set the strategic direction for the action plan. The action plan should present priority programmes and projects for implementation. Finally, the strategy should describe the process for evaluation and periodic update.

A good development document should:

- be embedded in its organisational, economic and social context,
- establish a widely-shared vision for the future development of the region,

⁶ GRIDS - Best practice guidelines for instruments of regional development and spatial planning in an enlarged EU. Cardiff University, 2005.

- engage stakeholders in an open and productive manner during the preparation of the strategy,
- communicate its key messages clearly to a variety of audiences,
- identify clear mechanisms for delivery,
- phase and sequence key investments and actions.

To be successful in the preparation of strategic documents it is important to:

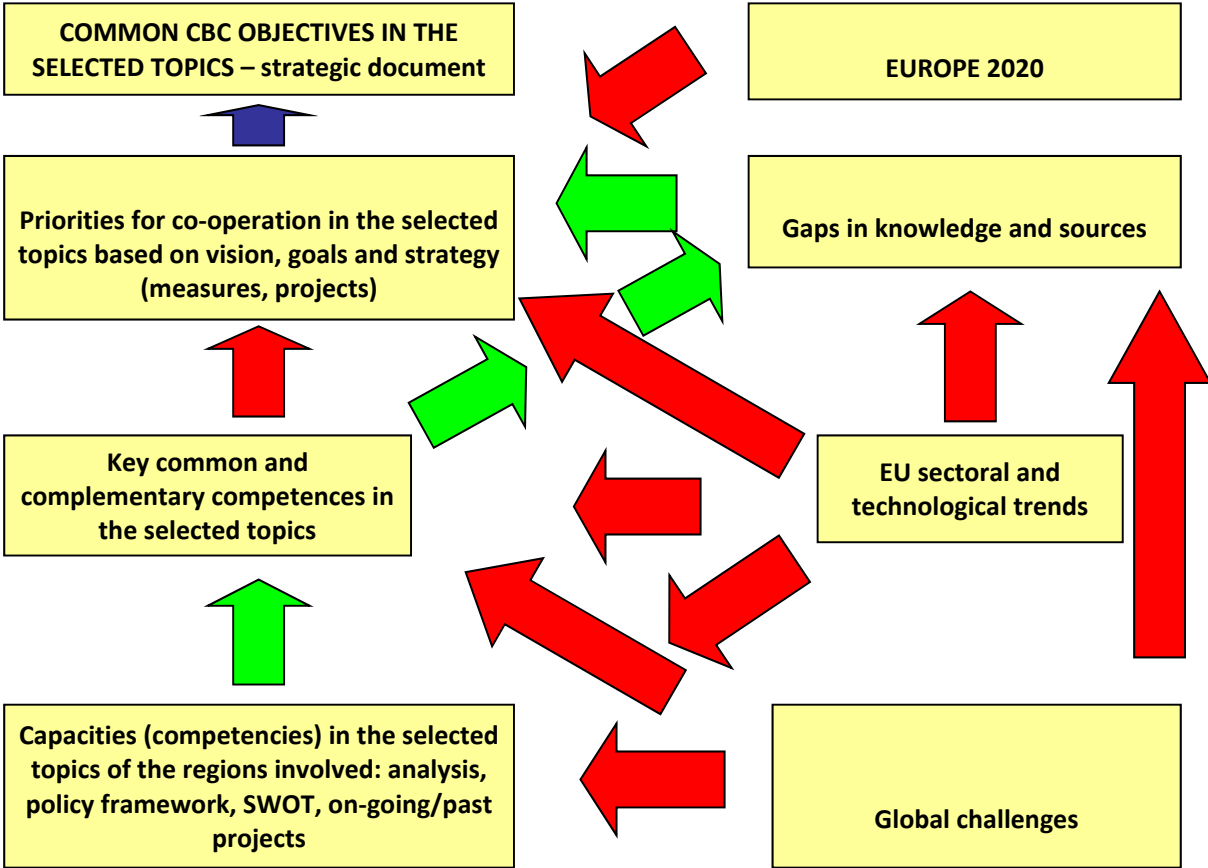
- choose an approach that is appropriate to the scale and content of the project,
- be aware of and clearly state the purpose and role of the document to authors and stakeholders,
- be realistic about the limitations of the document (project) and focus on matters that such strategies are capable of influencing,
- ensure close alignment with the vision and objectives of other regional documents/strategies at the EU, national and regional level,
- involve stakeholders in the preparation of the documents – stakeholders that should be able to easily understand how the document could be useful to them.

Each region has its strengths and weaknesses and, in an open economy, is subject to opportunities and threats arising from its environment. Therefore, it is important to start with a concise but comprehensive analysis of the economic and social conditions in the target region(s). For some key strengths/weaknesses, it is important to go further to understand the disparities and their causes to establish if these are permanent and structural. This stage should be complemented by an analysis of developments in the external environment of the region taking into account probable developments at a national, European and international level. Previous evaluations represent an important source of knowledge. They often cover similar types of activities, therefore, on-going and past projects should also be analysed. It is important to achieve internal and external consistency.

The output is a strategic document, which defines the priorities as well as the programming required to achieve these priorities. Involvement of interested groups and stakeholders is a necessity, and stakeholders should be engaged in shaping the strategic document/plan throughout the process (workshops, development conference, final conference). Strategic documents should be informed by other strategies and should be in turn applied or taken into account in other documents. Strategic document serves as a platform for action, and it could be used for:

- preparation of the regional strategies,
- programming of the CBC after 2013 (the Operational Programme),
- the design of the CBC projects.

Figure 2: Methodological approach



Notes:

- green arrows indicate the relation between methodologies,
- red arrows indicate additional factors influencing methodologies and priorities for co-operation.

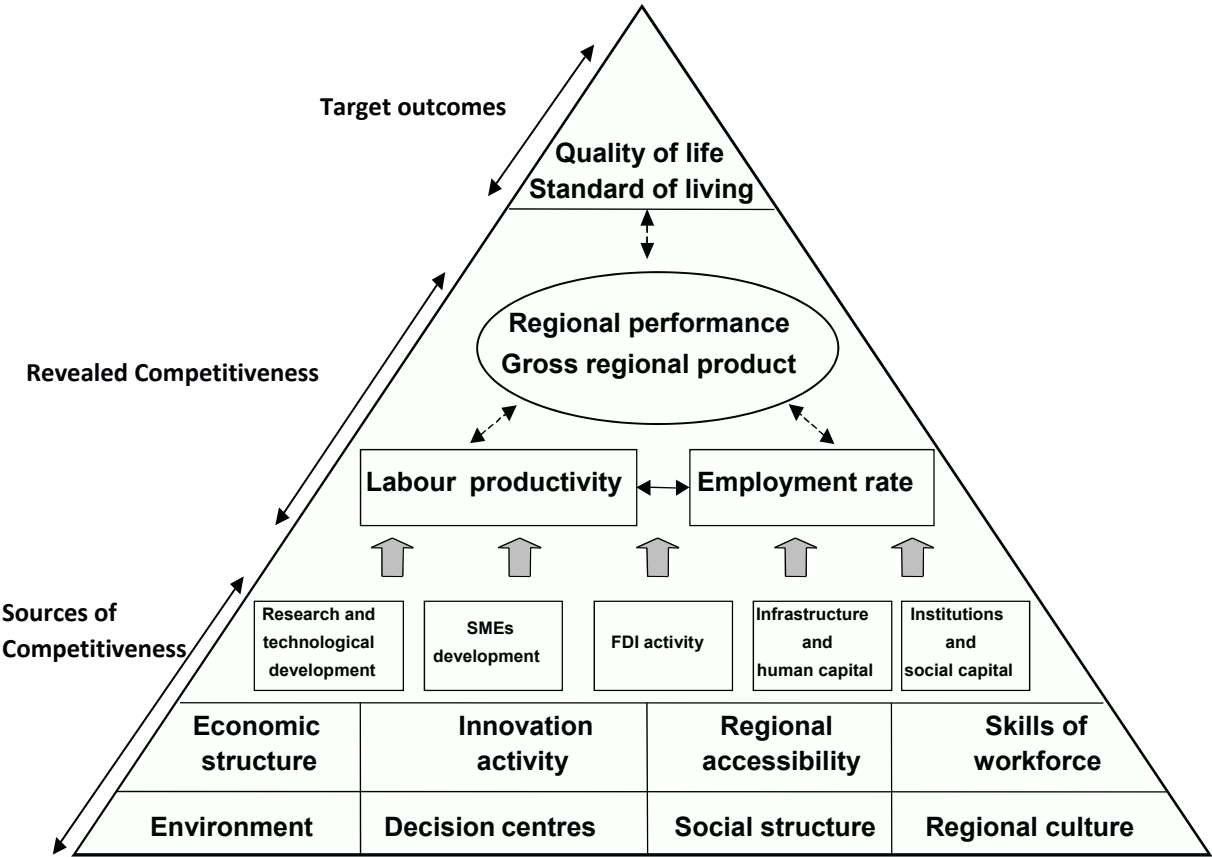
3. Measures, tools and methods for supporting cross-border co-operation

3.1. Elaboration of the capacities (competencies) of the regions involved

3.1.1. Socio-economic analysis

A key element of strategic planning is an analysis of current social and economic situation in the country in general and/or in the chosen region(s). This situation assessment involves obtaining current information about the nations/regions’ strengths, weaknesses, and performance – information highlighting critical issues, which the country or regions are facing and the strategic plan should address. These issues could include a variety of primary concerns, such as demographic development, development of employment and unemployment levels, industrial structure, business structure, national and EU policies and their effects, and other.

Figure 3: Complexity of regions competitiveness



Source: Gardiner et al., 2004.

To assess capacities of the regions involved, it is necessary to update the socio-economic analysis for each region (statistical data, analysis available, qualitative descriptions). This update represents the first step in our methodological approach.

In the Regiolab project, the following fields (topics) were chosen to be assessed for each region based on the Operational Programme Slovenia-Austria 2007-2013:

- Demography.
- Economy (general data, industry, tourism, SMEs, agriculture and rural development, services).
- Research and innovation.
- Human resources.
- ICT and information society.
- Local and regional development (list of supporting institutions and other stakeholders).

When preparing the socio-economic analysis, the focus should be on the key features of importance.

3.1.2. Policy framework and key trends

This section complements the socio-economic analysis. It provides a description of key impacting policies as well as key (recent) trends, current and future drivers of change, as well as changes of the government, large investment projects concluded, and prospects (expectations) for the future at national and regional level.

Changes in the socio-economic and policy context have an important impact on the selection and implementation of projects and designing new programmes. Therefore, in addition to the socio-economic analysis, it is important to analyse the more recent developments in each region, including:

1. Description of key impacting policies, programmes, strategies (description, activities, financial expenditures, evaluations, CBC dimension) at:
 - national level (exit strategy, cohesion policy, rural development, ...),
 - regional level (strategic guidelines, regional development programmes, ...).
2. Description of key trends, current and future drivers of change, changes of the government, large investment projects concluded, prospects (expectations) for the future. This description, again, is prepared for the national and regional level.

3.1.3. Ongoing and past CBC projects

In order to define competencies of the region and priorities in the selected topics it is important to analyse past (finished) and on-going CBC projects between Slovenia and Austria to identify the following:

- What are the topics for co-operation?
- Depth & intensity of co-operation?
- Complexity/sophistication of co-operation actions?
- Level of ambition?

Due to a large number of different CBC projects between Slovenia and Austria, it is important to create a system in which projects can be described in a systematic way. A model for project description developed in the Regiolab project is presented in the table below:

Project title:	
Regions covered:	
Lead partner:	
Project partners:	
Programme:	
Total budget:	
<ul style="list-style-type: none"> • Structural Fund co-financing: • National public co-financing: • National private co-financing: 	
Start date:	
End date:	
The purpose of setting up the project:	
Topic of the co-operation:	
Objectives of the project:	
Project description:	
Outputs/results (interim or final) of the project:	
<p>What is the overall depth & intensity of co-operation achieved: <i>Please, choose ONE of the proposed answers, and, if possible, comment the choice:</i></p> <p>1 - lack of communication and lack of co-operation (activities on one side of the border are not coordinated with the activities on the other side of the border)</p> <p>2 - average communication and co-operation between partners / Slovenian - Austrian sides</p> <p>3 - very intensive (permanent) communication and co-operation (real partnership with equal treatment of partners)</p>	
<p>Complexity/sophistication of co-operation actions: <i>Please, choose ONE of the proposed answers, and, if possible, comment the choice:</i></p> <p>1 - everyday activities of involved partners (advising SMEs, general training...)</p> <p>2 - ordinary activities but new for involved partners (lack of innovative approach)</p> <p>3 - innovative approach (new instruments, new forms of co-operation, new concepts for cross border area)</p>	
<p>Level of ambition of planned actions: <i>Please, choose ONE of the proposed answers, and, if possible, comment the choice:</i></p> <p>1 - limited results and no impact on target groups and CBC area</p> <p>2 - some results and moderate impact on target groups and CBC area</p> <p>3 - considerable results and high impact on target groups and CBC area</p>	
<p>Gaps in knowledge and sources for successful cross-border development: <i>Please, answer the question: "What are the obstacles for successful implementation of the project?"</i></p> <ul style="list-style-type: none"> - gaps in knowledge on content and project management: yes/no; please, comment - gaps in experiences: yes/no; please, comment - lack of formal power: yes/no; please, comment - lack of critical mass: yes/no; please, comment - lack of support of policy/decision makers: yes/no; please, comment - lack of trust between partners: yes/no; please, comment - lack of synergies with other projects: yes/no; please, comment - other – please, specify 	
<p>Perspectives for the future (sustainability): <i>Please, choose ONE of the proposed answers, and, if possible, comment the choice:</i></p> <p>1 - no continuation of projects activities after the closure of the project</p> <p>2 - continuation of projects activities after the closure of the project</p> <p>3 - upgrading of project activities after the closure of the project</p>	
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3.1.4. SWOT analysis

The analyses from the previous steps (i.e. the socio-economic analysis, the description of the policy framework and key trends) represent the basis for conducting a SWOT analysis (analysis of Strengths, Weaknesses, Opportunities and Threats). SWOT analysis is the most important element for identifying key common and complementary competencies of the cross-border co-operation area.

Developed about twenty years ago by specialists of private sector management, strategic decision-making tools such as SWOT are now used in the strategic reflection of public policy. Originally constructed in terms of products, customers, markets and competitive advantages, their use has been later spread to towns, cities and regions, where the policies of these territories are aimed at creating competitive advantages. The SWOT approach may apply to a regional economy in the framework of national, EU and global competition.

SWOT as a planning/evaluation tool facilitates structural debate on strategic orientations by enabling the definition of a strategy relevant to the context in which the action is to take place. SWOT analysis can provide:

- A framework for identifying and analysing strengths, weaknesses, opportunities and threats;
- An impetus to analyse a situation and develop suitable strategies and tactics;
- A basis for assessing core capabilities and competencies;
- Evidence for, and cultural key to, change.

Consistency and coherence (the internal and external balance of the analysis, strategy, goals and actions) are basic requirements, "sine qua non" characteristics to be met in any strategic work, independent of the technical form chosen for its implementation. From a technical point of view, there are alternative ways to compile the SWOT matrix and arrange the topics dealt with in the SWOT. Regardless of the method applied, SWOT is to be seen not only as a valuable tool but also as a critical stage in interpreting the trends made visible in the socio-economic analysis. In the programming process, these interpretations will be transferred into strategic arguments, priorities and measures.⁷ The normal logical sequence is Analysis – SWOT – Priorities – Objectives.

S - What are the national/regional Strengths?

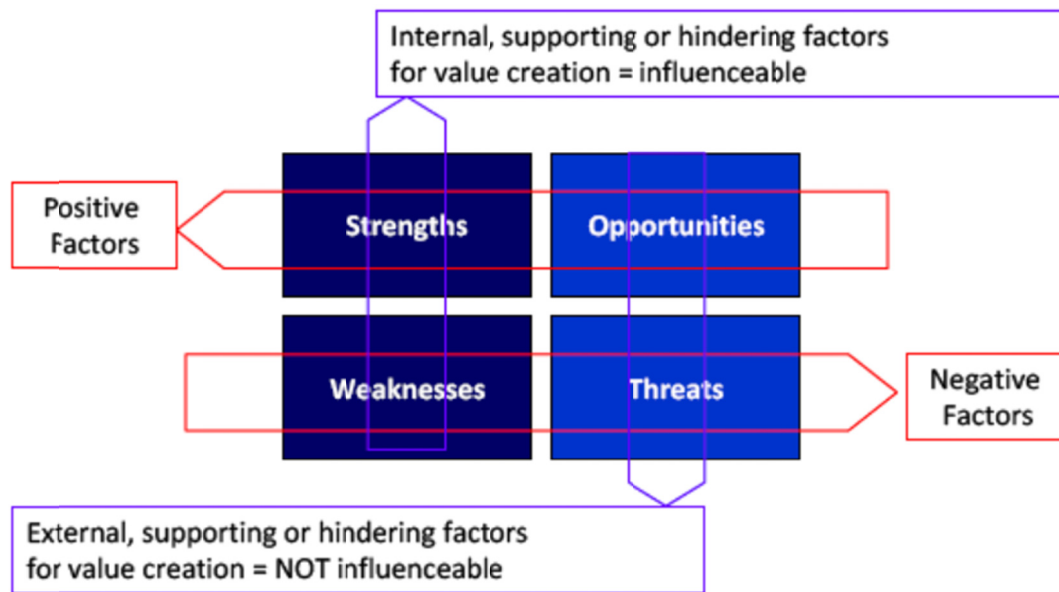
W - What are the national/regional Weaknesses?

O - What external Opportunities might support or enhance the development actions or what are potential areas of development actions focus?

T - What external Threats might slow down or even hamper the development?

⁷ Karppi Ilari, Kokkonen Merja, Lähteenmäki-Smith Kaisa: SWOT - analysis as a basis for regional strategies. Nordregio - the Nordic Centre for Spatial Development, 2001.

Figure 4: SWOT analysis



Strengths and weaknesses are internal factors that create or destroy value. Strengths represent the assets of the region. Usually, in regions, there is an inevitable tendency to concentrate on weaknesses (constraints). This is misleading – every area has its strengths (competencies), even if they are not always easily recognised. They can include assets, skills, or resources that a company/region/state has at its disposal, compared to its competitors.

Competencies (strengths) are defined by answering questions such as the following:

- What the area is doing well?
- What unique resources (sectors, technologies, tradition, nature, events ...) can the area draw on?
- What do others see as our strengths?

Weaknesses are defined by answering questions such as the following:

- What internal constraints/deficiencies may prevent progress?
- What do others see as our weaknesses?

Opportunities and threats are external factors that create or destroy value. A company/region/state cannot control them. But they emerge from either the competitive dynamics of the industry/market or from demographic, economic, political, technical, social, legal or cultural factors.

SWOT analysis should be prepared for each region and each field (topic) based on regional socio-economic analysis, the description of the policy framework and key trends and other available information/analyses. Each statement in the SWOT analysis should be justified by qualitative or quantitative data (information) and ranked. In our case, it was ranked from 1 to 3 (1 – very important/very relevant, 2 – important/relevant, 3 – of low importance). It is

important that SWOT analysis is prepared by benchmarking (comparing region with other regions).

Table 2: Template for SWOT analysis

Topics	Strengths (S)	Rank (1-3)	Weaknesses (W)	Rank (1-3)
Topic 1	List of strengths		List of weaknesses	
Topic 2				
...				
Topic N				
Topics	Opportunities (O)	Rank (1-3)	Threats (T)	Rank (1-3)
Topic 1	List of opportunities		List of threats	
Topic 2				
...				
Topic N				

Rank: 1 – very important/relevant, 2 – important/relevant, 3 – of low importance

In the case of Regiolab project, after the completion of the draft SWOT analysis at the regional level, workshops were carried out in each individual Regiolab region in order to involve key actors and stakeholders (support organisations, experts, public officials, associations ...) in the discussion and verification of the developed regional lists of strengths, weaknesses, opportunities and threats. These workshops also functioned as a tool to generate ideas and planning by encouraging brainstorming and collaboration to develop a strategy supported by the SWOT results.

Once SWOT analyses at the regional level are developed, discussed and verified, a joint SWOT analysis for the entire cross-border co-operation area is prepared by combining all the regional SWOT analyses. This joint SWOT analysis serves as a basis for the identification of key common and complementary competencies of the cross-border co-operation area.

3.1.5. Key common and complementary competencies

One of the main goals of the Regiolab project was to improve the competitive advantages of border regions based on the identification of key common and complementary competencies of the entire cross-border co-operation area and their placement in the design and implementation of development activities in individual areas within the cross-border region. This section discusses how to define the key common and complementary competencies as well as key common weaknesses, opportunities and threats of co-operation area.

To achieve a critical mass (knowledge, human resources, financial means) we propose to focus on competencies (strengths) in the first place, where one should try to identify both:

- common competencies,
- complementary competencies (synergies).

While complementary competencies represent the basis for potential synergies (co-operation is predominantly based on exchange of information and experience), common competencies may be:

- Potential strengths of the area (focus on niches): where joint activities (projects) are feasible (common topics, no conflicts/competition between both sides of the border)
- Potential conflict fields (co-operation is not possible).

To define the key common and complementary competencies and common weaknesses of the Regiolab area, the outcomes of the joint SWOT analysis (the strengths and weaknesses identified in the joint SWOT analysis) were classified into three groups:

1. Strengths and weaknesses that were mentioned by more than one region and that are similar in several regions (i.e. common competencies and weaknesses): these represent key common/complementary competencies and weaknesses of the area.
2. Strengths and weaknesses that were mentioned by more than one region but are seen the opposite way round in two or more regions: their inclusion among key common/complementary competencies and weaknesses of the area depends on the ranking of each strength/weakness – those of greater importance/relevance are included while those of low importance/low relevance are not.
3. Strengths and weaknesses that were mentioned by only one region (i.e. specific for one region): these are not included among key common/complementary competencies and weaknesses of the area.

Following the same classification into three groups as described above, key common opportunities and threats that impact the socio-economic development of the Regiolab area were identified.

3.1.6. Gaps in knowledge and resources for successful cross-border development

Preparation of cross-border strategy(ies) and projects requires:

1. Strong leadership, and partner commitment and action, especially political commitment.
2. Capacity and capability to manage programme delivery and the associated major risks (knowledge, experience, effective organisation, monitoring system, an ability to respond quickly and effectively to changing external circumstances or the lessons from evaluation).
3. Financial sources: CBC projects usually depend on public financing. It is important to take into account the financial environment in which we work, in particular, constraints on public sector investment in the short- to medium-term.

During the work, assessment of existing knowledge, financial and human resources available is necessary to identify gaps in knowledge and sources for successful cross-border development. Information can be collected through different channels:

- Structured interviews with firms and institutions of knowledge on potentials for co-operation and drivers and barriers for co-operation.
- Discussion among project partners.
- Assessing gaps in knowledge and resources for successful cross-border development during SWOT workshop in each region.
- Analysing good and bad practices of CBC programmes/projects from other CBC areas.
- Discussion with the partners of other projects supported in the framework of the Operational Programme: Cross-border co-operation Slovenia–Austria 2007–2013 (workshops).

- Discussion with the Managing Authority of the Operational Programme: Cross-border cooperation Slovenia–Austria 2007–2013 (annual event).

3.2. Planning/guiding of joint development in the CBC area

After we define where are we now (competences), we need to respond to the following questions:

- Where do we want to go? (vision)
- How do we get there? (strategy, goals, measures, projects)
- How do we know, if we have attained long lasting results efficiently? (monitoring and evaluation).

The vision, strategy and goals of the area (region), together with the area's (region's) competitive advantage appraised by the analysis should set the strategic direction for the implementation. We recommend a combination of top-down and bottom-up approach. Therefore, it is vital to attract adequate stakeholders. Stakeholders are those who may be affected by or have an effect on an effort. They may also include people who have a strong interest in the effort for academic, philosophical, or political reasons. Different actors can take on different roles, and categorization of stakeholders (primary, secondary, key stakeholders) by using stakeholder power analysis could be very useful.

In this phase, it is important to have effective communication with various stakeholders using various communication channels (internet, radio, television, print, journals, conferences, etc.). Additionally, it is important to provide information in a way that the stakeholders can understand and use.

To communicate the results of the analytical phase, we propose to organise regional development workshops in all participating regions where selected topics (vision & strategy, thematic objectives, implementation...) are discussed and future steps are proposed. Relevant stakeholders should take part in these workshops. In the Regiolab project, we conducted three regional development workshops per region. Based on the outcomes of regional development workshops, a draft strategic document is prepared and afterwards discussed at a development conference. A development conference is a conference where all project partners and relevant contributors and stakeholders from the whole cooperation area (from both countries in the case of cross-border projects) participate in. The aim is to identify the common challenges and untapped potentials of the cross-border area jointly and seek answers to their solution.

After the development conference, project development workshops should be organised to elaborate potential CBC projects. Finally, the strategic document including the proposed CBC projects is presented and "adopted" at the final conference.

In the following we present on the case of the Regiolab project how to conduct regional development workshops, a development conference and project development workshops.

3.2.1. Regional development workshops

Main aim. The main aim of regional development workshops within the Regiolab project was to prepare the basis for future regional development strategies in selected fields for the period 2014-2020 and to check how selected topics could be implemented in the framework of cross-border co-operation (common or complementary competencies).

Starting point. The EU Member States were hit by the economic and financial crisis and had been operating within tough budgetary conditions and fiscal constraints. Limited public funds have required careful planning at all levels (EU, national, regional, local).

Regional development strategies should be based on the competitive advantages of regions. We propose to use broader smart specialization approach that is based on existing & potential regional competitive advantages. According to the European Commission smart specialisation is an instrument to help Europe's regions concentrate resources on strategic priorities and design the right policy mix to unleash smart growth. To concentrate resources on areas of comparative advantage is not only a question of more coherence and impact of EU action, but it is also vital in times of budgetary restraint. Smart specialisation shall also ensure a more effective and complementary use of EU, national, regional and local funds for urban and regional development, research and innovation and also leverage more private investments, thus maximising the overall research and innovation potential of the Union. Therefore smart specialization is not related to the technology priorities only but it is focused on all competitive advantages of regions. That requires a rigorous self-assessment of region's knowledge assets, capabilities, competencies and key players.

The application of the smart specialisation concept to a regional rather than a national case is not simply a matter of re-drawing the cartographical boundaries. Regions are far more open than nations and this brings to the fore externality and interdependency issues. Therefore, linkages to the surrounding regions should be analysed and taken into account, including regions in neighbouring countries.

Steps in conducting regional development workshops

1. Define topics: inputs to the workshop

Background preparation is a vital stage that enables the subsequent analysis to be effective. This preparation can be carried out in two stages:

1. Definition of the topic according to the results of socio-economic analysis and SWOT. In the case of the Regiolab project, the following topics were selected: tourism, cultural and creative industries, networking (clusters, networks), sectoral issues (try not to focus on innovation or joint access to foreign markets), entrepreneurship infrastructure (incubators, technology parks), ICT, agricultural production and marketing, creation of new regional brands, food processing technologies, wood processing or innovative wood, renewable energy technologies, efficient use of energy, human resources, regional/local development promotion institutions.
2. Checking coherence of the selected topics with the common & complementary competencies of the co-operation area.

For each regional development workshop, a short background paper (up to 5 pages) should be prepared, which summarises the following:

- Justification of the topics selected (short analysis, SWOT for the topic selected, strategic documents, past and on-going activities).
- What is expected to be achieved in the selected topics, why and when.

2. Select appropriate contributors

It is important to invite adequate stakeholders (support organisations, associations, public officials, educational and research institutions, companies ...).

3. Workshop implementation

In planning the workshop, you need to set the duration of the workshop (up to 4 hours) and the number of participants (up to 20 participants is advised). A combination with other events is possible. The workshop should be facilitated by a project partner or an external expert. Relevant speakers to be invited include project partners and others if needed (specialists, association representatives ...).

The proposed programme of the workshop is:

1. Very short presentation of the project.
2. Presentation of the purpose of the workshop and the use of its outcomes. In the Regiolab project, the following purposes were envisaged:
 - the preparation of the regional strategies,
 - the programming of the CBC after 2013,
 - the design of regional and CBC projects.
3. Short presentation of the selected topic: description, indicators, past & present projects, strengths & weaknesses, opportunities & threats, EU/national/regional strategic documents.
4. Short presentation of relevant public policies (local, regional, national, EU). In the case of Regiolab project, a short presentation of future cohesion policy was prepared: its strategic approach, concentration, result-orientation.
5. Discussion on measures & projects needed to strengthen the impact of selected topics on the development of co-operation area. Main questions to be asked:
 - What are our needs? = analysis, SWOT.
 - What do we want to change? = setting objectives.
 - How will we achieve this? = defining the content of measures/projects and who could/should implement activities.
 - What resources do we need to do this work? = developing draft budget (estimation), potential financing, synergies with other activities/projects to strengthen the impact of the activities.
 - Is it possible to implement the project as a CBC project? = designing CBC projects.
 - How will we know if we have succeeded? = defining the indicator system.
 - What could hinder implementation = threats/risks as lack of funds, lack of capacity.

Outputs of the workshop. At every regional development workshop the discussion about measures/projects should be developed according to the following outline:

Project name	
Project summary (including justification)	Why do we need this project: which topic (strength, weakness, opportunity, threat) will be addressed and why?
Expected results	What will be achieved at the end of the project (output, result)?
Potential project partners	Who will implement the project?
Estimated budget (€) and duration (months)	How much it will cost and how much it will last?

A short report of the workshop should be prepared including the description of measures/projects, in case they were elaborated. The elaborated measures/projects will be used as an input for regional strategies, potential (regional/CBC) projects. Selected measures/projects will contribute to the development of the pilot projects.

Once regional development workshops had been implemented in all Regiolab regions, a joint development conference was organised in the next step. The aim of the development conference was to answer the key questions of cross-border co-operation between Slovenia and Austria in the period 2014-2020.

3.2.2. Development conference

Main aim. The main objectives of the development conference are to:

1. Jointly identify common challenges and untapped potentials in the cross-border area.
2. Jointly find answers on common challenges and untapped potentials having in mind thematic concentration. In the case of the Regiolab project, the strategy for programmes' contribution to the Unions' strategy of smart, sustainable and inclusive growth was elaborated with the justification for the choice of thematic objectives and corresponding investment priorities.

Steps in conducting development conference. To achieve the objectives planned, the development conference was organised along the following lines in the case of the Regiolab project:

1. Plenary session.
2. Workshops (Slovene and Austrian side).
3. Open Space session.
4. Conclusions with a short presentation of the Open Space groups.

1. Plenary session

It is important to invite relevant contributors from the public, private and non-governmental sector. At the Regiolab development conference professional presentations were held by the representatives of the Managing Authority, Joint Technical Secretariat, the Provincial Government of Styria and the Lead Partner of the Regiolab project.

2. Workshops (Slovene and Austrian side)

In the second part two parallel workshops were implemented, one for Slovenian and one for Austrian participants. In general, both workshops had the same agenda:

1. Short introduction: what we want to achieve; why; CBC 2014-2020, including thematic priorities.
2. Identification of common challenges and untapped potentials in the cross-border area: short presentation of thematic priorities followed by active participation of participants (expressions of their opinion on challenges and potentials, including proposals which thematic priorities should be chosen).
3. Discussion and identification of thematic priorities: at the end each participant should propose 4 thematic priorities.

During the workshop, expressions of participants' opinions on challenges and potentials including proposed thematic priorities were written down. After both workshops, the proposed priorities were analysed and common thematic priorities were defined accordingly. The defined thematic priorities were afterwards subject of the open space event.

3. Open Space session

At the open space event participants at each panel (previously defined thematic priority) discussed the proposed investment priorities and proposed projects. It is advised to organise a limited number of (up to 6) panels.

Each panel was moderated by one Slovene and one Austrian moderator. In the beginning, thematic priorities, including investment priorities, were shortly presented. Later participants expressed their opinion about which investment priority should be chosen in the period 2014-2020 and why. Activities at all panels were documented according to the predefined outline:

Name, Institution, email
Thematic priority
Investment priority
Problem, opportunity (challenge, potential)
Project name (project idea)
Very short description of the project proposed (2 lines)

Outcomes of the panels were the following:

- Proposed investment priorities.
- Proposed measures/projects with justification.
- Networking of participants.

4. Conclusions with short presentation of Open Space groups

Short presentation of Open Space panels (each 5 min.) was carried out during the summary session. To this end, rapporteur of each panel was defined in advance.

What could hinder the implementation of the development conference? Possible obstacles to the successful implementation of the development conference should be foreseen. In the case of Regiolab project, the following obstacles were anticipated:

- Lack of participants.
- The unbalanced structure of participants (dominance of Slovene/Austrian partners).
- Project Regiolab covers only part of potential thematic priorities.

3.2.3. Project development workshops

Main aim. While several project ideas are brainstormed at the development conference, the main aim of project development workshops is to elaborate more in detail joint CBC projects in the fields of the key common and complementary competencies.

Starting point. The EU Member States were hit by the economic and financial crisis and had been operating within tough budgetary conditions and fiscal constraints. Limited public funds require careful planning at all levels (EU, national, regional, local), including cross-border co-operation. Projects proposed should be in line with the key common and complementary competencies identified.

Steps in conducting project development workshops

1. Define topics: inputs to the workshop

Topics selected should be in line with the key common and complementary competencies identified. For each project development workshop a short background paper (up to 5 pages) should be prepared, which describes the following:

- Justification of the topics selected (short analysis, SWOT for the topic selected, strategic documents, past and on-going activities).
- What is expected to be achieved in the selected topics, why and when.

2. Select appropriate contributors

It is important to invite adequate stakeholders (support organisations, associations, public officials, educational and research institutions, companies ...).

3. Workshop implementation

In planning the workshop, you need to set the duration of the workshop (up to 4 hours) and the number of participants (up to 20 participants is advised). A combination with other

events is possible. The workshop should be facilitated by a project partner or an external expert. Relevant speakers to be invited include project partners and others if needed (specialists, association representatives ...).

The proposed programme of the workshop is:

1. Very short presentation of the project.
2. Presentation of the purpose of the workshop and the use of its outcomes. In the Regiolab project, the following purposes were envisaged:
 - the preparation of the regional strategies,
 - the programming of the CBC after 2013,
 - the design of regional and CBC projects.
3. Short presentation of the selected topic.
4. Short presentation of relevant public policies (local, regional, national, EU). In the case of Regiolab project, a short presentation of future cohesion policy was prepared (strategic approach, concentration, result-oriented).
5. Discussion on measures & projects needed to strengthen the impact of selected topics on the development of co-operation area. Main questions to be asked:
 - What are our needs? = analysis, SWOT.
 - What do we want to change? = setting objectives.
 - How will we achieve this? = defining the content of measures/projects and who could/should implement activities.
 - What resources do we need to do this work? = developing draft budget (estimation), potential financing, synergies with other activities/projects to strengthen the impact of the activities.
 - How will we know if we have succeeded? = defining the indicator system.
 - What could hinder implementation? = threats/risks as lack of funds, lack of capacity.

Outputs of the workshop. Within the Regiolab project at least 3 projects were developed at each project development workshop according to the following outline:

Project name	
Project summary (including justification)	Why we need this project: which topic (strength, weakness, opportunity, threat) will be addressed and why?
Expected results	What will be achieved at the end of the project (output, result)
Potential project partners	Who will implement the project?
Estimated budget (€) and duration (months)	How much it will cost and how much it will last?

Cross-border projects proposed should have:

- Cross-border character.
- A clear reference to specific needs/problems.
- Target group(s) and stakeholders clearly identified.
- The link between problems, objectives, resources, activities and deliverables.
- Link/synergy to other activities (regional, local, CBC level).

3.2.4. Final conference

Main aim. A final conference is a promotional event with the main aim of presenting the project results to the interested public, project partners, stakeholders and relevant policy makers.

Steps in conducting a final conference. There are various possible ways of conducting the final conference. Regardless of the chosen form, the final conference should present the main results of the project and its impact on the co-operation area.

Outputs of final conference. The main output of the final conference should be an effective promotion of project results in the form of a press conference, paper media articles or other video / audio output.

4. Conclusions

Territorial co-operation is recognised as a key instrument supporting the development of cross-border areas. However, despite a relatively long tradition of cross-border co-operation between Slovenia and Austria, lack of good projects is still observed due to projects' weak strategic orientation, too extensive and inappropriate partnerships, and inadequate quality of some projects (projects were not »ready-to-go«). To enable planned (strategic), faster, harmonised and sustainable development of cross-border areas, long-term key priorities based on the needs and competencies of individual thematic fields need to be identified, politically adopted and/or sufficiently well worked out to attain long-term benefits.

The focus of the cross-border co-operation project "REGIOLAB" was thus to define the key common and complementary competencies of the cross-border region Slovenia-Austria that would enable a strategic planning of cross-border activities in the period 2014-2020. The measures, tools and methods of strategic joint regional development planning developed and applied within the project could be easily adapted to use in other cross-border and transnational co-operation projects in the period 2014-2020. Moreover, the approach proposed could also be used for the elaboration of regional and local strategies. Of course, when adapting the proposed measures, tools and methods one should take into account that each strategy is unique, reflecting the challenges and opportunities faced by the respective region(s).

Each region has its strengths and weaknesses and, in an open economy, is subject to opportunities and threats arising from its environment. Therefore, it is important to start our strategic planning with a concise but comprehensive analysis of the economic and social conditions in the target regions. This stage should be complemented by an analysis of developments in the external environment of the region taking into account probable developments at the national, European and international level. Besides this SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis the evaluations of past and on-going co-operation projects should be taken into account since they represent an important source of knowledge. Moreover, the analysis should ensure close alignment with the vision and objectives of other regional documents/strategies at the EU, national and regional level.

The results of the analytical phase should be communicated and discussed in the respective regions through regional development workshops. Based on the outcomes, a draft strategic document is prepared which defines the priorities as well as the programming required to achieve these priorities. Involvement of interested groups and stakeholders is a necessity, and stakeholders should be engaged in shaping of the strategic document/plan throughout the process. The draft strategic document is discussed at a development conference with the aim to identify jointly the common challenges and untapped potentials of the cross-border area and to seek common solutions/answers to them. While several project ideas are brainstormed at the development conference, potential joint CBC projects in the fields of the key common and complementary competencies are further elaborated at project development workshops. Finally, the strategic document including the proposed CBC projects is presented and approved at the final conference.

Well prepared and guided process is crucial for successful implementation and achievement of the results. We need to decide clearly and concretely what we need to do to have the desired effect and we need to involve all partners in the planning process to ensure that all understand the goal and what needs to be done to reach this goal. Nevertheless, unexpected change of circumstances might cause deviations from our plan; therefore, flexibility in implementation must be enabled.

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