

TERRITORIAL AND SOCIO-ECONOMIC ANALYSIS

Interreg Programme

Italy-Slovenia 2021-2027

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INTRODUCTION

This territorial and socio-economic analysis is carried out in the framework of the INTERREG Italy-Slovenia Cooperation Programme with the aim to create a basis for discussion on the priorities for the next programming period once the challenges and expected changes are collected and analyzed.

The document has been drafted on the basis of a statistics-based Context Analysis enriched with:

- Programme analysis documents' data prepared in the year 2020
- the results of the first stakeholders' consultation
- the results of interviews with the Programme's institutional representatives
- the feedbacks of the Programme Task Force in charge of the development of the documentation for the 2021-27 programming period.

Concerning the info on previous programmes, the data available on the 55 projects approved in the 2014-20 period and the 347 beneficiaries were considered. According to the Analysis 1, some of these projects were already a continuation of 2007-13 projects. The following projects are examples of concrete upgrading: NUVOLAK 2, TRANSGLIOMA, AGROTOUR 2 and INTERBIKE 2, PRIMIS (related to JEZIK/LINGUA), GeoKarst (related to CARSO-KRAS) and CROSSMOBY (linked with ADRIA-A from 2007-13 and CROSS V from 2000-06 programming period).¹

As to the context analysis, the data presented is based mainly on national and regional statistics, as well as on Eurostat publicly available data. The data on NUTS3 have been presented whenever possible and available. When the information was not available, the comparison is based on NUTS2 data.

The most recent available information was used. If information was not available for all the territories, it was not used to ensure comparability. History series were taken into consideration to demonstrate the development of key statistic indicators over time.

It needs to be mentioned that between the years 2016 and 2017 there were changes in the methodologies of data collection by Eurostat, therefore the older data (for years 2014 and 2015) was not taken into consideration.

Maps, tables and graphs serve as a better visualization tool in addition to the text description.

¹ Info stemming from the Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

TERRITORY, SOCIETY AND DEMOGRAPHICS

The Programme area extends over a total surface of 19,841 km² and has a total population of approximately 3 million inhabitants. The entire Programme area covers 5 Italian NUTS3 regions including Venice, Udine, Pordenone, Gorizia, and Trieste and 5 Slovenian NUTS3 regions of Primorsko-notranjska, Osrednjeslovenska, Gorenjska, Obalno-kraška, and Goriska. Overall, on the NUTS2 level on the Italian side, the regions involved are those of Veneto and Friuli Venezia Giulia, while for the Slovenian side Slovene Western and Eastern Cohesion Region with its NUTS3 regions. In total five NUTS3 regions are involved on the Italian side of the border (1 in NUTS2 region Veneto and 4 in NUTS2 region Friuli Venezia Giulia) and five NUTS3 regions on the Slovenian side (1 in NUTS2 cohesion region Vzhodna Slovenija and 4 in NUTS2 cohesion region Zahodna Slovenija).

Figure 1: Programme Area



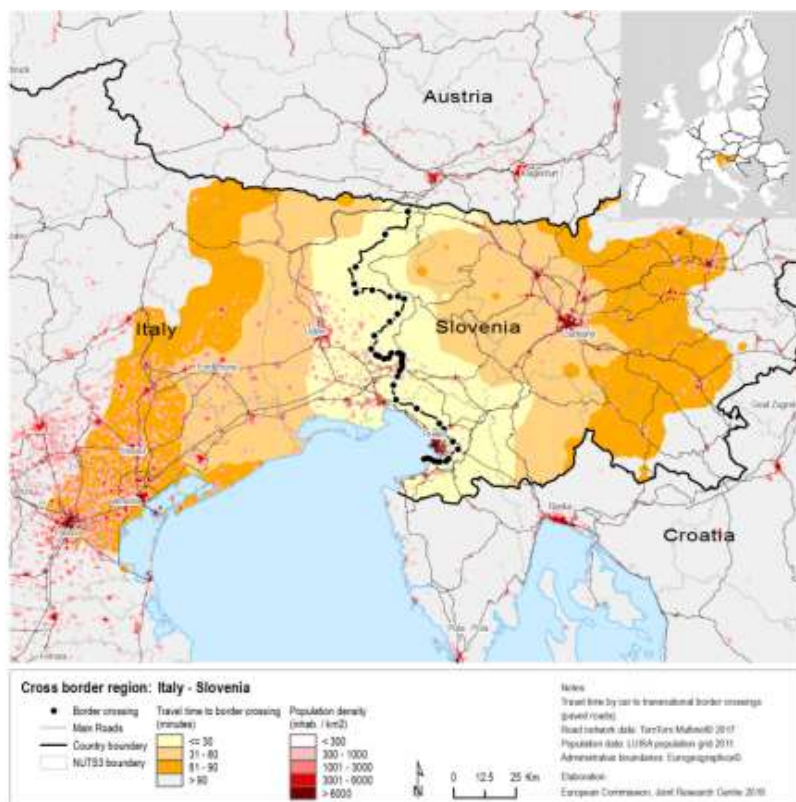
Source: Border Orientation Paper Italy-Slovenia

The land border between Italy and Slovenia is relatively short with 232 km but extremely diversified in terms of morphology as it crosses mountains, plains, and coastal zones. The Italian-Slovenian border region has a non-homogenous profile. It is characterized by the presence of quite diverse natural landscapes and the existence of both predominantly densely populated areas on the Italian side and more predominantly rural areas on the Slovenian side². The territory encompasses Alpine mountainous landscapes and foothills, hilly landscapes and plains, river basin areas, seashore lagoon landscapes as well as coastal areas and Karst landscapes. The area covers two river systems which are tributary to the Adriatic river basin, one of them is cross-border (Vipava and Soča/Isonzo). It is in this area that the Alpine region meets the Mediterranean climate. The Programme area comprises more than 320 Km of coast on the Adriatic Sea, a small part of which is located in Slovenia, which represents a resource both from an environmental and an economic point of view. Moreover, all rivers on the Programme area flow into the Adriatic Sea.

² Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019, page 12

The Programme area comprises urban areas as Trieste, Udine, Gorizia, Ljubljana, Pordenone, Venice, conurbation Koper-Izola-Piran, Nova Gorica, Kranj and Postojna. It also includes several urban centers located within relatively short distances from each other. There is a proximity between the cities of Trieste and Koper on the coast, in the southern part of the cross-border area and the functional urban area in Goriška (Nova Gorica, Gorizia, and Šempeter-Vrtojba), where the EGTC GO is operating since 2011. In the area, there are two larger cities with urban agglomerations: Venice and Ljubljana³. The other cities are medium-sized and there is polycentric development. All of the cited cities are centers for administration, education, research and innovation, and economic activity. There is a significant difference in the density of population between urban agglomerations and medium-sized towns but even more in comparison to the rural areas. The population dynamics show increasing disparities between the urban areas and big centers compared to smaller municipalities due to better job possibilities in larger centers.

Figure 2: Programme area, connectivity and population density



Source: Border Orientation Paper Italy-Slovenia

In line with Eurostat data, the density of the population is particularly high in the urban area of Trieste and extremely low in the Slovene NUTS 3 areas of Primorsko-Notranjska, Gorenjska, and Goriška (details in the table provided at the end of the paragraph).

³ OECD functional urban areas, OECD 2019

The border areas show ongoing negative population change trends, especially on the Italian side, where the population is everywhere decreasing, and ageing is a growing issue (Eurostat 2020).

Friuli Venezia Giulia Region counts 1,215,220 inhabitants, of which 48.5% are men and 51.5% are women and has a population density of 153.2/Km2.⁴ The Metropolitan City of Venice (formerly Venice Province) has a population of 851,663 out of which 48.6% are men and 51.4% are women. The population density is 343.11/km2.

In the Cohesion region Zahodna Slovenija there are 995,849 inhabitants, of which 49% are men and 51% are women (SURs data).

In both countries, life expectancy at birth is overall high, between 78 and 83 but the ageing population is an increasing challenge, notably in Italy. Friuli Venezia Giulia faces the biggest challenges in this respect, and more particularly Trieste with the share of the population aged 65 and above at 33% (when EU average is 22%), but all NUTS 3 regions in Italy have an unfavorable age structure compared with the EU average. As to Veneto, the share of the population of 19 or under is 18.38%, the share of 20-35-year-old is 14.%. In Slovenia, the problem seems less urgent, all NUTS 3 regions have an age structure closer to the EU average.⁵

For Friuli Venezia Giulia 2020 ISTAT data report an ageing index⁶ at 223.1, one of the highest in Italy (being Italy's average ageing index 178.4), while Veneto has an ageing index of 178.2. The age dependency ratio for 2020 is 62.1 for Friuli Venezia Giulia and 56.8 for Veneto, both higher than the national average one (56.6). Looking at the index of birth rate for 2019 (1,000 inhabitants), Friuli Venezia Giulia and Veneto are below the national average (7) respectively with 6.2 and 6.8.

In the Cohesion region Zahodna Slovenija, the ageing index is 127.5.

Table 1: Population density

ITALIAN NUTS 3 *	POPULATION (Inhabitants)	SURFACE (km ²)	DENSITY (Inhabitants/km ²)
Trieste	234,493	212.5	1,103.50
Udine	528,791	4,969.00	106.42
Gorizia	139,403	467.1	298.44
Pordenone	312,533	2,275.00	137.38
Venezia	853,338	2,467.00	345.9
TOTAL	2,068,558	10,390.60	199.1

SLOVENIAN NUTS 3 *	POPULATION (Inhabitants)	SURFACE (km ²)	DENSITY (Inhabitants/km ²)
Primorsko-Notranjska	52,334	1,456.00	35.94
Osrednjeslovenska	542,306	2,334.00	232.35
Gorenjska	203,636	2,137.00	95.29
Obalno-kraška	113,961	1,044.00	109.16
Goriška	117,260	2,325.00	50.43
TOTAL	1,029,497	9,296.00	110.7

* Source: Eurostat 2018

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

⁴ Regione in cifre 2019

⁵ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

⁶ Showing the number of people aged 65 years or over per 100 people aged 0-14 years

- The stakeholders' consultations pointed out the need to make rural areas smarter and to invest in integrated tourism with the aim of creating employment opportunities.
- In continuity with the current programming period, services for elderly could be improved (e.g., CrossCare project) and those relating to digital and technological solutions as well.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Negative population trends ✓ Ageing population & High life expectancy at birth ✓ Increasing disparities between urban areas and big centers vs smaller municipalities 	<ul style="list-style-type: none"> ➤ Repopulating rural areas through local/territorial strategies ➤ Developing technological solutions to favour active ageing and inclusion of the eldest and vulnerable people ➤ Favouring integrated strategies to reduce the marginalization of small centres

ECONOMIC AND EMPLOYMENT OUTLOOK, IMPACT OF THE COVID-19 SANITARY CRISIS

As regards the economic situation, the area is not far from EU standards, the Italian side being slightly above the EU average of GDP per capita and the Slovenian side being slightly below. Similarly, the situation of the labour market, as regards employment, unemployment, and long-term unemployment rates, is also close to the overall EU average⁷.

The Italian and Slovenian economies have been hardly hit by the European economic crisis of 2008-2009 but the situation has since then changed, with the economy growing favorably across all sectors since then but with a negative effect of the pandemic in 2020.

After 2018 in Slovenia there had been two waves of decline. From 2014 the economy was growing, but in 2020 it was hit by the covid-19 crisis. Data from 2019 shows that employment is 73.5% in the cohesion region Zahodna Slovenija⁸. For the same year, the average monthly gross salary is 1.857,67 € Euros.

In the Cohesion region Zahodna Slovenija, in the year 2018, the total number of enterprises was 113.813 counting market and non-market oriented companies, the average number of employed people was 4,5 people/enterprise meaning that the enterprises are on average micro and small enterprises. Data for the year 2017 shows that 10,1% of the enterprises are open yearly (non-seasonal) and most of which are uni-personal (number of employees is 1,1). 48% of enterprises survive more than 5 years.

A number of 102,635 enterprises were registered in Friuli Venezia Giulia Region in 2019, showing a good level of production in many sectors of the economy, being agriculture, commerce and

⁷ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

⁸ Data show persons in employment as a percentage of the working-age population. Employed persons cover persons in paid employment and self-employed persons. Working-age population includes all persons aged 15-64.

construction the most represented. In the Venice area 90,010 were the registered businesses in 2020. The average size of companies in Friuli-Venezia Giulia is 4.3 employees, while in Veneto it is 4.0.

The total number of employed people in the Zahodna Slovenija in 2019, according to SURS data, was 436.634 people, the unemployment rate was 4%. The circular economy initiatives are becoming more and more applied, both on the level of companies, as on the level of public local actors such as municipalities but there is still a gap on the regional and cross-border level and the circular economy targets are still not achieved and need to be further promoted.⁹

Data from Friuli Venezia Giulia regional statistical surveys for 2019 report an overall employment rate of the active population (between 15 and 64 years) was 66.3% (73% male and 59.5% female), and a total unemployment rate at 6.7% (5.5% male and 8.1% female), below the Italian average (10.6%). Veneto Region shows slightly better figures (employment rate at 66.6%, unemployment rate at 6.4%) and the Metropolitan City of Venice ranks in the regional average.

Referring to OECD data, for Italy, after falling sharply in 2020, GDP is projected to expand by 4.3% in 2021 and 3.2% in 2022. Lockdowns and uncertainty are weighing on activity, although government support has mitigated the effects on firms and households. Substantial job creation, especially for the low-skilled, women and youth, will return only in 2022¹⁰.

OECD data for Slovenia say that GDP is set to fall by 7.5% in 2020 and grow by 4.3% in 2021 as the effects of the pandemic will continue to disturb economic activity until at least late-2021. From then until the end of the projection horizon in 2022, investment and exports will be the main engines of growth thanks to higher demand in trading partner countries¹¹.

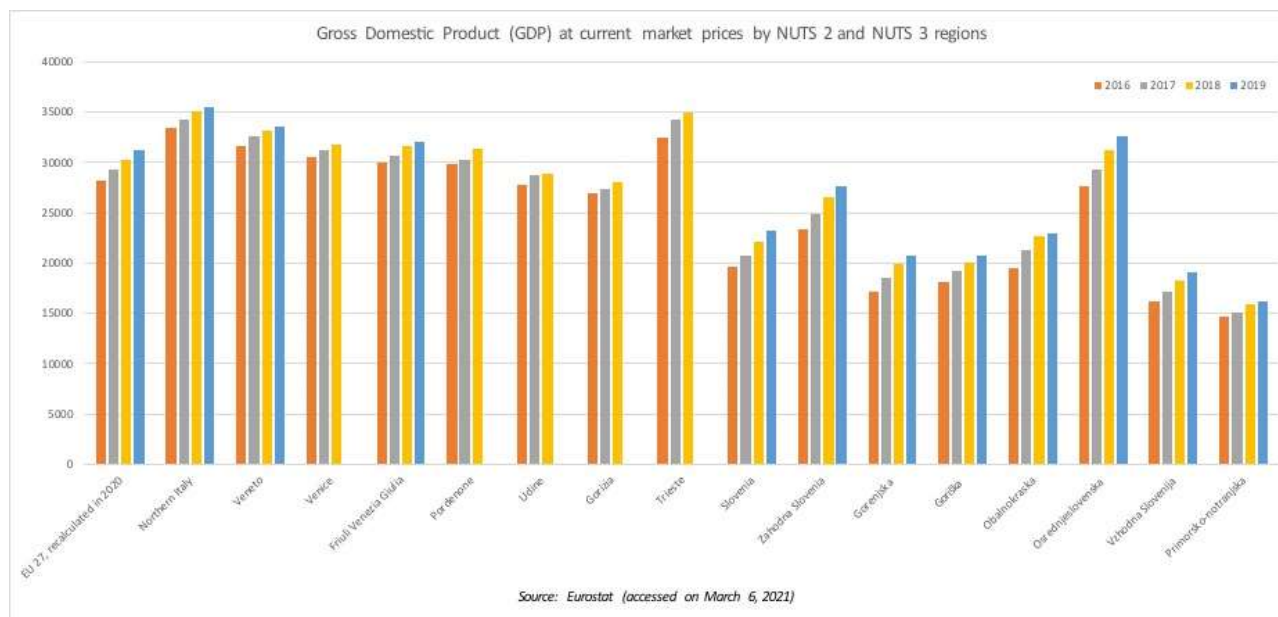
Considering Eurostat data referred to the past four years, the GDP per capita is the highest in the Trieste and Osrednjeslovenska NUTS3 region areas whereas it is the lowest in Primorsko-notranjska NUTS3 region. Statistical data show a disparity between the areas in Italy and Slovenia, the GDP per capita is higher on the Italian side of the border. All data for the period between 2016 and 2019 show an increase of GDP per capita for all NUTS3 regions.

Figure 3: GDP in current market prices for the regions in the Programme area

⁹ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

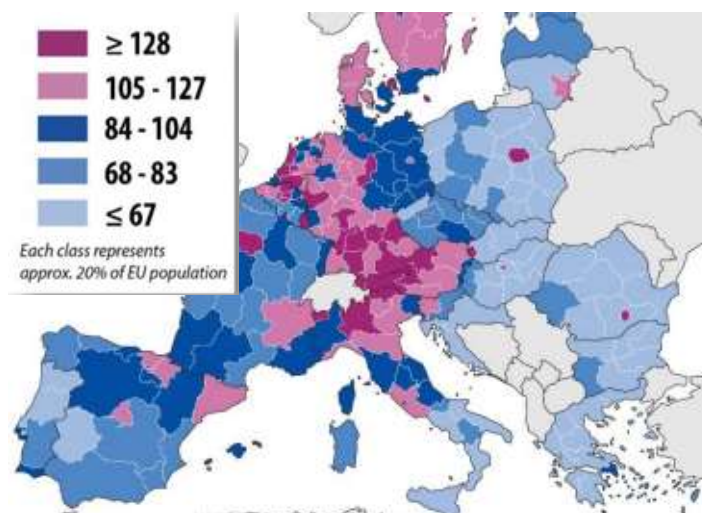
¹⁰ OECD Italy Economic Snapshot, Economic Forecast Summary

¹¹ OECD Slovenia Economic Snapshot, Economic Forecast Summary and https://www.umar.gov.si/napovedi/vmesne- napovedi/napoved/news/zimska-napoved-gospodarskih-gibanj-2020/?tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=75ecd4358ad4adc85080ae59b3ac9f1f



In order to better represent the above-mentioned pieces of information, the Map showing territorial disparities has been added below. The most recent data of Eurostat is available in this format for the year 2018.

Figure 4: GDP per capita in EU Regions, 2018



Source: Eurostat

In Italy, the pandemic, and the consequent lockdown until May 18, 2020 of many sectors of economic activity have had a considerable impact on the regional labor market. The sharp decline in economic activity has involved numerous sectors of industry and services, has discouraged participation in the labor market, causing a contraction in the rate of activity.

Looking at data from the Bank of Italy in the first part of 2020 the main productive sectors of the Friuli Venezia Giulia Region suffered the consequences of the economic crisis linked to the sanitary

emergency. The results of the 2020 autumn survey by the Bank of Italy confirm a widespread decline in activity also in services. The tourism sector has suffered the collapse of presences, both national and international.

According to the administrative data on start-ups and terminations, collected by the Friuli Venezia Giulia Regional Observatory on labor and labor policies, from February 24, 2020, to the end of the lockdown the balance between hires and terminations (net activations) of employees in the private sector (non-agricultural) was lower than in the same period in 2019, resulting in a loss of job positions which has progressively expanded to about 19,000 units in mid-June. The dynamics were similar to that of the Veneto Region and better compared to regions with a higher incidence of the tourism sector.

In Veneto Region, in fact, in the first half of 2020, regional economic activity was heavily affected by the COVID pandemic. According to the quarterly regional economy indicator (ITER) prepared by the Bank of Italy, in the first two quarters, the product has decreased by 5.8 and 17.2% compared to the same periods of 2019, in line with what has been observed in the rest of the country. The drastic decline in economic activity in the spring was followed by a partial recovery in the summer. On average for the first six months of 2020, as reported by the Bank of Italy, total employment in Veneto Region fell by 1.6% compared to the first half of the previous year, in line with the rest of the country. The decrease in total hours worked was much more intense (-17.8%). The decline in employment is directly connected to the drastic reduction in self-employed workers (-6.8%), while the number of employees remained substantially stationary also thanks to the exceptional measures to support income in response to the Covid-19 crisis and the block of dismissals. The employment rate decreased by more than one percentage point to 66.7% (in Italy by 1.6 points to 58.0%), with a more relevant reduction in the female component. The workforce, which has grown continuously over the past three years, recorded a significant contraction (-2.5%; in Italy -3.7 %).

The info on employment and unemployment shows the following progression:

Figure 5: Employment in the Programme area

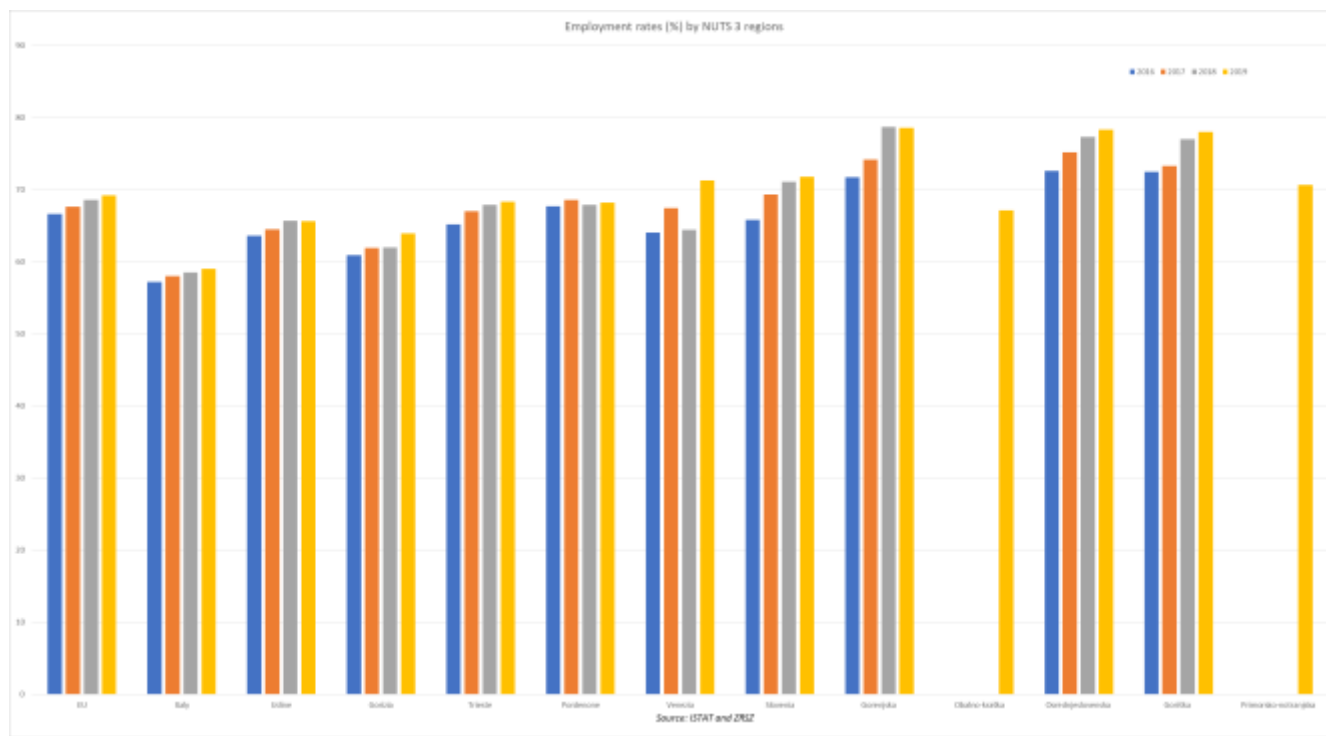
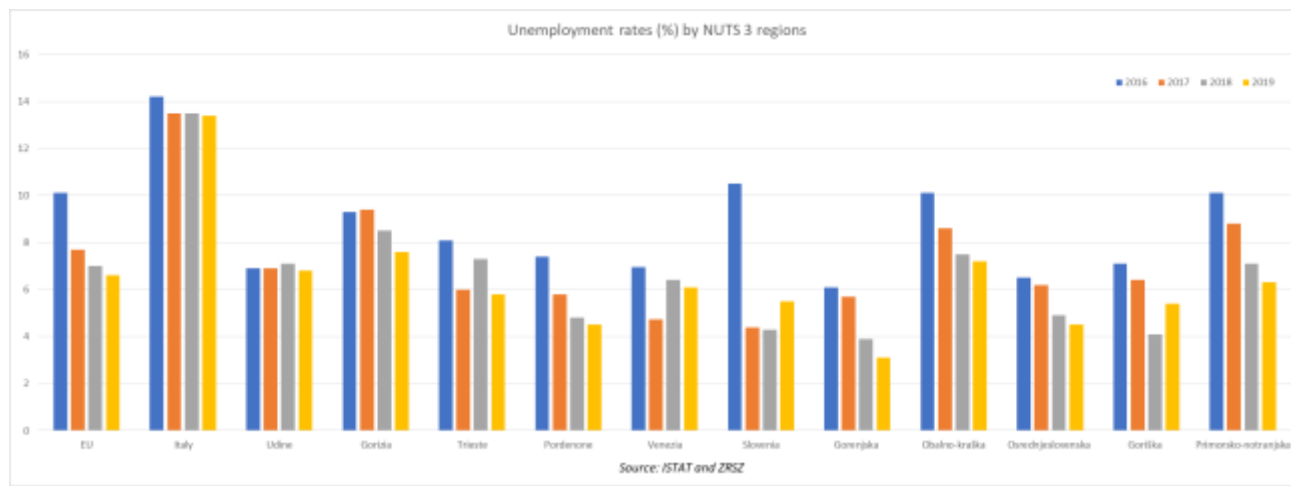


Figure 6: Unemployment in the Programme area



Sources: Eurostat data, ISTAT, SiSTAT, ZRSZ -Archidata elaboration

The pandemic will certainly affect also good trends in unemployment rates in Slovenia. The Slovenian Employment Service reported a rise in unemployment in March 2020. More recent data shows a slight improvement¹².

Another economic sector that will certainly be affected by the COVID sanitary crisis is tourism. The crisis caused negative effects on the whole tourism value chain (transport and transfers,

¹² https://www.ess.gov.si/-files/13290/Trg_dela_april_%202020.pdf

accommodation, entertainment, incoming, services, etc.) and affected unemployment and the economy in general.

It needs to be mentioned that the COVID sanitary crisis affected the territory with closing borders and different limitations, lowered capacities in accommodation and gastronomy, closures also in economic activities (except for some, like owners of agricultural land) - the permeability of the border was temporarily partly blocked as a result of the sanitary prevention measures applied on national and/or regional level. The daily home-work or home-school commuting and transport of goods were the main permitted ways of mobility across the border.

The implications in negative and positive terms are numerous and still evolving; anyway, this situation has generated immediate consequences such as the reduction of travel and transport, the increase in the use of technologies for home working, distance learning, telemedicine. This will imply a demand for new or diversified forms of support that can be taken into account when deciding the objectives of the Programme and, above all, the actions to be implemented.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

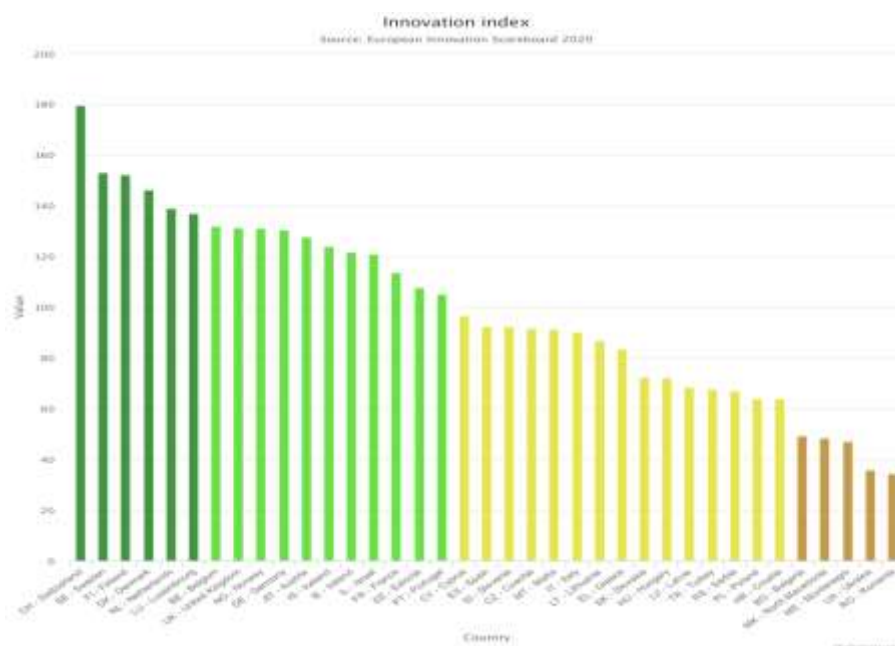
- It is worth pointing out that commuting to work is a relevant feature for the labor market in the land border regions: despite 12% of the population daily cross the border for work or business, the area shows a medium/low level of economic integration compared to other border regions. Past programming periods have targeted the issue, through the projects. Among those, the pilot project XBORDER WORKS implemented under the B-Solution initiative (whose purpose was to streamline administrative procedures for cross-border employment between Slovenia and Italy, which will be achieved through the development of a simple tool for sharing data on the income of cross-border workers who are working in two different countries at the same time) played a relevant role, it may be seen as important in a capitalization perspective and it could be also relevant to further expand the territorial scope of the project.
- Feedbacks from stakeholders highlighted that those topics should be chosen that grant both recovery after the COVID crisis and up-take of Green Deal priorities. Tourism and culture, amongst others, could be tackled, also with respect to the effects of the pandemic, developing innovative solutions to increase competitiveness and employment for SMEs in the field of green tourism, eco-tourism, etc.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Negative effects of the pandemic in 2020 on both Italian and Slovenian economies ✓ COVID sanitary crisis impact on pre-pandemic positive trends in the next future ✓ Overcoming the legal and administrative obstacles as well as the language barrier ✓ Increased percentage of the population at risk of poverty and social exclusion 	<ul style="list-style-type: none"> ➤ Implementing integrated development strategies to promote economic recovery opportunities through ICT and circular economy (green and blue growth) ➤ Creating favourable conditions to tackle specific barriers to cross-border employability, such as recognition of skills, addressing ageing population needs growth through investments in training and supporting SMEs competitiveness

RESEARCH AND DEVELOPMENT AS LEVERAGE FOR INNOVATION

According to the annual Innovation Union Scoreboard that compares the results obtained in the field of the research and innovation by the EU Member States, in the year 2020, both Italy and Slovenia are in the group of the “moderate innovators”, only Friuli Venezia Giulia Region is ranked as “strong innovator”.

Figure 7: Innovation Index



Source: Eurostat

As far as research and innovation are concerned, it is worth highlighting that Friuli Venezia Giulia Region in collaboration with the Ministry of Foreign Affairs and International Cooperation and the Ministry of Education, University and Research, and a number of private partners established the SiS, Scientific and Innovation System.

Just to mention data referred to the last few years, SiS involved a hundred actors from the education, research, institution¹³ and private sector, almost 2.000 researchers from enterprises - in a total of approximately 6.000 researchers at large -, 36.000 students and 2.000 teachers from universities, in more than 2.000 events, developing 150 projects under Horizon 2020 Programme¹⁴.

A key aspect in the development of R&D policies is linked to the introduction of the regional Smart Specialization Strategies. These have been developed in order to set priorities that build on the regional competitive advantages.

¹³ Info from indicator analysis in Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

¹⁴ <https://www.sisfvg.it/it/data-visualization>

Smart Specialization Strategies for Veneto, Friuli-Venezia-Giulia, and Slovenia were established and should be considered by the Interreg Italy-Slovenia Programme in the new programming period.¹⁵

The S4 strategy was adopted in Slovenia in 2017 and its main goals are related to competitiveness and enhancement of knowledge and technologies while raising entrepreneurial activities. The methodology is leaning on the quadruple helix development model and enhancing partnerships between national institutions, economy, knowledge institutions, and other actors. The strategy encompasses smart cities and communities, smart buildings and homes, industry 4.0 (automation and robotics) and smart factories, health/medicine, networks for the transition to the circular economy, sustainable food production, sustainable tourism, and creative cultural and heritage-based services, development of materials and smart mobility.¹⁶

Both the Friuli Venezia Giulia Region and the Veneto Region have invested in the structuring and progressively updating of the S3 Strategy in a logic of integration, horizontal policies, and partnership involvement.

Although all three specialization strategies of Friuli Venezia Giulia, Veneto Region and Slovenia are under revision for the programming period 2021-2027, common priorities can still be highlighted in order to build cross-border development paths, which are the following:

SHARED PRIORITIES
Agri-food
ICT
Creative industries
Logistics
Health
Sustainable tourism

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- Research and Development was one of the three most addressed topics in the 2014-20 programming period, with strong involvement of universities and research centers.¹⁷ Eight standard projects (Transglioma, FishAgroTech, Susgrape, Arte, Nuvolak2, BioApp, CAB, TRAIN) and two strategic ones (NANO-REGION and DIVA) were approved. In addition, the projects from the latest call will have to be considered: IMMUNOCLUSTER, CATTEDRA,

¹⁵ <https://s3platform.jrc.ec.europa.eu/map> and others

¹⁷ Analysis on 2014-2020 project applications through the concept of functional areas Programme 2020

CONSTRAIN, DURA-SOFT, IMBI, ISE-EMH (in total there will be 16 projects on this topic)¹⁸. According to the Analysis on 2014-2020 project applications through the concept of functional areas performed by the Programme in 2020, the majority of projects were focusing on innovative services, products and tools and the participants were mainly research institutions whereas the links between them and the enterprises were not as high as initially expected.¹⁸This, besides implementing innovative approaches and solutions focusing on the objectives of the European Green Deal¹⁹, corresponds to the need to reach critical mass in clustering, to boost internationalization and to identify specialization niches, maintaining an innovation functional approach as highlighted in the analysis *Crossing Interreg Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective*.²⁰

- The stakeholders' consultation highlighted the need to deal with investments in new knowledge, innovation, and SMEs. Partners from the R&I sector should work together with the companies to ensure the use of innovative solutions. In addition to that, the scaling-up of small and medium-sized partners could be encouraged with the collaboration of regional institutions that foster regional development. Focusing on Smart Specialization Strategies four of the above-mentioned topics were mentioned as particularly important for the next programming period: ICT, creative industries, health, and sustainable tourism.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ The majority of enterprises relatively small and thus with low innovation capacity, therefore, less competitive ✓ Low level of expenditure in R&D and specifically in industrial research which is necessary for technological transfer ✓ Investments in R&D below the economic development level in the area ✓ Scarce collaborative approach in innovation processes ✓ SMEs' limited ability to employ available research and innovative products ✓ Opportunities deriving from the integration of Smart Specialization Strategies 	<ul style="list-style-type: none"> ➤ Promoting technological upgrade and improving technological transfer to SMEs ➤ Increasing and giving continuity to investments in R&D and applied research ➤ Strengthening cooperation between R&I centers and enterprises promoting the creation of cross border clusters ➤ Promoting capitalization of R&I results achieved at regional level in a new integrated framework taking advantage of S3 shared priorities

DIGITALIZATION

¹⁸ See the projects of the last and the previous call here <https://www.ita-slo.eu/en/calls>

¹⁹ More details in "Crossing Interreg Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective"

²⁰ This is one of the opportunities identified in the Paper "Analysis 0 - Crossing INTERREG Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective"

The Digital Economy and Society Index (DESI) identifies Italy at the bottom of the list as regard connectivity (measuring deployment and quality of broadband infrastructure) and the use of internet services online. As well, with respect to R&D expenditure in the ICT sector (2015 data) Slovenia ranks above the EU average while Italy ranks below. The ICT sector share of GDP is lower than the EU average for both countries.²¹

On the application of “digital solutions in the private sector” Italy is in the medium-low range in relation to the EU average but the value for “penetration” is among the lowest within the EU. The values for these two indicators are in the mid-range for Slovenia.²² The preliminary analysis showed that digitalization is an important cross-cutting need, the use of online services and digital skills need to be improved.²³

Digitalization is a horizontal topic, and it is considered important by authorities and stakeholders in the cross-border area. Digital connectivity and utilization are very important factors for the socio-economic development of the area. The basis is the availability of a high-capacity broadband internet connection. Additional to that, digitalization is proven to boost productivity and serve as a basis for new high-tech services.²⁴ With national support, this infrastructure is being developed in the entire cross-border area with still existing gaps in rural areas. When it comes to high-speed internet it becomes evident that the households in rural and remote areas (e.g., mountain ones) are disadvantaged compared to urban areas where these services are much more accessible. However, according to “Broadband Coverage in Europe 2019 Mapping progress towards the coverage objectives of the Digital Agenda”, the 2020 final report, fixed and mobile broadband coverage in Italy and Slovenia is above the EU average and approximately 98% of the national territory.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders’ consultation

- The projects approved in the previous programming period covered several applications on digitization (from agriculture to culture, from health to entrepreneurship, and others).
- As resulting from the stakeholders’ consultation digitization is vital as a horizontal topic and, it should be maintained as an important priority and should contribute to a better quality of life (applications for the daily life of citizens, for example for the transmission of health certificates), for the SMEs (to increase their competitiveness), for culture and education institutions (to increase their accessibility), etc. Even topics related to cyber security were mentioned as potential for the new Programme.

Challenges	Desired Change
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²¹ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

²² Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

²³ One of the weaknesses identified in the Paper “Analysis 0 - Crossing INTERREG Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective” available on the Programme website

²⁴ <https://www.umar.gov.si/publikacije/porocilo-o-produktivnosti/>

<ul style="list-style-type: none"> ✓ Demand for administrative and bureaucratic simplification and digitalization especially in rural and remote areas ✓ Reduced competitiveness for not digitalized SMEs ✓ Digitalization as potential for business support environment and clusters' promotion ✓ Digitalization as a horizontal, cross-cutting need 	<ul style="list-style-type: none"> ➤ Developing new digital solutions in order to improve people accessibility to public service and promote social inclusion ➤ Reducing development disparities through ICT and social innovation ➤ Promoting enterprise cross-border networking, clustering, technology transfer, and upgrading digital skills through digital advisory services to SMEs
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TRANSPORT

Concerning cross-border infrastructures, the area is characterized by the presence of two branches of the Baltic-Adriatic TEN-t corridor.

Figure 8: TEN-T corridors



Source: Italian Ministry of infrastructures and transport, 2020

In the case of Slovenia, well-developed infrastructure has facilitated the economic growth of the country by promoting mobility and logistics of goods and services. The transport network is well developed with an international airport next to the capital city; the rest of the country is well

connected by road and rail networks, even if gaps still remain among urban and rural areas and in a cross-border perspective since there are still areas where connections are not sufficiently developed. In the Programme area, this is particularly the case for the upper part of the Soča valley. This is an area where a better link via railway to the other regions would help to support the needs of the local population and the growing demand from tourism. Anyway, the motorway density in Slovenia is above the recommended average of EU-28, the country is easily connected to the rest of Europe by car or lorry. There are over 700km of well-maintained motorways and 1000 km of trunk roads.

On the Italian side of the Programme area, the territory is served by a developed and modern network of connecting infrastructures, even if cross-border connections are still lagging behind. Highways (Veneto Region has a road length of 9,612 Km, Friuli Venetia Giulia of 3,929 Km), ports (the Venetian area and Trieste), and airports (the international airport of Venice and Trieste) constitute a fairly branched transport network for people and goods, although there is space to develop interchange and intermodal infrastructures.

The port system of the Venice area is composed of the ports of Venice, Marghera, and Chioggia. It is possible to quantify 1,260 companies directly employed in Venice and 322 those employed in Chioggia, for a total of 21,175 employees. The companies involved in the port of Venice develop a direct production value of 6.6 billion euros, accounting for 27% of the municipal economy and 13% of the metropolitan economy. The data relating to the third quarter confirm the decline in 2020 traffic for the lagoon ports: the port of Venice loses about 2 million tons compared to the first 9 months of 2019 (-11%), the port of Chioggia lost about 313 thousand tons in the same period, which is equivalent to a -33%.

The Port of Trieste has an internal railway network (70 km of tracks) integrated with the national and international network, which allows all docks to be served by tracks with the possibility of sorting and/or composition of trains directly in the various terminals. Comparing the data of the Trieste Port Authority on freight traffic in the periods of January-September 2019 and 2020, it went from a total volume of tons of 46,194,710 to 40,422,731, with an overall decrease of 12.49%

The port of Koper is specialized in the transport of containers and the data shows stable numbers of containers being transported in 2019 and 2020, even in the period of sanitary crisis that hit the most the transport of fuels and cars²⁵. In the year 2020, the freight traffic amounts to 945.051 containers, 1,5% less than in 2019, and has the highest share in Adriatic sea. Port of Koper entered 19.898 trains, 11% less than in 2019 and 13% fewer ships.

The rapid growth of air passenger transport has been one of the most significant developments in transport services in the past years, both in the EU and the rest of the world but also the main transport modality that was abandoned with the COVID sanitary crisis. The Eurostat data for the year 2019 show the number of air passengers per inhabitant is 3.7 for Veneto, 0.6 for FVG, and 1.9 for Zahodna Slovenia; the total air passengers is 17.9 million for Veneto, 0.8 million for FVG, and 1.8 million for Zahodna Slovenia.

Looking at the whole Programme area, even if the partner Member States have a great potential for the competitive development of transport and logistics, an underlying weakness remains due to a lack of integration among the two national and regional systems. This is, on the one hand,

²⁵ <https://luka-kp.si/slo/novice/single/pretovor-20020-38183>.

Concerning urban mobility, public transport service is very good in major urban areas but there is a lack of public transport in peri-urban and rural areas. This was partly the reason for the development of commuters' associations and bike mobility services but there is still room for improvement with the development of e-mobility and micro-public on-demand transport services that would fill the gaps.

The map shows the Venetian region in Italy, with the Venetian lagoon and surrounding areas highlighted in green. The map includes labels for various cities and regions, such as Trento, Pordenone, Treviso, Venezia, Padova, Verona, Vicenza, and Trieste. It also shows the surrounding regions of Trentino-Alto Adige, Friuli Venezia Giulia, and Slovenia, as well as the Adriatic Sea and the Gulf of Trieste. The map is numbered 1 through 5, indicating specific locations within the Venetian lagoon area.

Cross-border commuting is present everywhere along the border (local border crossings allow for faster passage, in total 3000 people are concerned (1/3 from Italy to Slovenia and 2/3 vice versa) mostly related to private transportation due to lack of public transport and non-harmonized time-schedules, the introduction of flexible “on-demand” public means of transport could help overcome this difficulty.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

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- Stemming from the Analysis performed by the Programme in 2020, the majority of projects were focusing on innovative services for smart low carbon mobility.²⁷
- In line with the objective of a more Connected Europe²⁸ and with a focus on rail infrastructure and rail connections with intermodality solutions, projects to be mentioned from the 2014-20 programming period would be CrossMoby, INTERBIKE2, and MOBYTOUR.
- According to stakeholders' consultation, there is a need to focus on inter-modality and strengthen soft mobility (sustainable public transport, biking, walking), solutions should be sought for the more isolated rural areas where mobility is an important means of development and serves both the local population and tourism (e.g., Northern part of the cooperation area and the Karst, the Programme coastal area). On-demand services of e-vehicles could help to overcome the hurdles stemming from the lack of cross-border public transport and serve both the commuters and tourists. Moreover, the link via railway with the Udine area and the Carinthia area was mentioned as a relevant feature.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Lack of integration among the two national and regional systems ✓ Cross-border mobility to be further implemented ✓ Lacking of connections with sparsely populated/peripheral/ rural areas ✓ Bottlenecks in urban mobility due to traffic and congestion 	<ul style="list-style-type: none"> ➤ Investing in connections with rural areas and coastal/hinterland with flexible solutions tailored to macro-areas ➤ Enhancing cross-border governance to improve interoperability and multimodality ➤ Developing e-mobility strategies and innovative mobility systems for better accessibility of public services for the population, also to support tourism ➤ Capitalizing good practices from the Interreg IT-SI programme (e.g., projects CROSSMOBI, INTERBIKE II, MOBYTOUR), but also from other programmes

ENERGY, CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT

²⁷ Info from indicator analysis in Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

²⁸ More details in "Crossing Interreg Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective"

The Programme area is facing common challenges in the field of climate change, pursuing global sustainable development objectives. The variety of climatic zones within the area - from the Alps to the Mediterranean - boosts those challenges and the need to find specific effective countermeasures. The main focal points are emissions reduction, renewable energy production, energy efficiency.

Climate change is still affecting the Programme area, in terms of global warming and increasing average temperature, vulnerability to floods and natural disasters, showing the need for further interventions in the fields of energy, transport, water management, soil consumption, forest management, and natural risks prevention, in a long-term perspective.

As a matter of fact, annual average temperatures In Friuli Venezia Giulia and Veneto shows an increase between +1°C and + 2°C in the last 50 years, accelerating after 1991. Since 2000, the average temperature in the regional lowlands has never get back to 13°C, while in 2015 five heat waves were registered, and maximum temperatures exceeded 40°C.²⁹ In Slovenia the temperature should rise up to 1,7°C but there should also be significant changes in the amount of rainfall, water flow in rivers, and water reserves. The quantity of rainfall and the rise in air temperatures will also impact the level of the sea in the Northern Adriatic.³⁰

The latest data on GHGs emissions provided by European Environment Agency (EEA) and Eurostat (published October 2020, the situation in 2018) confirm that both Italy (-17.9%) and Slovenia (-7.2%) are reducing emissions compared to the 2005 level, but still not reaching the -20% target set for 2020 by the EU Climate and Energy Package.

The increase in the share of renewables is essential to reach the EU climate and energy goals. The EU target is to reach 20% of its energy from renewable sources by 2020 and at least 32% by 2030: Italy has reached its national 2020 target, although its share is below the EU average of 20%. Slovenia has not yet reached its national 2020 target (-3.9 pp), however with a national share above the EU average 20%.

In Slovenia, in 2015, the domestic energy sources - domestic coal, electricity produced by nuclear power and hydropower, and other renewable energy sources (solar, biomass, biogas, and waste) covered 51% of the energy needs. Slovenia produces negligible amounts of oil and refined oil and natural gas, and thus is completely reliant on imports of these two fuels. Transport is the main energy consumer, followed by manufacturing and construction, and households. The energy demand in Slovenia is expected to remain fairly constant through the next years, but with a significant difference between the different energy sources: oil-based energy consumption will most probably remain the most used energy source, but its usage will probably decline. Programmes put in place to promote the use of renewable energy sources such as hydropower will increase, and the supply of natural gas will be prioritized.

According to Terna (the operator of the Italian National Electricity Network) data for 2018, Friuli Venezia Giulia Region produced 10,494 GWh of electricity, with a deficit of 580.7 GWh compared to consumption (a percentage of 5.5%). The Veneto Region, on the other hand, has a deficit between production and consumption of electricity of 48.1%, also due to one of the most

²⁹ ARPA FVG, 2018, Studio conoscitivo dei cambiamenti climatici e di alcuni loro impatti in Friuli Venezia Giulia, https://www.meteo.fvg.it/clima/clima_fvg/03_cambiamenti_climatici/01_REPORT_cambiamenti_climatici_e_impatti_per_il_FVG/impattiCCinFVG_marzo2018.pdf.

³⁰ https://meteo.arso.gov.si/uploads/probase/www/climate/text/sl/publications/OPS21_Porocilo.pdf

developed production systems in Italy. The demand for energy for housing and productive system consumption is growing, although the current sanitary emergency could reverse the trend. Both Friuli Venezia Giulia and Veneto Regions are growing in the production of energy from renewable sources, in line with the effort at a national level with respect to the achievement of European and international targets.

At the local level, 75 out of the 259 municipalities of the Italian side territorially involved in the Programme are signatories of the Covenant of Mayors for Climate and Energy (29%), with an absolute preeminence in the NUTS 3 area of Udine (25 municipalities) and Pordenone (24 municipalities), and a relative one in the NUTS 3 area of Trieste (50%) and Pordenone again (49%), Venezia and Meolo in the metropolitan area of Venice. Many Slovenian municipalities are also signatories, the majority is located in the Gorenjska region, but there are also others, among which Idrija, Ajdovščina, Pivka, and the three urban municipalities of Koper, Nova Gorica, and Ljubljana.³¹

In 2015, all United Nations Member States (Italy and Slovenia too) approved the 2030 Agenda for Sustainable Development. The document entails 17 Sustainable Development Goals. Both countries have a high score in the year 2020, Slovenia ranks 12th with a score of 79,8 and Italy ranks 30th with a score of 77,07 out of 162. Both countries urgently need to take up climate change action³². Following the UN agreements on climate change and EU strategies, all EU countries must prepare and adopt a 10-year integrated National Energy and Climate Plan (NECP). The document contains a national agenda of each EU Member State for energy efficiency, renewable energy, reduction of emissions, interconnections, and R&I. Both Italy and Slovenia have submitted the final versions of their NECP³³. The main elements of these climate plans envisage the reduction of fossil energy sources in traffic, industry, households, and agriculture (e.g., thermic renovation of buildings, strengthening environmentally friendly production processes, increasing the attractiveness and thus the share of public transport systems, sustainable forestry), the promotion of renewable energy (solar, geothermal, wind, biomass) and the protection of biodiversity and habitats. Important in all CO2 reduction plans are also measures for increasing the awareness about these thematic in the population and R&D activities. Strategies are also dealing with actions that are helping to better adapt the various sectors of society and economy to the undergoing and upcoming inevitable effects of climate change. The main focus also relevant to the region is e.g., regarding the management of surface and underground waters, flood risk prevention, measures for improving biodiversity, the adaptation of agricultural crops and forest management, disaster prevention and response measures, and support of sustainable tourism and diversification in tourism, many of them under the umbrella concept of the circular economy.

The circular economy has potential in supporting bottom-up approaches in designing and implementing material flow in loops that are terminating at the local or regional level (i.e., waste of one industry is material for another, leading to reduced pressure on natural resources, etc.). The Government has declared circular economy and green development as Slovenia's strategic objectives and adopted the Framework Programme for the Transition to a Green Economy in

³¹ For detailed information on the status of single municipalities, please consult: <https://www.covenantofmayors.eu/about/covenant-community/signatories.html>

³² <https://dashboards.sdindex.org/profiles/SVN>, <https://dashboards.sdindex.org/profiles/ITA>

³³ https://ec.europa.eu/info/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans_en

2016.³⁴ Furthermore, a Roadmap towards Circular Economy in Slovenia was prepared in 2018. In Slovenia, Strategic Research and Innovation Partnership Circular economy connects the business sector, educational and research institutions, NGOs, and other partners into new value chains. Such partnerships focus on sustainable energy, biomass, and alternative raw materials, secondary raw materials, functional materials, processes and technologies, and circular business models. Several attempts were also made to introduce circular practices into tourism.

EU Directives on Circular economy have been transposed in the Italian legal system through Legislative Decree no. 116/2020, mainly focused on waste reduction and recycling. It has been anticipated by Friuli Venezia Giulia Regional Law No. 34/2017, that enforces the regional waste management system emphasizing reuse, restore and recycling besides the reduction in waste production, introduces a regional forum on circular economy composed by experts and stakeholders, and enhances the practice of Green Public procurement.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- The issue of energy and climate change has been relevant in many projects funded by the Italia-Slovenija 2014-2020 Programme: ENERGY CARE (energy efficiency of public buildings), LightingSolutions (Innovation in lightning for public buildings), CLEAN BERTH (Sustainability and energy efficiency in ports of the transnational area), but it takes a central position in strategic project SECAP (Supporting energy and climate adaption policies), aimed to educate political institutions and local operators on methods and tools to design new Sustainable Energy and Climate Action Plans. These are just some of the projects, in total 18 standard and seven strategic projects have covered the objective of Greener Europe, thus already building a solid base for the next projects in line with the European Green Deal, working on risk mapping, defining adaptation strategies to climate change, sharing approaches for protected areas management, working on renewable energies and circular economy, nature protection and biodiversity, cross-border management of marine waste and water pollution, ecosystem protection, green infrastructures.³⁵
- The stakeholders' consultation confirmed the need to focus on energy, sustainable transport, river and coast management, and natural risk prevention.

Challenges	Desired Change
✓ Climate change impacts on both sides of the border, such as global warming,	➤ Reducing CO ₂ emissions by improving energy efficiency as well as by developing

³⁴ https://www.greencycle.si/wp-content/uploads/2018/01/opzg_akcijski_nacrt_in_nacrt_aktivnosti.pdf

³⁵ The standard projects (from three different calls) were respectively: MUSE, INTERBIKE 2, LightingSolutions, MobiTour, Energy Care, ENGREEN< TRETAMARA, BEE-DIVERSITY, GREENHULL, ACQUAVITIS, ECO SMART, MEDS GARDEN, TARTINI, AGROTOUR II, CONA, NAT2CARE, BLUEGRASS, RETRACKING. The strategic projects (from two different calls) were: SECAP, CROSSMOBY, WALK OF PEACE, PRIMIS, MerlinCV, GREVISLIN, VISFRIM. More details in "Crossing Interreg Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective".

<p>vulnerability to floods and natural disasters</p> <ul style="list-style-type: none"> ✓ Variety of climatic zones and landscapes as an asset but climate change impacts might impact the usability of the landscapes and natural resources ✓ Need for further interventions to mitigate the impact of climate change; in the fields of energy, transport, water management, soil consumption, forest management, and natural risks prevention ✓ High energy consumption by transports and buildings causing air pollution and CO2 emissions 	<p>more sustainable mobility in line with European Green Deal objectives</p> <ul style="list-style-type: none"> ➤ Improving the integration in policy making ➤ Supporting the development and use of green technologies ➤ Capitalizing the achieved best practices and promoting/strengthening the introduction and diffusion of ICT ➤ Supporting actions to mitigate and adapt to the climate changes depending on the territorial context-tailor-made responses for all types of landscapes and natural resources covering the whole Programme area such as river and marine water quality management, soil consumption and coastal erosion, forest and coastal areas management, and natural risks prevention
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EDUCATION, NATIONAL MINORITIES RIGHTS AND BILINGUALISM

For basic education, Slovenia ranks higher than the EU average and the Italian regions fall slightly behind.³⁶

Table 2: Population with tertiary education attainment

	Year	NUTS level	IT value	SI value
Population with tertiary educational attainment	2019	II	16.2% Veneto	26.8% Vzhodna Slovenija
	2019	II	17.4% Friuli-Venezia Giulia	35.3% Zahodna Slovenija

The educational systems of the two countries get different results. The OECD-PISA 2018 data indicate, on both sides of the Programme, valid school systems in terms of quality and quantitative data are consistent with the relevant age groups. From the viewpoint of upper secondary education, in terms of duration of school cycles, various discrepancies were found, relative to age groups, which have a significant impact on the statistical basis of reference, although the two different cycles are nevertheless comparable in terms of teaching and education.

³⁶ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

The offer of university studies is widespread in the area, thanks to the institution with a long tradition and new ones more recently established. The Universities of Ljubljana (38.762 students), Primorska (5.338 students), and Nova Gorica (800 students) offer a wide range of studies, and also in Trieste (15.179 students), Udine (14.942 students), and Venice (20.795 students) there are universities with a wide range of programmes, covering all sectors from life sciences, engineering, social sciences, etc. In addition to the public universities, there is an increasing number of private institutions that provide university-level or post-university education.³⁷

A quite extended offer for higher education and training exists along the border. Cooperation activities could therefore more strategically support the coordination between enterprise and the tertiary education systems to match the cross-border labour market needs and also the possible future developments in various sectors (i.e., ICT, tourism, healthcare, agri-food). Vocational training could also be generally better targeted.³⁸

Focusing on national minorities issues, Slovenia protects and guarantees the rights of the autochthonous Italian national community on its territory.³⁹ The Italian community has the right to education in its own language and to the design and development of this education. In the coastal area, where members of the Italian national community live, educational work is conducted in Italian (in schools with Italian as the main language, Slovene is taught as the language of the environment) and in Slovene (in schools with Slovene as the main language, Italian is taught as the language of the environment).

The latter applies also on the Italian side for the issue of the offer of Italian-Slovenian bilingual teaching in local schools. In fact, there are public schools with Slovenian language in the territories of Trieste, Gorizia, and Udine, as well as the comprehensive public institute (Istituto Comprensivo Statale) with Slovenian-Italian bilingual teaching in San Pietro al Natisone (UD), where there is a Slovenian minority population.

On both sides of the land border, both the Italian and the Slovenian languages are used. Bilingualism is nonhomogeneous outside the areas with the presence of linguistic minorities and spread differently depending on the cross-border geographic area and depending on the age groups of the population.

Whereas language is often seen as a barrier, in the cross-border Programme area, the ability to speak foreign languages is a strong asset to increase the employability and mobility of workers and to boost the competitiveness of labor markets. Cross-border areas, where a bilingual population already exists, have greater potential to capitalize on⁴⁰.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

³⁷ One of the opportunities identified in the Paper "Analysis 0 - Crossing INTERREG Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective"

³⁸ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

³⁹ Both national communities are guaranteed all the rights from the Constitution of the Republic of Slovenia and valid international treaties. For more information: <https://www.gov.si/teme/italijanska-in-madzarska-narodna-skupnost/>

⁴⁰ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

- According to institutional representatives' interviews the main projects implemented in the 2014-20 period and to capitalize in the next programming period are the projects LINGUA-JEZIK⁴¹, PRIMIS, and EDUKA2.
- During the interviews, it was mentioned that the scope of actors needs to be enlarged, including temporary associations of actors in the eligible partners of the Programme.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Bilingual educational offer still not supported enough in the area ✓ Societal (ageing of the population) and technological changes ✓ Weak link between high-level education and labor market and an increasing number of NEETs ✓ Presence of cultural and linguistic minorities as an important asset 	<ul style="list-style-type: none"> ➤ Investing in education and training with cross-border relevance ➤ Promoting multiculturalism and bilingualism to increase mutual understanding, to boost employability ➤ Improving of bilingual services to citizens and businesses through ICT ➤ Enhance coordination between enterprise and the tertiary education systems to meet labor market current needs ➤ Capitalizing good practices (e.g., projects LINGUA/JEZIK, PRIMIS, EDUKA2, and others)

ENVIRONMENT, NATURAL RESOURCES AND CULTURE

The Programme area is characterized by a relevant richness in biodiversity - in both animal and plant species and habitat types - and different landscapes, ranging from the Alps to the sea: Alpine and Alpine foothills landscapes, hilly and high and low plain landscapes, river basins, lagoon and coastal landscapes, the unique Karst landscapes. The Dolomiti have been awarded in 2009 with the inscription in the UNESCO World Heritage List. Plenty of natural resources, but also the necessity of tackling actions against its fragility due to hydrogeological and seismic risks, as well as the risk of subsidence and coastal erosion.

“Venice and its Lagoon” site was inscribed on the UNESCO World Heritage List in 1987, in recognition of its unique historical, archaeological, urban and artistic heritage and exceptional cultural traditions, integrated into an extraordinary natural landscape.

The Programme area can list a remarkable number of natural parks and protected areas: National and Regional Parks, Marine protected areas, Lagoons, Nature (Municipal, State and Regional) Reserves, according to the national and IUCN classification system. Top of the list for its uniqueness, the area of Classical Karst, which is considered of international importance for the

⁴¹ Project from 2007-13 programming period capitalized with the project PRIMIS in the 2014-20 period and mentioned explicitly in the interviews.

karst phenomena and its cultural heritage, to benefit the area, recently the Programme approved a project to create a Karst Geopark⁴², the second Geopark to be established in the region after Geopark Idrija inscribed on the UNESCO list of World Heritage in 2013. Friuli Venezia Giulia can list two natural parks, fifteen reserves, more than thirty biotopes and sixty-three sites Natura 2000, covering 19% of the regional territory. Similarly, in the Metropolitan City of Venice, we can count a regional park and 32 sites Natura 2000 (24% of the total provincial area). Slovenia is indicating a relatively high proportion of NATURA 2000 sites at the national level (37% of the entire country), the Programme area reaches even a higher percentage (41%). There are also over 300 protected areas of various protection regimes, over 1.500 natural value sites, and 8.415 caves - all protected as natural heritage.

Figure 10: Natura 2000 Sites in the cross-border area



Source: European Environmental Agency, 2019

Among them many lagoons natural areas, from the wide Lagoon of Venice system (IT3250033, IT3250046, IT3250030, IT3250031), the Mort and Eraclea Lagoon (IT3250013) in Venice metropolitan City, the Marano and Grado Lagoon (IT3320037) in Friuli Venezia Giulia, and the Stjuža (SI5000031) in Slovenia.

Furthermore, Škocjan Caves Regional Park, which takes part in the UNESCO World Heritage List as well as Ramsar Convention List of wetlands of international importance, are used to be one of the largest underground passages in the world, and also other Ramsar sites such as the Sečovelje Salina Nature Park, the northern most salt pans in the Mediterranean.

⁴² <https://www.ita-slo.eu/en/geokarst>

The Programme area hosts a remarkable number of natural parks: the National Marine Protected Area of Miramare (UNESCO Biosphere Reserve) and the Nature Reserve Strunjan in the Gulf of Trieste; the Triglav National Park, located in the regions of Gorenjska and Goriška, the Friuli Dolomites, the Julian Prealps (Friuli Venezia Giulia), the Sile River (Venice Metropolitan City) on the Italian side; the Sečovelje Salina Nature Park, the Škocjan Caves Regional Park and the Notranjska Regional Park on the Slovenian side. The Triglav National Park and the Julian Prealps also form a UNESCO area of “The Julian Alps Biosphere Reserve” and a cross-border ecoregion. There are also two Geoparks: a Karst Geopark (in creation)⁴³, and the Geopark Idrija.

The Eurostat data shows that the share of forests is 44.9% for FVG, 24.5 % for Veneto, and 67.7% for Zahodna Slovenija. This data clearly shows that deforestation is not a prominent issue for the main part of the Programme area. However, it must be pointed out that in the last decade forests were heavily impacted by extreme weather events (e.g., ice-breaks, droughts, and wildfires, etc.) clearly indicating their vulnerability to climate change and supporting expectations that tree species-composition of forests is likely to undergo an important change in coming decades. Thus, significantly impacting one of the most important natural resources of the Programme area.

Furthermore, it should be highlighted that the Programme area is characterized by different cultural and linguistic identities: Latin, Slavic, and German roots, as well as their linguistic legacies, are shared among the population in the area. An area whose geographic location has always placed at a crossroads between the borders of states and peoples and the territory where specific laws protect cultural and linguistic communities, both in Italy as in Slovenia⁴⁴ (see also the chapter Education, National minorities Rights, and Bilingualism).

Cultural heritage is an asset of the Programme area, strictly connected with its natural heritage. A number of UNESCO World Heritage Sites are located both in the Slovenian and the Italian regions of the area.⁴⁵

⁴³ <https://www.ita-slo.eu/en/geokarst>

⁴⁴ Italian national and regional laws have been adopted to protect and promote autochthonous minority languages, Italian minority in Obalno-kraška region in Slovenia, Slovene minority along the state border, Germanic-speaking communities in the Alpine areas of Friuli: this is the case of the Italian law 482/1999, listing among the historic linguistic minorities Friulan and Slovenian languages. It is also worth underlining that the autonomous regional status of Friuli Venezia Giulia favored the recognition of four official languages in the Region: Italian, Slovene, Friulian, and German. Slovenians are an autochthonous minority with a historical presence in Italy protected by the London Memorandum (1954) and the Treaty of Osimo (1975), the already recalled Italian law 482/1999, the Law 38/2001 for the protection of Slovene minority, and the Friuli Venezia Giulia Regional law 205/2007. Furthermore, Slovenia and Italy ratified the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages. The Slovenian minority in Friuli Venezia Giulia and the Italian minority in Slovenia present a paradigm of positive engagement, playing an important role in creating cohesion policy and social integration in the area.

⁴⁵ As of 2021, there are four sites in Slovenia inscribed on the list and five sites on the tentative list. The first site in Slovenia to be added to the list was the [Škocjan Caves](#), inscribed at the 10th UNESCO session in 1986.^[3] In the 2010s, three more sites were inscribed, all of them transnational entries: pile dwellings at [Ig](#), part of the [Prehistoric pile dwellings around the Alps](#) transnational site, in 2011,^[4] [Idrija](#), as part of the transnational site [Heritage of Mercury. Almadén and Idrija](#), in 2012,^[5] and two forest reserves, the Krokav and Snežnik-Ždrecle Virgin Forests in 2017, as a part of the extension to the site of [Primeval Beech Forests of the Carpathians and the Ancient Beech Forests of Germany](#).^[6] Of these four sites, Škocjan Caves and the Primeval Beech Forests are natural sites while the other two are cultural sites, as determined by the organization's [selection criteria](#).^[2] On the Italian side of the Programme area, there are currently several sites inscribed in the UNESCO World Heritage List, two in Veneto Region (which has a total of eight Unesco sites) and three in Friuli Venezia Giulia Region. Since the inscription of Venice and its lagoon in 1987, until the one of the city of Vicenza and the Venetian Villas of Andrea Palladio in 1994 and after, cultural heritage in Veneto has

Intangible heritage is also an element of attraction and great importance for the culture of the Programme area: a set of traditions, artisan knowledge, gastronomy, traditional techniques that represent the identity heritage of the territorial communities.

This mix of history, traditions, and culture that is one of its most attractive assets of the area will certainly get the possibility to be further explored at the time of the 2025 activities of the Nova Gorica - Gorizia European Capital of Culture “GO 2025 Nova Gorica · Gorica” capital activities. The success of this nomination will open up space for other cross-border enhancement and promotion strategies, such as the tentative nomination of Collio/Brda as UNESCO World heritage. WW1 heritage and Walk of Peace on Slovenian territory is already on UNESCO Tentative list, Memorial Church Javorca has the European Heritage label.

Table 3: Key statistical indicators on protected areas

Average % of Natura 2000 and other protected areas on total area	Year	NUTS level	IT value	SI value
	2020	II/III	21.5% (Friuli Venezia Giulia/Metropolitan City of Venice)	37%

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

Stemming from the Analysis performed by the Programme in 2020, the majority of projects were focusing on investments or services/products created for the support of preservation and restoration of natural and cultural heritage. For the protected areas there was a focus on habitats and an improved conservation status whereas there was less programme budget allocated and hence less projects focusing on ecosystem services, pilot actions to support biodiversity, participation in divulgation events, implemented green technologies, and green innovation.⁴⁶ Nature conservation and green infrastructures was the focus of many projects, among which ECO-SMART (ecosystem services market for Natura 2000 sites protection), ENGREEN (Strengthening green infrastructures), GREVISLIN (Green infrastructures for the conservation and improvement of habitats and protected species along rivers), NAT2CARE (Citizens' engagement for the Restoration of cross-border Natura 2000 areas), and GEOKARST (Establishment of the cross-border Karst Geopark), VISFRIM (method for efficient management of hydraulic risk and floods

been often awarded by the inscription in the List and by the consideration of outstanding value. Worth quoting also interregional and international sites such as the Dolomites and the Venetian Works of Defence between the 16th and 17th Centuries. Similarly, the cultural heritage of Friuli Venezia Giulia has been awarded by the inscription in the World Heritage List of the sites of the historic town of Cividale del Friuli, in 2011, because of the precious presences of artifacts out of the Longobard period, the fortress-city of Palmanova with its perfect nine-pointed star shape and the ancient roman city of Aquileia, also sharing the site of Dolomites with the neighboring regions.

⁴⁶ Info from indicator analysis in Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

preventions). Moreover, a concrete example of capitalization is the project Walk of Peace that valorizes the heritage of World War 1 to be inscribed on the UNESCO world heritage.⁴⁷

- The institutional representatives' interviews highlighted the need to enlarge the scope of actors, including also local associations, NGOs, and civil society which would in return also contribute to better visibility of the Programme. Projects in culture should valorize the cultural heritage both with renovation activities and with creating products that are available to a wider public online (via creative industries and digitization).
- Also, green infrastructure can be the basis to start up the touristic development of the area, and the capitalization of the Karst Geopark project is necessary to ensure the sustainable development of the Karst territory on both sides of the border.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Rich and diversified natural and cultural heritage ✓ Intangible heritage as an element of great importance for the culture of the area ✓ Presence of UNESCO protected sites ✓ Presence of the two national minorities and other cultural and linguistic identities ✓ Relevance of cultural industry as an economic asset ✓ Interesting prospects of tourism and cultural offer development in line with the new SO 4.5 ✓ GO 2025 Nova Gorica · Gorica as tailor-made local initiatives 	<ul style="list-style-type: none"> ➤ Introducing digitization to improve accessibility to the natural and cultural heritage for a wider public ➤ Enhancing Green Infrastructures Networks and foster shared approaches to manage and promote protected areas ➤ Capitalizing good results achieved in cooperation in the environmental field ➤ Promoting the cultural and linguistic minorities ➤ Promotion of cultural heritage through support to creative industries and sustainable and accessible tourism ➤ Implementing territorial development strategies linked to GO 2025 Nova Gorica · Gorica and other sub-regional areas aiming at developing cross-border areas, creating an integrated cultural offer, and improve management of flows and seasonality

TOURISM

Nested with cultural and natural resources, tourism is one of the economic leading sectors of the Programme area. It is also one of the sectors that have been more affected by the pandemic, it is, therefore, difficult to draw a real and updated picture of this field at the moment: figures and trends are not currently reliable in a long-term perspective. Surely, the Programme area has very

⁴⁷ These are to be included in the UNESCO world heritage. The project won the contest for best Interreg project in the year 2020.

strong touristic assets, either cultural, natural, or seasonality-oriented, both for winter and summer (Alps/Dolomites-coastal maritime areas) tourism. The area shows a high foreign tourism dependency (mainly for Veneto, slightly less for FVG and Slovenia). According to Eurostat 2018 data foreign tourism dependency⁴⁸ is high: 67,7% for Veneto and 57,2% for FVG. The overall number of nights in 2019 is 71,2 million for Veneto, of which 37 million for Venezia, and 9 million for FVG. SURS data show that in Slovenia 11 million foreign tourists had an overnight stay in Slovenia in 2019 compared to 4,4 million domestic visitors leading to a 71% of foreign tourism dependency rate⁴⁹.

Slovenia's strategy on sustainable tourism development comprises four main destinations and three are comprised in the Programme area⁵⁰

- Mediterranean Slovenia
- Alpine Slovenia
- Central Slovenia and Ljubljana

Based on the strategy "Slovene scheme on Green Destinations", apart from the further development of the five major destinations (Piran, Ljubljana, Bled, Brežice and Kranjska Gora), Slovenia is committed to filling the gap in the development deficit of small and medium-sized enterprises in villages and regions, which bring a local touch and identity to Slovenian destinations.⁵¹

Venice is one of the world's oldest tourist and cultural centres and a unique tourist destination.

The Regional Council of Veneto Region, with resolution no. 19 of 29 January 2019, approved the "Strategic Plan of Tourism of the Veneto" to support touristic initiatives and projects under the brand "Veneto the land of Venice", such as the "Meeting Industry", "Italy Golf & More" interregional project, the "Religious paths", the regeneration of beach tourist destinations, the "Alto Adriatico" interregional project, and the accessible tourism.

Key factors for future strategies, taking into account also tourism development policies at the EU level, are:

- digitalization
- destination management
- social inclusion
- data and monitoring
- innovation
- dialogue with communities
- new business models
- skills development

⁴⁸ Share of total nights spent by non-residents.

⁴⁹ <https://pxweb.stat.si/SiStatData/pxweb/en/Data/-/2164524S.px/table/tableViewLayout2/>

⁵⁰ Strategija trajnostnerasti slovenskega turizma 2021-27

⁵¹ Strategija trajnostnerasti slovenskega turizma 2021-27

- circular economy

The “Destination Management Plans” in Veneto are adopted by the “Destination Management Organizations” established and recognized pursuant to the regional law n. 11/2013 “Development and sustainability of Veneto tourism”. There are seven Destination Management Organisations (DMO) in the Programme area: Venice, Bibione and San Michele al Tagliamento; Caorle; Cavallino - Treporti; Chioggia: history, sea, and lagoon; Jesolo - Eraclea; Riviera del Brenta and Terra del Tiepolo.

DMOs are made up of public and private entities for the integrated management of tourism destinations and the unitary implementation of the information functions, tourist reception, promotion, and marketing of the tourist offer of each destination.

The strategy of the Friuli Venezia Giulia Region for sustainable tourism is defined in accordance with the Regional Strategy for Sustainable Development, which represents the territorial declination of the National Strategy for Sustainable Development, derived from the 2030 Agenda.

The Region, through Promo Turismo FVG, wanted to characterize its territory as a “sustainable and accessible Italian tourist destination”, starting from the strategic lines 2014-2018, then reaffirmed in those 2019-2022 and the Strategic Plan 2018-2023. The development strategy is aimed at positioning the region as a sustainable destination by structuring experiences together with the territory: a destination focused on biodiversity, on use of the territory with a view to sustainability, on the quality of unique km 0 products. Between 2017 and 2019, the participatory planning of tourism development in Friuli Venezia Giulia allowed Friulian entrepreneurship to express the will to go towards more sustainable forms of tourism.

Territory, market, and entrepreneurship united for the development of sustainable tourism. In detail, the strategy developed along some priority lines:

- strengthening the promotion of food and wine products and typical places
- promotional synergies with contiguous regions
- enhancement of the sea/beach offer
- enhancement of mountain areas, identifying a specific “vocation” for single areas, extending the programs to the summer period as well
- full exploitation of the innovation introduced by the e-bike
- package composition of products based on “experiences”
- accelerated development of the wellness & fitness offer
- support for innovative (local) events.

Europe, and the Programme area as well, as a touristic destination area will probably maintain its global leadership, even if competition with emerging and developing destinations all over the world - mainly Asia - is getting tougher. This means a reduction in market share and the consequent need for further integrated actions, ranging from promotion to hospitality, to digitalization and improved transport infrastructures.

The demand is increasingly oriented toward an integrated offer - cultural, natural, leisure, fine food, experiences -, that should be backed by adequate promotion and by a wide range of services. Investments in the transport and hospitality infrastructures sector, with an environmental sustainability orientation, are necessary.

Similarly, a more intense cross-border tourism within the Programme area could be stimulated, raising awareness about the local natural and cultural heritage, promoting offers, and facilitated fruition formulas for the local communities, precisely by structuring dynamics of deeper cooperation in the sector. This also in order to attract greater tourist flows by building an integrated cross-border offer within the Program area. An offer that, based on the hubs of greatest interest, should be extended to the wider territory, in an attempt to achieve the European objectives of increasing the number of visit days in addition to the number of visitors, but also with a view to seasonal adjustment of tourist flows to prolong the season.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- Tourism and local promotion were one of the most addressed topics in the 2014-20 programming period, with strong involvement of municipalities, and associations and other local organizations.⁵² A concrete example of valorization of castles and villas was implemented within the MERLIN CV project that, together with networking and valorization, also implemented a mobile application to encourage cross-border tourism. Other projects focusing on tourism and local development are Agritour2, Interbike2, Mobitour, and Walk of Peace.
- The Stakeholders' consultation (tourism is the most selected challenge for the 2021-2027 period in the stakeholders' consultation) brought to the attention the fact that the valorization of natural and cultural heritage, initial investments in green infrastructure and soft mobility solutions can contribute to the development of tourism, in the urban and rural areas. It was highlighted the importance of balancing the protection of the natural and cultural heritage and providing development opportunities for local businesses and farmers.
- Sustainable tourism can contribute to the promotion of regional and local products and thus preserving and maintaining the cultural identity and landscapes of the area. In terms of cross-border tourism, sustainable and available cross-border mobility is another important aspect. During the interviews, the need to harmonize timetables of local public transport and offering multi-modal and on-demand transport for walkers, hikers, and cyclists was mentioned several times.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Serious impact of the pandemic on touristic enterprise and employment ✓ Growing tourism trends (pre-pandemic) showing a focus on mainly urban destinations ✓ Touristic demand increasingly oriented toward an integrated offer 	<ul style="list-style-type: none"> ➤ Increasing tourism flows to the peri-urban and rural areas ➤ Promoting an integrated approach (with transport, culture, education, innovation, sustainable development) towards sustainable tourism

⁵² ANALYSIS ON 2014-2020 PROJECT APPLICATIONS THROUGH THE CONCEPT OF FUNCTIONAL AREAS, Interreg Italy-Slovenia Programme 2020

<ul style="list-style-type: none"> ✓ Importance of natural and historical areas preservation ✓ GO 2025 Nova Gorica · Gorica and other initiatives in tourism 	<ul style="list-style-type: none"> ➤ Promoting and financing initiatives to support sustainable tourism and cultural assets for overcoming the pandemic crisis impact ➤ Creating synergies with the GO 2025 Nova Gorica · Gorica to increase tourist attractiveness
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WASTE AND WATER MANAGEMENT

Data for the year 2019 shows that the population in Cohesion region Zahodna Slovenija generates 482 kg of municipal waste/person. 71.9% of the amount is separately collected. 1.8% of the produced waste is hazardous waste from production and service activities.

ISPRA⁵³ data for 2019 report that in Veneto and Friuli Venezia Giulia Regions, solid waste was produced for a total of 365.80 kg per person and 334.41 kg per person, respectively. The Veneto Region is the first in Italy for the percentage of separate collection of urban waste, with 73.6%, while the Friuli Region is fourth with 65.5%, in a trend that is constantly growing, even though the quota of separate collection registered for Venice NUTS 3 region goes down to 65%, while the per-capita production rises to 580 kg.

With respect to water management and the connected environmental issues, the Venice area has been characterized by the special relationships with water, both internal and marine, throughout its history. The territory is interested by the final stretch of many important Italian rivers flowing in the Adriatic Sea: Tagliamento, Livenza, Piave, Sile, Brenta-Bacchiglione, and Adige. Most of the watercourses are dammed, in some cases with the riverbed higher than the countryside level, typical of reclaimed lands. Those natural conditions, conjoint with a strong overbuilding, are the reasons for progressively more frequent flooding events, due to the difficulty in absorbing rainwaters. According to ARPA's data, the pollution of hydrographic basins of those rivers is good. In a Likert scale 1 (very good)-5 (very bad), 93% of the 66 hydrometric stations considered report a water quality assessment as "good" (2) or "very good" (1), with the missing 7% (11 stations) reporting an average level (3). The latter level is referred predominantly to the Brenta-Bacchiglione river, where 10 hydrometric stations out of 28 (37%) registered a value of 3.

Friuli Venezia Giulia Regional basins included in Eastern Alps hydrographic district, are Stizza, watercourses tributary of Marano and Grado Lagoon (Tagliamento river, Isonzo river, Stella and Natisone-Torre), and the eastern watercourses of Timavo, Rosandra, and Osopo. A common relevant water body exists between Slovenia and Italy, the Soča/Isonzo river. Sava, Vipava, Idrijca, Rižana, Sora in Ljubljana represent major rivers of the Slovenian part of the programme area, which is divided into two river basins - Danube river basin to the east and Adriatic river basin to the west. The chemical condition of all stated water bodies was estimated as good in 2019, while ecological status was predominantly good, with exception of few sections of Sava, Sora, and Ljubljana river.

⁵³ The Italian Institute for Environmental Protection and Research

Maritime waters in the Friuli Venezia Giulia and gulfs and lagoons show a potentially good condition. The most problematic spots are in the area of Marano and Grado Lagoon closer to the coast. Nonetheless, the whole Lagoon is a SCI of Natura 2000 network (SCZ - IT3320037). Maritime waters in the Obalno-kraška region are in similar good conditions, also due to the same water currents. No potentially bad quality spot is signalled by the environmental monitoring system in the Gulf of Trieste, also characterized by the presence of the mentioned National Marine Protected Area of Miramare, and in the Obalno-kraška region the Slovenian coast. Based on the monitoring of the Venice Lagoon under Directive 2000/60 / EC by ISPRA and ARPAV on 2019 data, generally acceptable data on the quality of lagoon waters are reported. The classification based on the M-AMBI index defines the status of all water bodies as SUFFICIENT, except PC3 (Val di Brenta), classified as GOOD and ENC4 (central lagoon, between Venice and Lido), classified as POOR. Arpav data updated to September 2020 indicate all the waters of the Gulf of Venice in good condition and as suitable for bathing. No potentially bad quality spot is signalled. The climate change impact, with the rise in air temperatures, will be negative and cause an additional rise of the sea waters, as on the entire coast of the Northern Adriatic.⁵⁴

The cross-border governance of waste circular management is still difficult because of different governance and high infrastructure costs.⁵⁵ Specific needs of cross-border relevance, other than those related to climate change impact as addressed in the dedicated paragraphs above may exist in relation to the waste generated by tourism which could be particularly harmful to regional ecosystems. Common approaches for raising awareness and capacity building on the circular economy may be considered, in some protected natural areas and some urban functional areas close to the border (as Trieste with its surroundings and Gorizia/Nova Gorica/Šempeter-Vrtojba)⁵⁶.

It is worth highlighting an important legal reference in this field, setting a framework for further actions and interventions: the Maritime Spatial Planning Directive. The European Parliament and the Council have adopted the Maritime Spatial Planning Directive (Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014) to create a common framework for maritime spatial planning in Europe, reduce conflicts between sectors, encourage investments and increase cross-border cooperation between EU countries to develop shipping lanes, energy infrastructures and protect the environment even through the development of coherent networks of protected areas.⁵⁷ Also important to refer to is the Recommendation of the European Parliament and the Council concerning Integrated Coastal Zone Management (2002/413/EC) and related proposal of new EU Directive.

A Maritime Spatial Plan is in the process of adoption in Slovenia, addressing the main features for management of the Slovenian maritime area, also from a cross-border perspective and there are

⁵⁴ An estimated 5mm/year has been observed in the past 20 years by the observation station located in the Gulf of Trieste

⁵⁵ One of the threats identified in the Paper "Analysis 0 - Crossing INTERREG Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective"

⁵⁶ Border Orientation Paper Italy-Slovenia, EU DG REGIO, page 11

⁵⁷ It is also important to cite the Recommendation of the European Parliament and the Council concerning Integrated Coastal Zone Management (2002/413/EC) and related proposal of new EU Directive.

efforts coordinated on the transnational level to do the same for the entire Adriatic programme maritime area.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- Land and marine waters have been treated in the previous Programme Italia-Slovenija, being the topic of four projects: ISONZO-SOČA (Future establishment of Isonzo-Soča Cross-border Park); TRETAMARA (Management of Trezze-Tegnue marine environments), and VISFRIM (Transboundary river basins flood risk management), GREVISLIN (Green infrastructures for the conservation and improvement of the condition of habitats and protected species along the rivers).
- During the interviews it was mentioned that further projects on river management would be needed, mainly to prevent the risk of flooding (Soča and Vipava), Livenza, and Lemene rivers (GREVISLIN e VISFRIM projects) and on marine water quality prevention and protection.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Different governance of water and waste management in the two sides of the border ✓ Negative impact of the waste generated by tourism 	<ul style="list-style-type: none"> ➤ Promote integrated infrastructure for waste management and innovative technologies to improve resource efficiency in the water sector (river and marine water availability and quality) ➤ Develop common approaches for raising awareness and capacity building on the circular economy also capitalizing best practices on waste management and recycling (BioApp, Retracking and others)

HEALTH AND HEALTHCARE SECTOR

The Healthcare Sector at the European level - such as specifically in Italy and in Slovenia - has been heavily affected by the pandemic. However, besides that, it has been in an overall process of evolution and change for years process. Structural indicators seem in fact to reflect a change in the mainstream of services, with a shift from hospital care (public, not accredited) towards the local-based one, confirming the downsizing of the supply of hospital services.

The approach aimed at shifting part of the treatments from the hospital level to the district level (not only basic medicine and affiliated pharmaceuticals but also, for example, territorial emergency and home and residential socio-health assistance) responds to principles of efficiency (minor management cost) and appropriateness (adequacy of treatment with respect to the disease) but requires a strong integration between the two levels and compensation in the allocation of expenditure.

According to Eurostat and the National Institute for Public Health of the Republic of Slovenia data, both Italy and Slovenia are facing a decreasing number of hospital beds per capita. In Italy, that number - in percentage - fell from 3.9 beds per 1.000 inhabitants in 2007 to 3.2 in 2018, against a European average which decreased from 5.7 to 5. In Slovenia, considering a wider interval from 1980 to 2018, the decrease of hospital beds per capita ranges from 6.9 beds per 1.000 inhabitants to 4.4.

Looking at NUTS II level regions, 2018 data from the Italian Ministry for Health and the National Institute for Public Health of Slovenia show better figures for the border regions in the Programme area compared to the national ones already mentioned. In fact, in the cohesion region *Zahodna Slovenija* the percentage of beds per 1.000 inhabitants reaches 5.2. Similarly, region *Friuli Venezia Giulia* has a ratio of 5.2 beds per 1.000 inhabitants, while *Veneto* 3.5.

As far as the healthcare sector workforce is concerned, it is worth pointing out the key data: *Friuli Venezia Giulia* has a ratio of 16.2 workers per 1.000 inhabitants, the second highest in Italy, while in *Veneto* there are 12.5% workers per 1.000 inhabitants. These figures are lower in Slovenia, approximately around 3.2% workers per 1.000 inhabitants.

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- In the 2014-20 cooperation Programme a stronger cooperation in the health sector was addressed and enhanced via the ITI in the territory of the three municipalities of Gorizia, Nova Gorica, and Šempeter-Vrtojba. The joint work was implemented in four thematic groups, focusing on mental health, autism, physiological, and social inclusion issue. The work on the e-services (related to the possibility of booking an appointment with medical staff across the border) is still ongoing. These efforts were complementary to the previous 2007-14 and ongoing project funded by the Programme on the issue of improved, also ICT based healthcare services. The comparison of systems in long-term care has been done via a dedicated project, unfortunately, there is no data on the number of patients crossing the border available.⁵⁸

⁵⁸ For more info, see the project *CrossCare* (<https://www.ita-slo.eu/it/crosscare>) and the Thematic report on ITI projects, Interreg Italy-Slovenia 2020

- A specific capitalization event on inter-institutional cooperation between Italy and Slovenia, involving health-related projects, was carried out in September 2019.⁵⁹ Among the projects that are worth further capitalizing on are those that participated in the capitalization event, held in the year 2019, namely the project partners of INTEGRA, CrossCare, Memori-net, and SALUTE-HEALTH projects. Those projects were focusing on inter-institutional cooperation and their achieved results in the field of health and social care can contribute to raising the quality of life of the cross-border population.⁶⁰ Within the project CrossCare, a cross-border memorandum of understanding was jointly prepared and signed, it focused on the joint model for the integrated and personalized care of the elderly developed and tested by the project itself, which has contributed and will contribute to the strengthening of institutional and administrative capacity in the implementation of social and health services.
- There are also other projects that were approved more recently that show good potential for future capitalization, such as IMBI-IMMUNO CLUSTER, CATTEDRA, NEXT-AID, TRAIN; TRANS-GLIOMA; MEMO RI-NET; ISE-EMH; IMBI. They are particularly important because of the active involvement of the hospitals in the project partnerships.
- In the course of the interviews, it was mentioned that there is a need to capitalize on projects that offer innovative solutions in the elderly care, like the project CrossCare. The focus should be on improving the quality of life of elderly and ease the burden of families and other training and labour market initiatives that provide sufficient staff in this sector and reducing imbalances leading to work-migration flows.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Local disparities in access to health services ✓ Shortage of health workers at primary level especially in rural and peripheral areas ✓ Healthcare services and policies still nationally-and regionally oriented 	<ul style="list-style-type: none"> ➤ Providing more territorial services pursuing accessibility and a cross-border approach ➤ Promoting labor market initiatives to ensure sufficient and qualified staff in the sector ➤ Providing bilingual services in order to increase the accessibility of healthcare services ➤ Offering social-health services through technological solutions as telemedicine ➤ Capitalizing good practices (e.g., project Crosscare, NEXT AID, etc.)

⁵⁹ https://www.ita-slo.eu/sites/default/files/allegati/brosura%20stanjel_2_10.pdf

⁶⁰ ANALYSIS ON 2014-2020 PROJECT APPLICATIONS THROUGH THE CONCEPT OF FUNCTIONAL AREAS, Interreg Italy-Slovenia Programme 2020

TERRITORIAL GOVERNANCE AND COOPERATION

Italy and Slovenia have different administrative structures. In Italy there are 4 administrative levels - national, regional, inter-municipal and municipal. In Italy, the inter-municipal level was previously coordinated on the level of Provinces which were partially abolished (different regions followed different reform approaches) and sometimes replaced by EDR/UTI and Metropolitan Areas⁶¹. In Slovenia, there are only two levels in administration, central national level, and municipal local level. The trend of establishing new municipalities was stronger in the 90' and early 2000 but after that period no more municipalities were created in Slovenia (they are 212 since 2011). Some of these municipalities have a status of city administration (Nova Gorica, Koper, Ljubljana, and Kranj). The capacity to develop a close dialogue with territorial stakeholders in the light of policy shaping and implementation solutions on the ground depends on proximity. In Slovenia, national-level institutions are in charge of developing and implementing strategies, laws, and regulations. The Slovenian Development Strategy 2030 represents the state's core development framework as set out in the Vision of Slovenia. Sectoral and other implementing documents (strategies and programmes) follow this framework. Regional Development Plans on level NUTS 3 are based on economic efficiency, social justice, and environmental responsibility and are the responsibility of Regional Development Agencies.

LEADER/CLLD instruments are relatively new in Slovenia but more developed in Italy.

As far as territorial governance is concerned, the Integrated Territorial Investment (ITI) took on particular importance in the Programme area. The Integrated Territorial Investment is a tool designed to implement territorial strategies in an integrated way. ITI allows drawing on funding from several priority axes of one or more Operational Programmes. The main objective of this tool is to ensure the implementation of a long-term strategy in order to cope with social and economic challenges for a specific territory.

Being the three municipalities of Gorizia, Nova Gorica and Šempeter-Vrtojba a homogeneous urban area, the cooperation intensified in the last 15 years, with several common European cross-border cooperation projects.

The area could be defined as a common cross-border urban area, drawing on the lessons learnt from the common projects, an EGTC (European Grouping for Territorial Cooperation) has been established in 2011. The EGTC, considered one of the most advanced forms of cross-border territorial cooperation, shares goals related to common management and modernization in health, environment and infrastructural sector, urban transport, logistics, energy, and economic development initiatives. These were initial topics to be tackled, out of which two specific projects were further developed as Integrated Territorial Investment (ITI projects), the two pilot actions "Health" and "Isonzo/Soča".

The EGTC GO was assigned the role of Intermediate body with the responsibility to implement the ITI in the territory of the three municipalities.⁶² The synergic projects in the programming period

⁶¹ The metropolitan cities or areas in Italy are 14 "territorial entities of large area" that have replaced the provinces of the same territory. Law no.56 of April 7, 2014 (Delrio Law) governs the ten metropolitan cities of the regions with the ordinary statute, whose territories coincide with those of the pre-existing provinces: Roma Capital, Turin, Milan, Venice, Genoa, Bologna, Florence, Bari, Naples, and Reggio Calabria. To these are added the four metropolitan cities of the regions with special status: Cagliari, Catania, Messina, Palermo.

⁶² More information in the Thematic report on ITI Projects, Interreg Italy-Slovenia, May 2020

2014-20 were those approved by the Association of Border Regions and Interreg Europe, focusing on walking and urban transport.⁶³ Further potential for joint themes, as put forward by ESPON in 2018, are all key urban development factors, such as transport, urbanization, environment, and housing.

The cooperation experience in the 2014-2020 period undoubtedly leaves a legacy on which to build a future path of strengthening. Even starting with the numerous Agreements (e.g., on harmonization of territorial data, social and sanitary services for elderly, medical diagnostics, management of sanitary emergencies, port security to strengthen cooperation, energy efficiency in port areas, and environmental sustainability, on cross-border mobility opportunities and public transport availability on cross-border level), which in various capacities and with different objectives were signed during the period. Agreements that involved different actors at a different level, in a partnership logic that must be valued and capitalized in a future perspective.

Another EGTC present on the territory, but covering the area of Friuli Venezia Giulia, Veneto, and Carinthia is the “Euregio Senza Confini,” it was created in the year 2012 and focuses on ten topics (from agriculture, civil protection, culture, energy, education, infrastructure, R&I, social and health issues and to tourism).⁶⁴

Other examples of institutionalized cooperation comprise the North Adriatic Port Association, the Julian Alps ecoregion, or the Permanent EURES office.⁶⁵

Inputs stemming from projects approved in the previous programming period and key issues arising from stakeholders' consultation

- The projects implemented by the EGTC-GO should be capitalized, along with others focusing on governance, like CB PUMP, XBORDER WORKS (B-solution projects), HARMO-DATA and CROSSIT SAFER. In the same perspective, the two ITI pilot actions come to evidence. The project “Health” aims at building a network of cross-border health services through the establishment of cross-border joint medical equipment in the medical fields of mental health, autism, and physiological pregnancy as well as the experimental creation of a Single Booking Center shared by the Italian and Slovenian health services. The project “Isonzo/Soča” foresees the creation of a common cross-border network of cycle and pedestrian paths, which will form a cross-border urban park to increase the attractiveness of the area for visitors and tourists and to improve the sustainable mobility of the resident population.
- Stemming from the Analysis performed by the Programme in 2020, by checking the indicators, the majority of projects were focusing on increasing integration, coherence, and harmonization of the Programme area governance, as well as on joint training schemes. The number of cross-border agreements and protocols reached the target set by the Programme.⁶⁶

⁶³ More information in the Thematic report on ITI Projects, Interreg Italy-Slovenia, May 2020

⁶⁴ <https://portal.cor.europa.eu/egtc/ressources/Documents/CoR-EGTC-monitoring-report-final-study-2019.pdf>

⁶⁵ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

⁶⁶ Info from indicator analysis in Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

- Stakeholders' consultation stressed out that smaller municipalities have more difficulties coping with cooperation projects but help from regional structures could be helpful for capacity building and equal involvement in the Programme. Further EGTC might be constituted on the cross-border territory (in the Karst area) and other bottom-up cooperation initiatives (involving civil society and NGOs) are still needed.

Challenges	Desired Change
<ul style="list-style-type: none"> ✓ Strong experience of local and regional actors in territorial cooperation approaches ✓ EGTC-GO connecting the municipalities in the border area as a good practice (see European Culture capital) ✓ Civil society not sufficiently involved in governance and cooperation ✓ Small projects to be addressed 	<ul style="list-style-type: none"> ➤ Capitalizing good results achieved and including more municipalities, ministries, and NGOs. ➤ Fostering administrative simplification in the whole cycle of policymaking ➤ Focusing on the needs of the population and enlarge participation and involvement to other actors (NGOs, third sector, environmental, cultural, and social associations, actors able to promote and develop public-private partnerships)

MACRO REGIONAL STRATEGIES AND COOPERATION WITH OTHER PROGRAMMES

The cross-border area is included in both the EUSAIR and EUSALP macro-regional strategy.

The EUSAIR includes 9⁶⁷ countries of the Adriatic and Ionian region, 4 of which are the EU Member States and 5 non-EU Member States (Albania, Bosnia and Herzegovina, Montenegro, Serbia, and North Macedonia). The strategy focuses on 4 thematic pillars that cover all thematic areas from transport and connectivity, energy; blue growth, to the environment and green growth, and sustainable tourism. The strategy has been defined in the year 2014 and is the most recent among the four MRS.⁶⁸

The EUSALP includes 7 Alpine countries of which 2 are non-Member States (Lichtenstein and Switzerland). The strategy works with 9 different thematic action groups. The area is one of the most dynamic and economically developed areas in Europe. The Alpine strategy focuses on competitiveness and innovation, sustainable mobility and energy resources, natural and cultural resources, and horizontal priority governance. The strategy has been defined already in 2010 and has hence quite some history.⁶⁹

⁶⁷ Since the year 2020.

⁶⁸ EUSAIR Action Plan 2014

⁶⁹ EUSALP Strategy 2016

The 2021-27 cross-border cooperation Programme will need to coordinate with the existing priorities under EUSALP and EUSAIR macro-regional strategies to create possible synergies⁷⁰ with regular projects and their flagship projects: https://www.adriatic-ionician.eu/wp-content/uploads/2020/10/EUSAIR-flagships-GB_clear-8-june.pdf; <https://www.alpine-region.eu/p/communication-area/strategic-implementations-initiatives>

Table 4: Macro-Regional Strategies

EUSALP Priorities	INTERREG ITALY-SLOVENIA 2021-27	EUSAIR Priorities/pillars
Competitiveness and innovation and a	Smarter Europe	Blue Growth
Sustainable mobility and energy resources	Greener Europe	Connecting the region (transport and connectivity, energy)
Natural and cultural resources	Connected Europe	Environmental Quality (land and sea)
Horizontal priority governance	Social Europe	Sustainable Tourism
	Europe Closer to citizens	
	Better governance	

The potential uptake and synergies from EUSALP are: focus on remote and rural areas, water-soil and river management, on youth and elderly, and quality of life of the citizens whereas the potential uptake and synergies from EUSAIR are: focus on the sea and maritime areas in terms of sustainable mobility, sea transport governance, environmental quality, and tourism, focus on Blue Growth; on land Karst and grasslands.

⁷⁰ Border Orientation Paper Italy-Slovenia, EU DG REGIO 2019

LESSONS LEARNT FROM PREVIOUS PROGRAMMING PERIODS

TOPICS FOR COOPERATION

Based on the outcomes of the Analysis on 2014-2020 project applications through the concept of functional areas, carried out in 2020 by the MA, the following scheme sums up the contribution of 2014-2020 projects to the different themes foreseen in the Programme strategy. Most of them are in line with the new framework for the 2021-2027 period.

Table 5: 2014-2020 Financed Projects per Sector

	1. HEALTH	2. R&D	3. AGRI-FOOD	4. ENERGY SAVING/ WATER/CO2 EMISSION REDUCTION /CLIMATE CHANGES	5. PROTECTION OF NATURAL HABITATS AND OF BIODIVERSITY/ SUSTAINABILITY AND RECYCLING	6. TOURISM AND LOCAL PROMOTION	7. SOCIAL INCLUSION/ADMINISTRATIVE- PA/SCHOOL AND WORK ORGANIZATION
N. of Standard projects	9	4	0	8	13	1	8
Financial allocation	€ 7.872.540,75 (20,63%)	€ 3.719.235,77 (9,75%)	€ 0 (0%)	€ 8.280.241,15 (21,70%)	€ 11.132.821,87 (29,17%)	€ 1.093.887,10 (2,87%)	€ 6.062.628,64 (15,89%)
N. of strategic projects	0	2	0	1	4	2	1
Financial allocation	0%	€ 5.996.000,62 (22,59%)	0%	€ 3.499.779,57 (13,19%)	€ 9.990.678,00 (37,64%)	€ 4.655.001,43 (17,54%)	€ 2.399.999,98 (9,04%)
N. of ITI projects	1	0	0	0	0	1	0
Financial allocation	€ 4.250.000,00 (50%)	0%	0%	0%	0%	€ 4.250.000,00 (50%)	0%
TOTAL FINANCIAL ALLOCATION	€ 12.122.540,75	€ 9.715.236,39	€ 0	€ 11.780.020,72	€ 21.123.499,87	€ 9.998.888,53	€ 8.462.628,62
TOTAL FINANCIAL ALLOCATION IN %	16,56%	13,27%	0%	16,09%	28,86%	13,66%	11,56%

Useful indications on main topics for cooperation in the Italy-Slovenia area came from the interviews, stakeholder consultation that was carried out in the year 2020, other intense activity carried out, in spite of the sanitary crisis, by the Programme authorities in the year 2020 with three Analysis papers and inputs stemming from the stakeholders on the territory of the Programme area being prepared in the year 2020.

As mentioned by the participants, many projects encompassing **ICT, digitalization, creative industries, and entrepreneurship** have been supported in the two previous programming periods but there is still space for an upgrade that will consider the priorities set by the EC for innovation and linking them with the opportunities given by the Green Deal orientations. There is the need to foster the transition to a circular and green economy and the creation of regional value chains supporting clusters and industrial/research districts.

Based on the feedback collected in the interviews, in the previous two programming periods, there were significant efforts to develop mobility solutions, both in terms of better links in infrastructure

as in **intermodality of transport**. There is still the need to better harmonize the schedules of **public transport on a cross-border level** (timing and availability). The cooperation potentials are still present in **soft mobility**: there are still possibilities to develop on-demand micro-mobility on a cross-border level and other **green solutions focusing mainly on the railway links and increasing the network of biking routes in the Karst**, in the programme coastal area (INTERBIKE II, MOBITOUR projects) and **over all the territories**.

Efforts should continue with projects that will consider also the effect and necessary mitigation measures for climate change and projects that focus on sustainable development, taking into account the Green Deal priorities. Based on the outcomes of the interviews, projects that are related to flood management and river management are still needed too.

With an eye on the resources of the territory, some cross-border areas have homogeneous geographic features (e.g., mountains, plains and low hills, the Karst, the coast) with the presence of national, regional, and municipal as well as UNESCO protected areas and parks and important cultural sites in the urban areas. Sustainable development and protection of natural and cultural resources is an important topic. Cultural and natural relations are present and have been the basis for the projects in the two previous programming periods.

Tourism was a sector that was highly impacted by the COVID crisis. Stemming from the statistical data it is clear that the cross-border area is highly dependent on foreign tourists. There were several projects focusing on the topic in the previous programming periods but there is the need to have more projects in the 2021-27 programming period. The participants to the interviews mentioned these could **valorize the historic and cultural heritage** of the area and start-up reconstruction and restoration efforts, as such those could be a good spark for tourism in peripheral and rural areas. The need to invest in **green infrastructure** as a basis for local development was also put forward.

Due to the **presence of minorities** and thanks to the **richness of the cultural heritage**, the projects in this sector have been numerous in the past (JEZIK/LINGUA, EDUCA2, others). The Programme should continue supporting those projects, in order to ensure an upgrade in **the use of digitalization** of collections, of material and immaterial heritage. This would ensure a wider availability and free access also in times when cultural activities are stopped and would also contribute to a **richer tourist offer**. Initiatives fostering **bilingualism** and better knowledge of the two languages are also welcome, as a means to increase employability and better mutual exchange and access to public services.

As stemming from the Programme preliminary analyses prepared in the year 2020 and on the capitalization, events organized by the Programme, projects focusing on cooperation in the **medical and socio-assistance sector** have been numerous, covering a wide set of pathologies and providing solutions also for the aging population and families. There is still potential to tackle projects in the sector of **urgent care and to transfer obtained solutions to the policy level**.

The results of the interviews brought to the attention maritime cooperation. There were some relevant projects and initiatives in the previous programming periods encompassing **blue growth and innovation and cooperation between Port Authorities (SECNET, CLEAN BERTH, DURASOFT, GREEN HULL, TRETAMARA projects)**; in this field, further interaction with EUSAIR and Adriatic Programme projects (e.g., Shipmentt, Impreco, and Supair projects) could be beneficial.

With the focus on the needs of the population in the border area and to ensure a better quality of life, in the new programming period, the **accessibility of public services** across the border could

remain one of the topics for new projects (e.g., **public transport, healthcare services for residents/daily commuters, solutions for companies and tax collection**). To upgrade the efforts of the projects in the previous two programming periods, the focus should be put on **linguistic accessibility** (services available in both languages) accessibility, and digitalization of all related procedures.

The EC highlighted that cross-border mobility is a weakness on the border between Italy and Slovenia. The majority of the traffic flow is going on in private vehicles, organized on an individual basis. There is an urgent need for dialogue in order to establish a new framework for cross-border mobility to overcome existing obstacles. Some common priorities for improving cross-border mobility are: (a) reinforcing the promotion campaign for the use of public transport, (b) innovation, integration between operators, demand analysis, strategic network planning; (c) increased active mobility; (d) infrastructure reinforcement (e) harmonization and integration of means of transport services on a cross-border level.⁷¹

The outcomes of the interviews have indicated that the Programme should **capitalize the work of the projects in the previous programming period(s)** and contribute to efficient use of funds and avoid any doubling of joint activities. An effort should be made for the upscaling of the work implemented in the projects into regional and/or national strategies.

Most of the projects from the previous Programme **fit under the EUSAIR and EUSALP topics** and the info on the correlations has been described in the projects themselves in the application process.

Finally, based on the statistical data and feedback from the interviews, the consequences of the COVID crisis will have to be considered in the new programming period 2021-27, in line with the National Recovery and Resilience Plans and the needs of the cross-border programme area.

INVOLVEMENT OF PARTNERS

Stemming from the Analysis 1⁷² performed by the Programme in 2020, the projects in the 2014-20 programming period, the beneficiaries that were the most represented were research and innovation centres, universities, companies, and local authorities (respectively 18%, 16%, 14%, and 12%)⁷³.

The experience in the previous programming periods has shown that attention should be paid to the active involvement of relevant stakeholders in the programme. Each of the actors has a specific role and competency and all should participate in the development of concrete solutions and on their active transfer on the policy level to further improve the quality of life of the citizens.

In line with the results of the interviews, it came to the attention that cross-border cooperation **rules are more suitable for organizations that have the financial, organizational and management capacities to participate, have experience, and can cope with the rules and**

⁷¹ Border Orientation Paper Italy-Slovenia, DG REGIO 2019

⁷² ERDF absorption and number of beneficiaries per typology in Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

⁷³ The location of the beneficiary might not show actual place of activities implemented.

requirements of the Programme. As confirmed by the results of the stakeholder consultation and the interviews, an effort should be made to attract municipalities, ministries, and NGOs in the project partnerships. The involvement of NGOs would be particularly valuable in raising awareness of measures for a climate-neutral society in 2030.

The **problem of partners who have not yet participated in the programme** (e.g., from areas like Primorska Notranjska region) or have less participated in the programme (e.g., from some areas/sectors) is due probably also to the fact that there are already established partnerships, which were formed in the period 2007-2013. It is very difficult to get involved in pre-existing consolidated partnerships. It must be pointed out that partnerships had to fulfil different requirements, changing from one call to another.

The results of the questionnaires and interviews have demonstrated that there is a common interest to foster **capacity-building actions and cooperation of actors with small-size projects** in “people-to-people” projects for some topics that would build trust and work on common solutions for the border areas (especially in less developed rural and peripheral areas) and in other programme areas.

Stemming from the outcomes of previous periods, in the fields of culture and education, the involvement of young people and municipalities and their association would be an added value, also contributing to better visibility of the cross-border Programme in the general public.

An additional point that came out strongly in the interviews is that the participation of those actors who are able, with respect to their nature and type of activity, to promote and develop public-private partnerships is needed. These are for example LAGs, FLAGs, EEIGs with a focus on the private sphere and linked to research and innovation.

Concerning the peculiar aspect of the ITI projects, the work done has increased formal and informal cooperation in the cross-border area within its thematic working groups and especially in the area of healthcare. The EGTC-GO successfully managed the calls for the construction of the pedestrian and cycling infrastructure in the area of the three municipalities of Gorizia/Nova Gorica and Šempeter-Vrtojba. The effort will be continued and capitalized with the projects foreseen by the plan of the approved candidacy for the 2025 European Cultural Capital. The EGTC can also act as a hub for a broader relationship and interaction with other EGTCs in the perspective of the development of common activities and strategies.

Stemming from the stakeholder analysis, requests made by local and regional organizations, and information gathered in the interviews on the territory, there is the need for smaller projects especially in less developed rural and peripheral areas.

FOCUS ON TERRITORIES

Stemming from the Analysis performed by the Programme in 2020, the projects in the 2014-20 programming period, the beneficiaries from both countries were equally represented with 51% coming from Italy (18,7% from Veneto and 32% from Friuli Venezia Giulia region) and 49% coming from Slovenia.

Looking at the density of project activities, the cooperation is focusing more on urban areas, where also many institutions have their headquarters, whereas rural areas have been less covered.

In particular, the Gorizia/Nova Gorica/Šempeter-Vrtojba functional urban area managed by the EGTC-GO shows a solid cooperation.

For example, other more homogeneous areas along the very diversified border with proximity allowing to improve cross-border interactions and interdependencies are the Soča Valley and the areas related to Udine and Tarvisio, the area of the Karst and the coastal area.

In the interviews the need to promote integrated strategies to reduce marginalization of small centers and support to polycentric development was emphasized.

Therefore, there is a need to better engage in cross-border cooperation actions in order to reduce the differences in the development of sub regions in the border area stemming from lack of infrastructure or other disadvantageous factors and to take advantage of cross-border protected natural areas, such as man and biosphere area in northern part, developing a cross-border Karst geopark and actions related to the Integrated Coastal Zone Management.

PROGRAMME PROCEDURES

Lessons from the past show a need for **simplification**, both in the introduction of the JMS monitoring system to replace the 2014-20 monitoring system and cost reporting simplification (for administrative and staff costs,) together with the **uptake of INTERACT tools (application and reporting package)**.

COOPERATION WITH OTHER PROGRAMMES AND MACRO-REGIONAL STRATEGIES

In the course of the interviews, it was observed that there is a need to **increase synergies** with other thematic, Interreg, regional and national programmes and to create synergies with both relevant macro-regional strategies (EUSAIR and EUSALP) thus avoiding and doubling. Synergies with other cross-border and transnational cooperation programmes should be sought and concretely pursued to ensure better **dissemination and capitalization of results** like it was done in the 2014-20 period with the cooperation with ESPON and INTERACT.

The **potential uptake encompasses, for EUSAIR MRS**: focus on the sea and maritime areas in terms of sustainable mobility, sea transport governance, environmental quality, and tourism, focus on Blue Growth; Protection and restoration of coastal wetland areas, land karst, and grassland fields. **For EUSALP MRS**: a better focus on remote and rural areas, water-soil and river management, on youth and elderly, and quality of life of the citizens.

SUMMARY OF CHALLENGES AND DESIRED CHANGES RELATING TO THE POLICY OBJECTIVES OF THE 2021-2027 PROGRAMMING PERIOD

The following table presents the indicative challenges and desired change for each policy objective and the Interreg specific objective. It represents the basis for the definition of the Programme's specific objectives and actions implementing its thematic concentration and could still be changed during the next programming steps.

Policy Objectives	
<p>PO 1</p> <p>A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity</p>	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Negative effects of the pandemic in 2020 on both Italian and Slovenian economies probably impacting pre-pandemic positive trends ✓ Majority of enterprises relatively small and thus with low innovation capacity, therefore, less competitive ✓ Low level of expenditure in R&D and specifically in industrial research ✓ Scarce collaborative approach in innovation processes ✓ Opportunities deriving from the integration of Smart Specialisation Strategies ✓ Digitalization as a horizontal, cross-cutting need ✓ Demand for administrative and bureaucratic simplification and digitalization especially in rural and remote areas ✓ Digitalization as potential for business support environment and clusters' promotion
	<p>Desired Change</p> <ul style="list-style-type: none"> ➤ Developing technological solutions to favour business diversification and to respond to demand for new services deriving from the emergency situation generated by the pandemic ➤ Developing technological solutions to favour active ageing and inclusion of the eldest and vulnerable people ➤ Implementing integrated development strategies to promote economic recovery opportunities through ICT and circular economy (green and blue technology) (also PO2) ➤ Promoting technological upgrade and improving technology transfer to SMEs ➤ Strengthening cooperation between R&I centers and enterprises promoting the creation of cross border clusters ➤ Increasing and giving continuity to investments in R&D and applied research ➤ Promoting capitalization of R&I results achieved at regional level in a new integrated framework taking advantage of Smart Specialisation Strategies shared priorities ➤ Reducing development disparities through ICT and social innovation ➤ Capitalizing the achieved best practices and promoting/ strengthening the diffusion of ICT ➤ Improving bilingual services to citizens and businesses through ICT (also PO4) ➤ Offering social-health services through technological solutions as telemedicine (also PO4)

<p>PO 2</p> <p>A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management</p>	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Bottlenecks in urban mobility due to traffic and congestion ✓ Common struggle pursuing global sustainable development objectives ✓ Climate change impacts on both sides of the border, such as global warming, vulnerability to floods and natural disasters ✓ Variety of climatic zones and landscapes ✓ Need for further joint interventions to mitigate climate change in the fields of water management, soil consumption, forest management, and natural risks prevention in a long-term perspective ✓ High energy consumption especially by transports and buildings causing air pollution and CO2 emissions ✓ Different governance of water and waste management in the two sides of the border and high infrastructure costs <p>Desired Change</p> <ul style="list-style-type: none"> ➤ Sharing technologies and solutions for micro-public transport strategies ➤ Reducing CO2 emissions by improving energy efficiency as well as by developing more sustainable mobility in line with European Green Deal objectives ➤ Enhancing Green Infrastructures Networks and foster shared approaches to manage and promote protected areas ➤ Promoting integrated strategies for waste management and developing innovative technologies to improve resource efficiency ➤ Supporting actions to mitigate and adapt to the climate changes depending on the territorial context-tailor-made responses for all types of landscapes and natural resources covering the whole programme area such as river and marine water quality management, soil consumption and coastal erosion, forest and coastal areas management, and natural risks prevention ➤ Developing common approaches for raising awareness and capacity building on the circular economy, also capitalizing on best practices on waste management and recycling ➤ Developing e-mobility strategies and innovative mobility systems for better accessibility of public services for the population, also to support tourism
<p>PO 3</p> <p>A more connected Europe by enhancing mobility</p>	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Cross-border mobility to be further implemented ✓ Lacking of connections with sparsely populated/peripheral/rural areas <p>Desired Change</p> <ul style="list-style-type: none"> ➤ Favouring integrated strategies to reduce the marginalization of small centers (also PO 5) ➤ Investing in connections with rural areas and coastal/hinterland with flexible solutions tailored to macro-areas ➤ Enhancing cross-border governance to improve interoperability and multimodality

<p>PO 4</p> <p>A more social and inclusive Europe implementing the European Pillar of Social Rights</p>	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Negative population trends & ageing population ✓ Increased percentage of the population at risk of poverty and social exclusion ✓ Local disparities in access to health services ✓ Presence of cultural and linguistic minorities and identities ✓ Bilingual educational offer still not supported enough in the area ✓ Weak link between high-level education and labor market and the increasing number of NEETs ✓ Rich and diversified cultural resources including UNESCO sites and intangible heritage ✓ Relevance of cultural industry as an economic asset ✓ Interesting prospects of tourism in view of GO 2025 Nova Gorica · Gorica and tailored made local initiatives ✓ Serious impact of the pandemic on touristic enterprise and employment ✓ Touristic demand increasingly oriented toward an integrated and sustainable offer <p>Desired Change</p> <ul style="list-style-type: none"> ➤ Providing more territorial services pursuing accessibility and a cross-border approach ➤ Providing bilingual services in order to increase the accessibility of healthcare services and labour market ➤ Investing in education and training to meet the current needs of the cross-border labour market ➤ Enhance coordination between enterprise and the tertiary education systems to meet labor market current needs ➤ Creating favourable conditions to tackle specific barriers to cross-border employability, such as recognition of skills, addressing ageing population needs growth through investments in training and supporting SMEs competitiveness ➤ Promoting labor market initiatives to ensure sufficient and qualified staff in the sector ➤ Promoting the cultural and linguistic minorities ➤ Introducing digitization to improve accessibility to the natural and cultural heritage for a wider public ➤ Promotion of cultural heritage through support to creative industries and sustainable/ accessible tourism ➤ Creating synergies with the GO 2025 Nova Gorica · Gorica to increase tourist attractiveness ➤ Promoting and financing initiatives to support sustainable tourism and cultural assets for overcoming the pandemic crisis impact
<p>PO 5</p> <p>A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives</p>	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Increasing disparities between urban areas and big centers vs smaller municipalities ✓ EGTC-GO connecting the municipalities in the border area as a good practice (see European Culture capital) <p>Desired Change</p> <ul style="list-style-type: none"> ➤ Repopulating rural areas through local/ territorial strategies ➤ Favouring integrated strategies to reduce the marginalization of small centres ➤ Increasing tourism flows to the peri-urban and rural areas ➤ Implementing territorial development strategies linked to GO 2025 Nova Gorica · Gorica and other sub-regional areas aiming at developing cross-border areas, creating an integrated cultural offer, and improve management of flows and seasonality (also PO4) ➤ Promoting an integrated approach (with transport, culture, education, innovation, sustainable development) towards sustainable tourism (also PO4)

INTERREG Specific objective “a better cooperation governance”	<p>Challenges</p> <ul style="list-style-type: none"> ✓ Strong experience of local and regional actors in territorial cooperation approaches ✓ Civil society not sufficiently involved in governance and cooperation ✓ Need for a better governance of some strategic cross-border issues: sustainable and maritime transport, waste and water management ✓ Overcoming legal and administrative obstacles as well as the language barrier ✓ Presence of the two national minorities and other cultural and linguistic minorities and identities requiring more homogeneous protection measures
	<p>Desired Change</p> <ul style="list-style-type: none"> ➤ Fostering administrative simplification in the whole cycle of policymaking and project implementation ➤ Focusing on the needs of the population through improved participation and involvement of local actors (NGOs, third sector, environmental, cultural, and social associations, actors able to promote and develop public-private partnerships, etc.) ➤ Embedding Macro-regional strategies

SOURCES

Analysis 0 - Crossing INTERREG Italy-Slovenia 2014-2020 evidences into 2021-2027 perspective

Analysis 1- Towards contest analysis 2021-2027: first impact assessment of projects financed by INTERREG Italy-Slovenia 2014-2020

Analysis 2 - Analysis on 2014-2020 project applications through the concept of functional areas

ARSO Slovenia, data on climate change

Banca d'Italia (National Bank of Italy) data

Border Orientation Paper Italy-Slovenia

EGTC Monitoring Report COR

EU Innovation Scoreboard

EU DG REGIO, Border Orientation Paper Italy-Slovenia

EUSAIR Action Plan 2014

EUSALP Strategy 2016

ESPON, New thinking on functional urban areas, polycentric territorial structures and cross border collaboration, 2018

Friuli Venezia Giulia Statistical data

ISPRA (The Italian Institute for Environmental Protection and Research) data

Interreg Italy-Slovenia Programme Evaluation Reports

Interviews carried out with the institutional representatives of the Programme

Istat (Italian Statistical Institute) data

NIJZ (Slovenian National Institute for Public Health) data

OECD Italy Economic Snapshot, Economic Forecast Summary

OECD Slovenia Economic Snapshot, Economic Forecast Summary

PISA 2018 Results

Public consultation on future on INTERREG ITALY-SLOVENIA PROGRAMME 2021-2027

Regioni in cifre, statistical data on regional level for Italy

SiS FVG Scientific and Innovation System is an initiative of the Autonomous Region of Friuli Venezia Giulia data

Strategija trajnostnerasti slovenskega turizma 2017-21

SURS (Slovenian Statistical Office) data

Terna (the operator of the Italian National Electricity Network) data

Trieste Port Authority

UMAR Slovenia (data on productivity and digitalization)

Venice Port Authority

ZPIZ (Slovenian National Employment Service), stopnj aregistrira nebrezposelnosti