



European Union



Italian Republic

# **FRIULI VENEZIA GIULIA AUTONOMOUS REGION**

## **REGIONAL OPERATIONAL PROGRAM ERDF 2014-2020**

### **SYNTHESIS**

## 1. FRIULI VENEZIA GIULIA ROP ERDF 2014-2020 STRATEGY

The Friuli Venezia Giulia Operational Program ERDF 2014-2020 (hereinafter also referred to as ROP ERDF) is the programming instrument that the Region has adopted to implement the regional developing strategies co-funded by the European Fund for Regional Development between 2014 and 2020.

The ROP ERDF strategy was defined in accordance with the Europe 2020 strategy, Community regulations for ESI funds and the wider regional program included in the “Regional Strategic Document” (approved with Decree of the Regional Government no. 736 of 17<sup>th</sup> April 2014) and it contributes towards the reaching of Europe 2020 strategy objectives for smart, sustainable and inclusive growth as well as economic, social and territorial cohesion.

Such strategy outlines the main courses of action that the Region intends to adopt considering the needs and characteristics of its territories and according to the *stakeholders involvement* process.

Regional Administration policy making choices are coherent with the national program framework (Partnership agreement presented by Italy to the European Commission in accordance with art. 14 of the Regulation (EU) 1303/2013). Such choices enabled to identify “thematic objectives” and “investment priorities”, the “expected results” of investment priorities, the “actions” to be taken to achieve them and the “indicators” to assess their progress.

The Region has adopted the “concentration” principle - selecting a limited number of the most important intervention areas in order to maximize the effects of the interventions - as well as the “specialization” of the different financial sources and has chosen to implement the following thematic objectives (art. 9 of the Re (EU) 1303/2013):

- ❖ **Thematic objective1:** Strengthening research, technological development and innovation
- ❖ **Thematic objective3:** Enhancing SME competitiveness
- ❖ **Thematic objective4:** Supporting the shift towards a low carbon emission economy on all sectors.

In addition, the Region intends to support an **Urban development** strategy, as included in Thematic objectives 3, 4 and 6.

Finally, some of the intervention priorities listed in the above Thematic objectives contribute to the Regional strategy for the development of mountain areas and the “Inland areas” Strategy.

### ***Main socio-economic elements***

ROP ERDF is actually a continuation of the Programme adopted during 2007-2013.

This is also because of the general state of the regional economy, which has partly remained the same but which has also slightly worsened due to the general economic crisis started in 2008 and which is still affecting the main socio-economic indicators. This in turn meant that the activities part of ROP ERDF 2007-2013 could not be fully effective, therefore the Region continued with the same actions, making them stronger so they could be more effective.

We are talking especially about interventions concerning innovation, research and development and those aimed at strengthening the competitiveness of the productive system (SMEs in particular).

In order to do so, the Region also felt necessary to integrate the ROP ERDF with ROP ESF (European Social Fund) 2014-2020, especially as regards the relocation of workers involved in crisis situations.

### *Smart growth*

The regional situation is characterized by a decrease of the number of enterprises, lower employment rates, less exports, reduced investments, the difficulty of businesses to access credit, undercapitalization and a fragmented business fabric. As mentioned above, such elements have prevented the activities co-financed by ROP ERDF 2007-2013 from fully developing and have thus determined the strategy of the Region.

The Region defined its strategy based on two principles. One concerns the reinforcement, revitalization and specialization of enterprises by focusing on the most promising sectors and redeveloping the most mature ones with help for investment in order to make SMEs more competitive and support those areas hit by the crisis. The other principle aims at favoring entrepreneurial initiatives and the creation of new business and at improving the situation by supporting innovative startups and spin-offs, with particular attention towards women and youth. Particular attention will be dedicated to technological investment and innovation to improve the research, technological development and innovation systems to achieve a “*smart specialization*”.

SME investments are an important element for their competitiveness, and supporting them it will enable for regional businesses to renovate their productive basis and recover and it will also help achieve Europe 2020 targets for what concerns the increase in employment of people between 20 and 64.

Friuli Venezia Giulia is oriented towards the innovation of the productive process, that actually has brought the Region at the top of the Italian *Regional Innovation Scoreboard* (RIS).

The region has an extensive research system (public and private research centers renowned both at a domestic and international level, universities, science and technology parks and technological districts) which, however, showed some limits concerning the creation of an efficient network between businesses, research centers and universities.

It is currently working on a Regional smart specialization strategy which, starting with the current territorial specialization, will have to catch innovation opportunities and verify which production chains and research and innovation themes could represent a development priority.

In this context the ROP will support R&I, innovation and industrialization activities and eliminate those obstacles that prevent entrepreneurs from bringing “their ideas into the market”. The interventions will concern institutions part of the Scientific system as well as so-called Innovation intermediaries such as science and technology parks and technological districts, which will create an integrated service system for R&I aimed at supporting the productive fabric. The support of research facilities, especially the European ones open to research teams, will also improve knowledge exchange and favor the partaking to international research and innovation programs. For this purpose, the interventions to support research programs are essential, especially those that could answer to social needs and introduce innovations able to find new outlets on different market segments.

Interventions aim at favoring product and/or process innovations, also in an environmentally-friendly way and in the tourist sector in particular.

In addition, in order to support and help entrepreneurs and tackle growth challenges, the ROP will also finance horizontal and accompanying measures by facilitating access to credit through the issue

of public guarantees as well as other measures - integrated with those envisaged by ROP ESF - to help relocate workers involved in crisis situations.

The ROP ERDF contributes to the implementation of the Alpine Macro-Regional Strategy (EUSALP), in particular of pillars 1 “Economic development, competitiveness and innovation” and 2 “Water, energy, environment and climate” and the Adriatic-Ionian Strategy EUSAIR, in which the Region plays an active part.

### *Sustainable growth*

In compliance with the principles of Europe 2020 Strategy and with the Directive 2012/27/UE on energy efficiency issued to achieve the 20-20-20 objective in 2020, the regional strategy aims at favoring the long-term sustainability of economic growth.

The Region, in order to integrate what achieved with ROP ERDF 2007-2013 as regards the reduction of greenhouse gas emission and the improvement of energy efficiency, intends to activate main strategies to mitigate pollution.

One of the main problems in Friuli Venezia Giulia is represented by greenhouse gas emissions which, in 2010, were equal to 10.6tCO<sub>2</sub>eq (CO<sub>2</sub> tons equivalent) per inhabitant. Such figure is above domestic and main industrialized region levels.

A strong point is the production of energy from renewable sources, which in 2008 increased to cover between 22 and 24% of energy production.

The Region intends therefore promote energy efficiency, in particular that of public buildings such as schools and hospitals, which have a strong environmental (consumption and emissions) and social impact (improved efficiency, obtained combining increased efficiency and economic-social advantage).

In addition, the ROP envisages interventions to improve energy efficiency and sustainable mobility in the context of the strategy for urban development.

### *Inclusive growth*

The Regional strategy aims at making the labor market more dynamic and inclusive and strengthening the productive process to tackle the economic crisis in the best way possible. Particular attention will be paid to the relocation of the most disadvantaged categories like women, youth, workers over 50, long-term unemployed as well as those who were indirectly affected by the crisis.

## 2. FINANCIAL ALLOCATION AND SYNTHESIS OF THE REASONS BEHIND THE CHOICE OF THEMATIC OBJECTIVES AND PRIORITIES

In line with the principle of thematic concentration and with the predictions of EU regulations, the financial resources allocated to the different axes / Thematic objectives are as follows.

Thematic Axis - Objective	Thematic Axis - Objective total	Thematic Axis/Objective total%	Amount
AxisI-TO1- Strengthen research, technological development and innovation	77.2	33.42%	77,126,203.00
AxisII- TO3 - Enhance SME competitiveness	76.0	32.90%	75,927,351.00
AxisIII-TO4- Support the shift towards a low-carbon emission economy in all sectors	57.0	24.68%	56,945,513.00
AxisIV-Urban Development	11.6	5.02%	11,588,911.00
AxisV- TA- Technical assistance	9.2	3.98%	9,191,206.00
Total programme	231.0	100.00%	<b>230,779,184.00</b>

A substantial part of the financial allocation (91%) is going to be spent for thematic objectives 1, 3 and 4, exceeding the thematic concentration limit envisaged by art. 4 of the Reg. (U) ERDF for the most developed countries. In addition, the resources will be distributed as follows:

- Thematic Objective 1- *Strengthening research, technological development and innovation* has access to 33.42% of ROP resources. The increase in R&D investments is consistent with the characteristics, opportunities and challenges of the region. In order to support research, the Region decided to allocate a considerable amount of funds to this objective, as it represents the perfect opportunity to increase the competitiveness of traditional productive sectors, research infrastructures and PA.
- Thematic Objective 3 - *Enhancing SME competitiveness* has access to 32.90% of ROP resources. Considering the effect the crisis had on SMEs, the Program has allocated a considerable amount of funds to stimulate competitiveness and strengthen the productive process. The ROP aims at supporting investments done in order to innovate, develop and support the regional entrepreneurial fabric. Investment support is therefore an important element to increase competitiveness and it can also be combined with what envisaged by TO 1 to upgrade the technology of regional enterprises and stimulate a recovery.

In the light of the above, the TOs designed to achieve Europe 2020 targets concerning “smart growth” employ over half of the resources (66.32%).

- Thematic Objective 4-*Supporting the shift towards a low-carbon emission economy in all sectors* has access to 24.68% of ROP resources. The aim is to favor energy saving and increase the use of renewable sources.

Urban development has access to 5.02% of ROP resources.

Technical Assistance has access to 3.98% of ROP resources.

In this context we would also like to point out that the resources allocated to Axes I, II and III contribute to the Regional Strategy to relaunch mountain areas (value equal to €8.8m) and, with reference to Axes II and III, also to the “Inland Area” strategy (value equal to €2.2m) through financial reserve mechanisms equal to €11m in total, as indicated below.

- Axis I “Strengthening research, technological development and innovation” (investment priority 1.b) - through ROP actions 1.1 and 1.3 (AP actions 1.1b.1.3/4/5, 1.1b.4.1) for €3m of the financial allocation.
- Axis II “Enhancing SME competitiveness” (investment priority 3.c)-through ROP actions 2.4, 2.5 and 2.6 (AP action 2.3c.1.1) for €4.5m of the financial allocation, including €1.5m reserved to the Inland Area Strategy.
- Axis III “Supporting the shift towards a low-carbon emission economy in all sectors” (investment priority 4.c)-through ROP action 3.1 (AP action 3.4c.1.1) for €3.5m of the financial allocation, including €0.7m reserved to the Inland Area Strategy.

Priority axis	Thematic objective	Investment priority selected	Main reasons for the choice	Financial allocation	% of the total POR ERDFalloc.
I	1) Strengthening research, technological research and innovation	Promote business investments in R&I by developing relationships between companies, research and development centers and the higher education sector. In particular, favor investments for product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networks and cluster as well as open innovation through smart specialization and support technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in key enabling technologies and diffusion of general purpose technologies (1.b.)	<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>▪ Tackle social challenges , also through PA-driven innovation for innovative services</li> <li>▪ Increase expenditure on R&amp;D(equal to 1,43%) which is currently more than 50% below the Europe 2020 target (3%)</li> <li>▪ Benefit from the regional R&amp;D system, made up of many public and private research centers</li> <li>▪ Increase the cooperation between businesses and research structures and international research networks</li> <li>▪ Reinforce the effect of private expenditure on R&amp;D (0.81% in 2011), which is above the National average (0.68%)</li> <li>▪ Increase the share of the GDP dedicated to RD&amp;I</li> <li>▪ Improve the position in the Regional Competitiveness Index (FVG157thplace)</li> <li>▪ Increase the portfolio of innovative specializations</li> <li>▪ Contrast the negative patent trend(-27.8 with respect to 2006)</li> </ul>	77,126,203.00	33.42
II	3) Enhancing SME competitiveness in the agricultural (FEASR), fishery and aquaculture sectors	<p>Promote entrepreneurship facilitating the economic exploitation of new ideas and fostering the creation of new firms also thanks to business incubators (3.a)</p> <p>Developing new business models for SMEs with an eye to internationalization (3.b)</p> <p>Support the establishment and expansion of advanced capabilities for the development of products and services(3.c)</p>	<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>▪ Bear the cost of innovative investments after the crisis, which affected competitiveness and foreign market penetration capability</li> <li>▪ Meet the need for interventions to increase the competitiveness of the manufacturing industry</li> <li>▪ Deal with difficulties in accessing credit</li> <li>▪ Counter resource procurement difficulties</li> <li>▪ Support the service sector, especially for what concerns the level of outsourcing of the productive sector and its relevance in terms of quantities and value</li> <li>▪ Support the competitiveness of cultural enterprises in consideration of employment indicators (working days, MIBAC), which can demonstrate their development capability</li> </ul> <p>The man reasons for the choice are:</p> <ul style="list-style-type: none"> <li>▪ Enhance the competitiveness of enterprises in areas affected by the crisis and relocate workers</li> <li>▪ Counter the decline in number of employees in the manufacturing sector</li> <li>▪ Counter the decline in the manufacturing industry</li> <li>▪ Enhance the competitiveness of enterprises in the manufacturing sector</li> <li>▪ Reduce the number of people registered on mobility lists</li> <li>▪ Support employment in the manufacturing sector</li> </ul> <p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>▪ Increase creation and survival rates of enterprises in knowledge intensive sectors</li> <li>▪ Meet innovation demand from enterprises to maintain competitive advantages</li> </ul>	75,927,351.00	32.90

Priority Axis	Thematic objective	Investment priority selected	Main reasons for the choice	Financial allocation	% of the total POR ERDFalloc.
			<ul style="list-style-type: none"> <li>Enhance the multi-specialization and the presence of specialized districts</li> <li>Support the level of industrialization, which is higher than the national average</li> <li>Enhance the quality of the offer in the tourist and trade sectors</li> <li>Renovate the hotel offer range</li> <li>Counter the decrease in machinery investments, which in 2011 dropped by 1.55% with respect to the previous year</li> <li>Enhance the competitiveness of enterprises</li> </ul>		
		Support the capability of SMEs to grow on regional, domestic and international markets and to take part in innovation processes(3.d)	<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>Guarantee the continuity with interventions part of the "Regional Guarantee Fund for SMEs" financed by PORERDF 2007/13</li> <li>Counter difficulties in accessing capital or loans due to the reluctance of the finance markets to take on risks or to the limited guarantees such enterprises can offer</li> <li>Support the inclination to invest of enterprises that had difficulty accessing credit because of the recession</li> <li>Increase the financing of enterprises from banks and financial intermediaries</li> <li>Counter the reduction in the number of enterprises active on the market</li> </ul>		
III	4) Support the shift towards a low-carbon emission economy in all sectors	Support energy efficiency, intelligent energy management, and the use of renewable energy in public buildings and in the housing sector (4.c)	<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>Counter global warming</li> <li>Reduce the increase in average temperature by 0.7°C between 1991 and 2010</li> <li>Reduce greenhouse gas emissions by 10.6tCO<sub>2</sub>eq (7.4 national average in 2010)</li> <li>Increase RSE production</li> <li>Continuing with Burden sharing thanks to the reduction of primary energy consumption and the increase in efficiency of public buildings</li> <li>Lower energy costs of public schools built before Law 373/1976 (over 333 thousand sqm), which weigh on Local Council budgets</li> <li>Reduce consumption and energy costs of hospitals (approx. 36,000Tep for over €34m in 2012) and social assistance structures (approx. 65,000Tep, 5.5% of the internal budget on average)</li> </ul>	56,945,513.00	24.68
IV	Urban development		<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>Provincial capitals, which present a whole series of problems, become the perfect example of how to use territorial resources and competences</li> <li>Provincial capitals can also be strategic cultural attractions</li> <li>Enhance the competitiveness of urban services and systems within the Urban Development Strategy also as regards environmental sustainability</li> </ul>	11,588,915.00	5.02



Priority axis	Thematic Objective	Investment priority selected	Main reasons for the choice	Financial allocation	% of the total POR ERDF alloc.
			<ul style="list-style-type: none"> <li>Support urban development through integrated strategies to tackle economic, climate and social challenges in urban areas</li> </ul>		
V	Technical Assistance		<p>The main reasons for the choice are:</p> <ul style="list-style-type: none"> <li>In previous programming periods, different interventions were financed, which have excessively multiplied administrative procedures</li> <li>Excessively complex and specific regulations for community programming of Structural funds, for which highly trained personnel is needed to solve multidisciplinary problems quickly</li> <li>Need to keep regulations and professional updates to a good level and maintain workload under control</li> <li>Need for a better organization after the retirement of regional personnel</li> </ul>	9,191,206.00	3.98
<i>Total</i>			230,779,188		

### **3. PRIORITY AXES**

#### **PRIORITY AXIS I – STRENGTHENING RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION**

The actions envisaged by this Priority axis support RD&I activities and the industrialization of research results.

Such Axis is implemented through public selection procedures based on criteria approved by the Monitoring Committee.

##### **Action 1.1-Support for research, development, innovation and industrialization in the industrial, craft, trade and tertiary sectors**

The action envisages the activation of an aid scheme to increase innovation by supporting research, development and innovation activities to be carried out also in collaboration with research subjects, universities and other higher education institutes as well as through the temporary transfer of researchers. In addition, the action aims at supporting downstream processes through the financing of *proof of concept*, the industrialization R&D projects' results and the application of innovative solutions. The action targets the entire regional territory and the Beneficiaries are micro, small, medium and large regional enterprises.

##### **Action 1.2- Complex research and development projects and strengthening of the regional innovation system**

The action intends to promote joint research, development and innovation projects between regional enterprises and research organizations from specific sectors with a relevant social and economic impact at a regional level and in line with the Smart specialization strategy. In addition, regional innovation intermediaries (i.e. managing bodies of technological districts and science and technology parks) will have a technology scouting and partnership building role, and they will also coordinate projects and technologically transfer results. In order to improve the competitiveness of the regional innovation system, the ROP aims at promoting the cooperation between enterprises also through their taking part in national/international consultative platforms/technological specialization networks such as national technology clusters. In addition, the interventions envisage the support of RD&I through investments to strengthen research infrastructures - European ones in particular - and their services. On top of what mentioned above, the development of a regional innovation system also requires the creation of instruments and innovative solutions like Living labs and the strengthening of services to support the *proof of concept* phase. If interventions concern social themes, the ROP has envisaged the activation of innovative instruments - also through public demands for innovation - that provide services to the territory and the population in order to tackle social challenges. The action targets the entire regional territory and the Beneficiaries are enterprises, universities, research organisms, bodies that manage technological districts and science and technology parks and Public administrations.

##### **Action 1.3 – Support for innovative start-ups and spin offs**

The action supports the creation of an environment suitable for the development and circulation of innovative ideas and of innovative enterprises in sectors coherent with *smart specialization strategy*

choices. It also envisages the support of *pre-seed and seed phases* (also through venture capitals) to favor the creation and growth of innovative enterprises also through the support of their research and development projects. The action targets the entire regional territory and the Beneficiaries are innovative start-ups and spin offs.

## **PRIORITY AXIS II – ENHANCING SME COMPETITIVENESS**

The Actions part of Priority Axis II aim at strengthening the competitiveness of the regional productive system. They are implemented via block-exempted or “de minimis” aid schemes. Interventions can also be carried out as integrated with financial engineering measures to support eligible projects.

### **Action 2.1 -Incubation for the creation and development of new cultural and creative enterprises**

The Region intends to finance actions to support the creation of cultural and creative enterprises and enhance the competitiveness of existing ones. The actions will be implemented by selecting those that could benefit from the incubation and acceleration services provided by certified incubators (in compliance with Law no. 221/2012) and that show a marked start-up capability developed through on-field experience. The Beneficiaries are cultural and creative enterprises that use incubator services.

### **Action 2.2-Non-refundable incentives for Micro- and SMEs created thanks to instruments financed within ROP ESF**

The action consists in the distribution of financial contributions under a “de minimis” rule to new enterprises or those already existing but which wish to take part in ROP ESF and the “Imprenderò” project. The beneficiaries will be selected according to a specific regulation issued by the competent regional structure to regulate the access to contributions. The recipients will be those enterprises created by people who have used the self-entrepreneurship services financed by ROP ESF (IMPRENDERO’ project).

### **Action 2.3 -Support to areas affected by the crisis of production activities**

The action is a pilot initiative that will be implemented in combination with the research, development and innovation actions financed within Priority Axes.

Before the intervention is activated, the Region will start a local consultation phase with institutional and socio-economic partners to define a single relaunch plan. Such plan must be developed identifying positive actions and dynamics that can solve sector and territorial problems. In order to enhance the competitiveness of enterprises, the ROP aims at supporting actions that strengthen production facilities such as investments, reorganization, strategic repositioning and industrial conversion. As regards the safeguard of occupational levels, incentives will be granted for the creation of new enterprises and cooperatives. In order to maximize the results connected with the strengthening of the economic and social system of areas in crisis, measures will be activated to improve territorial attractiveness favoring investments and professional services that support

reindustrialization, such as for example the search for new investors and the identification of enterprises that are looking to move to the area. The areas in which this action will be implemented will be those facing the worse situations and others identified according to the zoning envisaged for areas 107.3.c). The Beneficiaries are micro-enterprises and SMEs located in the areas selected.

#### **Action 2.4 -Investment aid for the enhancement of SME competitiveness**

The initiative intends to encourage investments on machineries, plants, tools, equipment and computer software aimed at reorganizing and restructuring technology with immediate and positive impact on the business system in terms of consolidation of the production base, especially in an innovative way. The Beneficiaries are micro-and SMEs of the craft, industry, trade and tertiary sectors as well as company networks.

#### **Action 2.5-Investment aid for tourist businesses in order to upgrade their services and product/service innovation**

The action aims at favoring investments for the strengthening and modernization of the productive base of accommodation providers and other tourist businesses, using innovative and sustainable technology. Investments will be supported to renovate and upgrade real estate, meet energy saving objectives and improve the technology at the service of tourists. In addition, the action will promote the use of new generation plants to produce energy and eco-compatible material to push companies towards technological innovation and energy saving.

Moreover, the aim is also to stimulate the use of innovative technology like home automation, access control and *contactless* transactions to improve the management of structures and increase tourist satisfaction. The Beneficiaries are micro- and SMEs part of the tourist sector as well as company networks.

#### **Action2.6 – ICT investment aid for SME**

The action aims at supporting the creation and development of SMEs in the industry, craft, trade and services sectors by introducing innovative ICT services and technology. In particular, it will promote investments for the introduction of innovative technological solutions for e-commerce, *cloud computing*, digital manufacturing and IT security made in order to improve the various company processes and the capability to penetrate new markets. The Beneficiaries are micro- and SMEs of the craft, industry, trade and tertiary sector.

#### **Action 2.7-Guarantee fund for credit access(Promotion of access to credit obtained through the issue of warranties backed by the Central Guarantee Fund)**

The action consists in the issuing of direct guarantees to banks and financial intermediaries as well as counter-guarantees and co-guarantees to financial entities (even jointly with credit consortia) or guarantee funds created by the EU or co-financed by it. The Beneficiaries are micro- and SMEs located within the region and registered in the Company Register. The entities that can request direct guarantees are banks and financial intermediaries. The entities that can request counter- and co-guarantees are:

- credit consortia, in compliance with art. 155, of Legislative Decree 385/93;

- other guarantee funds managed by banks and financial intermediaries.

### **PRIORITY AXIS III – SUPPORTING THE SHIFT TOWARDS A LOW-CARBON EMISSION ECONOMY IN ALL SECTORS**

The actions part of Priority Axis III aim at improving the energy efficiency of public buildings and reducing consumption and CO<sub>2</sub> emissions. They will be implemented through open public procedures on the basis of criteria approved by the Monitoring Committee.

#### **Action 3.1 -Energy efficiency of public buildings and structures**

The action intends to promote energy efficiency and the reduction of energy consumption in public structures mainly through the renovation of buildings and plant modernization. The initiative involves three specific areas:

- hospitals;
- healthcare facilities for dependent elderly people;
- schools.

The Beneficiaries of these actions are the Public bodies of the regional health service, the public bodies managing healthcare facilities (Personal assistance authorities and Municipalities) and Competent local bodies in compliance with law 23/1996 art.3 c. 1.

### **PRIORITY AXIS IV – URBAN DEVELOPMENT**

The Strategy for Urban Development envisages a series of actions and interventions financed by a single specific Axis. In particular, the Region identified the thematic areas for urban development in partnership with the Urban authorities of the 4 Provincial capitals, which are connected with Thematic objective 3 “Enhance SME competitiveness”, Thematic objective 4 “Support the shift towards a low-carbon emission economy in all sectors ”and Thematic objective 6 “Protect the environment and promote an efficient use of resources”.

The specific interventions consist in the improvement and enhancement of urban areas through interventions on public buildings and those of cultural, historic, artistic and architectural value, the promotion of energy efficiency and energy saving and sustainable mobility to decongest urban areas.

The main areas of intervention are the central areas of Provincial Capitals.

### **PRIORITY AXIS V – TECHNICAL ASSISTANCE**

In the Position Paper, the Commission lists the four funding priorities on which Italy shall focus within its 2014-2020 Program concerning the “*Reinforcement of the administrative capacity*”, with particular attention to those bodies concerned with the management, implementation and control of the interventions co-funded by EU Structural Funds.

The ROP envisages the reinforcement of the administrative and institutional capacity at all levels/sectors, the promotion of good governance principles and high transparency standards, reliability and the reduction of administrative burdens. In particular, the Administration is looking to reinforce and improve

the multi-level governance during the programming and implementation phases thanks to technical support for management, control, monitoring, evaluation and communication within the ROP.

#### **4. INTEGRATED APPROACH TOWARDS REGIONAL DEVELOPMENT**

The 2014-2020 program represents the natural continuation of the last two cycles of Community programming, which have integrated with the actions taken at a national level. Such actions are based on local development and calls for the involvement of institutions and local partners also through a thematic approach.

In such context, the Urban Development interventions described in Axis IV, the Strategy for the development of mountain areas and the Inland area strategy are also included in the ROP.

**Mountain areas**- The Region has mountain and inland areas where there are social and economic activities with interesting dynamics and which are sometimes different than those located in the rest of the region.

The Region defined its own strategy for the development of mountain areas, which is based on the identification of a “Mountain Axis” integrated with POR ERDF, ESF and RDP 2014-2020 and of territorial cooperation programmes with the aim of promoting the creation of networks and synergies that overcome fragmentation and sectorial administration reasoning, especially in a territory like this, which is characterized by depopulation, high cost of living, weakening of local institutions and few proximity services. The strategy is made up of a number of measures that can support the social and economic development of the mountain area.

These interventions are part of a regional reference framework which highlights the differences at a social and economic level of the regional mountain territory, which is characterized by:

- *depopulation;*
- *bipolarization between valley centers and suburban areas;*
- *hydrogeological instability;*
- *economic activities traditionally connected to mountain areas;*
- *need to strengthen the industry, reduce the cost of living and provide proximity services;*
- *weak local institutions.*

As regards the ROP ERDF in particular, a financial reserve will be created based on Axis I, II and III, which will be destined to those interventions that will have an effect on depopulation, environmental resources and technological resources.

**Inland areas**-The Region also considers the “National strategy for inland areas” as a functional instrument for the “Regional mountain development strategy”. The elements that characterize inland areas, e.g. depopulation, utilized agricultural area, hydrogeological instability and the presence of Union and Associations of Municipalities also exist in mountain areas, which are in fact usually marginalized with respect to the more dynamic central areas and are generally characterized by constant demographic decline, employment reduction and a non-efficient use of the territory, which also leads to land abandonment.

The delimitation of inland areas will be carried out according to national mapping. In compliance with the methods and instructions included in the Partnership Agreement and with the criteria defined during meetings with the Ministries part of the Inland areas Technical Committee, the Region identified only one single inland area (“project area”) for which to develop a pilot project (“prototype”), but with the possibility of extending the intervention to other project-areas to be identified using the same criteria. The project-area to which the prototype will be applied is affected by demographic decline, decrease in agricultural land, hydrogeological instability or risk and the presence of unions or associations of Municipalities. The area develops along the Carnic Alps, part of the northern side of the Carnic Pre-Alps and some of the Dolomite massif on the left bank of the Piave river, and is part of the Carnia region. In order to contrast the marginalization phenomenon, we must operate on two levels:

- support the social and economic systems of inland areas to enable economic development and the diversification of sources of income. This will include social and economical activities and all those factors that influence local socio-economic systems and their evolution;
- adapt the supply of essential services for the population and social/economic operators, without which support policies will not succeed against marginalization.

Thanks to Inter-municipal associations, the Municipalities will define collective project ideas in relation to the specific needs to one or more valleys.

A financial reserve based on Axis II and III is envisaged by ROP ERDF for the Inland area strategy, to be allocated to those actions that will help implement local development projects and define integrated multi-sectorial interventions. Such interventions will focus on 5 themes:

- protection of land and local communities;
- enhancing the value of natural, cultural and sustainable tourism resources;
- agricultural and food systems and local development;
- energy saving and local renewable energy chains;
- know-how and craftsmanship.

Considering the compatibility of “complementary issues” with the thematic objectives and specific needs of Inland Areas, the Region wishes to proceed with an Integrated territorial investment called “ITI Aree Interne”, EU Reg. No. 1303/2013 - art. 36 which, within ROP ERDF, has a financial allocation of €2.2m distributed on Axis I “Enhance SME competitiveness” and Axis III “Support the shift towards a low-carbon emission economy in all sectors”.

The ESF co-funds the ITI with €1.74 m (insert axes) partaking in Axes: I “Employment”, II “Social inclusion and fight against poverty”, III “Education and Training” and IV “Institutional and Administrative capacity”.

In addition, it is necessary to coordinate the prototype with the local development strategy as regards Measure 19 suggested by LAGs (Local Action Groups) in order to develop the appropriate synergy between the ITI and the local development instrument supported by EAFRD. The integration of the EAFRD for Inland areas is carried out through the LAGs thanks to a financial allocation of approx. €15 million.

## 5. AUTHORITIES AND BODIES RESPONSIBLE FOR FINANCIAL MANAGEMENT, CONTROL AND AUDITING

Authority/Body	Name of Authority/ Body and department or unit,if needed	Authority/ Body manager (position)
<b>Managing Authority</b>	Direzione centrale finanze, patrimonio coordinamento e programmazione politiche economiche e comunitarie – Servizio gestione fondi comunitari	Head of the Office
<b>Certifying Authority (where relevant)</b>	Direzione centrale finanze, patrimonio, coordinamento e programmazione politiche economiche e comunitarie – Servizio tributi adempimenti fiscali e controllo atti del personale e di spesa della programmazione comunitaria	Head of the Office Organizational Position
<b>Audit Authority</b>	Presidenza della Regione – Direzione Generale – Servizio Audit	Head of the Office Organizational Position

## 6. INVOLVING PARTNERS IN THE PREPARATION OF THE PROGRAM

The procedure connected to Programme 2014-2020 started in December 2011 with the coordination of the Regional Management Authorities by the Regional Directorate for Finance, property and planning. In July 2012, the Council defined the organizational structure and distributed the roles and responsibilities to the various operative structures of the Management Authorities. Then, in August 2012, the Regional Directorate for Finance, property and planning was appointed to start the EU funds programming process for 2014-2020 together with the other Regional Offices.

In order to define a general strategy for the Region coherent with the principle of “concentration”, in January 2013 we started with the analysis, evaluation and classification of intervention proposals based on their feasibility, sustainability and contribution towards the attainment of Europe 2020 and Regional administration objectives.

As regards the ROP ERDF strategy, from 6<sup>th</sup> to 20<sup>th</sup> November 2013 we proceeded with territory consultation in cooperation with institutional and socio-economic partners in compliance with art. 5 of Reg. (EU) no. 1303/2013. In accordance with such regulations, DGR (Decree of the Regional Government) no. 2100 of 16<sup>th</sup> November 2013 “*Creation of ROP ERDF 2014-2020 partnership tables*”



*and adoption of a fulfillment calendar*” as modified by DGR no. 2318 of 6<sup>th</sup> December 2013 activated the Consultation tables and identified the relative stakeholders. Among the main stakeholders, there are the President of the Regional commission for Equal Opportunities and the Regional Councilor for Equal Opportunities, who act as promoters of equal opportunity principles and non-discrimination in the workplace. The consultation was also carried out online through a questionnaire open to all regional stakeholders.

Such instrument enabled the identification of the preferences of ERDS partnership representatives and regional stakeholders so that actions, financial allocations and axes/actions ratios could be adjusted and a concrete added value could be created within the ROP.

After the consultation phase, two meetings were organized (9<sup>th</sup> and 16<sup>th</sup> December 2013) with institutional and socio-economic partners to introduce the proposals formulated by the Central Managements of the Regional administrations, that were considered consistent with the needs and priorities of the territory as well as with the European and Regional strategy.

After the first results of the consultation were presented, Generality no. 131 was approved on 24<sup>th</sup> January 2014, which allocated the funds to the ROP ERDS (approx. €231 m) for thematic objectives 1, 3 and 4 as well as for interventions concerning Urban development and Technical Assistance.

Once the intervention scopes and financial allocation were defined, the Administration involved the partnership also in the planning and evaluation phases. Information and training meetings were organized for both Central Managements (which will have the role of regional implementation structures) and Environmental Authorities. During such meetings, the subjects were trained as regards what is new in the 2014-2020 program and the regulatory framework and programming of European Structural Investment Funds.

## **7. COORDINATION BETWEEN THE FUNDS**

The Region set out to guarantee the coordination between the Funds through coordination instruments that act at different levels - organizational, strategic planning and implementation.

With DGR no. 2642 of 29<sup>th</sup> December 2011, the Regional Council implemented the first organizational, planning, methodological and operational measures for the participation of the Regional administration to the new 2014-2020 program. Then, with DGR no. 1061 of 8<sup>th</sup> June 2012, the Region outlined an organizational structure made up of a Central Management Coordination and a Coordination of the Management Authorities and Coordinators of the 2007-2013 Programs and defined working procedures. Such structure shall also work during the implementation of the new 2014-2020 ROPs.

The participation of the different Management Authorities to their respective Monitoring Committees guarantees the coordination between the European Structural Investment Funds and the sharing of lines of action and objectives of the program. In addition, the Friuli Venezia Giulia Region will also adopt a single Evaluation Plan for the 2014-2020 Programmes co-funded by Structural funds.

## **8. REDUCTION OF ADMINISTRATIVE BURDENS**

The ROP strategy intends to promote simplification and transparency principles. In particular,

simplification is intended as the identification and removal of useless burdens (those for beneficiaries and for the subjects involved in the implementation process) to reach the objectives easier and more efficiently. Transparency is instead aimed at improving and favoring the availability of data for the evaluation and implementation of policies. The Friuli Venezia Giulia Region will define an improvement model to manage 2014-2020 programming better on the basis of an organizational analysis of those structures and human resources involved in the management and implementation of 2014-2020 ROPs. In this context, the Regional administration has started inspecting the administrative capability and the main issues that arose during the 2007/2013 period in order to identify the areas in need of reorganization and/or reinforcement.

The main results of such analysis, especially concerning administrative burdens, complexity and transparency, are summarized in the document entitled *“Valutazione unitaria sui sistemi di regolazione, governance organizzazione delle PP.AA. coinvolte nella programmazione e gestione dei fondi della politica regionale di coesione– Regione Friuli Venezia Giulia”* ("Assessment of the regulation, governance and organization systems of the Public Administrations involved in the planning and fund management of the regional cohesion policy - Friuli Venezia Giulia Region"), which was approved with Regional Council Decree no. 892 of 16<sup>th</sup> May 2014. It emerged that the most burdensome activities as regards fulfillments and procedures are those concerning the design of the project, the preparation of management reports and expenditure reports.

The Administration has therefore started evaluating the administrative capacity in order to identify which specific actions can reduce burdens for beneficiaries, make the preparation and management of co-financed projects easier and improve transparency. This is the objective of the staffing reinforcement actions that are part of the Technical Assistance axis and of the empowerment actions aimed at organizing information/training, knowledge sharing and know-how transferring opportunities.

## 9. HORIZONTAL PRINCIPLES

The horizontal principles that have inspired the ERDF 2014-2020 are briefly explained below.

***Sustainable development***-“Sustainability” as a pillar of the Europe 2020 Strategy represents one of the principles at the basis of the development policies that use community funds.

The Management Authority ensures that the environmental aspect will be integrated in all implementation phases and that specific actions will be taken to avoid or reduce any negative effect on the environment and guarantee positive results in terms of social, environmental and climatic benefits. In order to do so, the Management authority will cooperate with the Environmental authority, as it did during previous programs. The implementation of the horizontal principle concerning sustainable development will also be ensured by the participation of the Environmental authority to Monitoring Committee activities.

***Equal Opportunities and non-Discrimination***-In order to reach Europe 2020 objectives, the Region will support and promote actions that foster equal opportunities and non-discrimination. Such approach is consistent with the Union policy which introduced no. 1 Anti-discrimination and no. 3 Disability among ex-ante general conditionalities. These represent a pre-condition for the efficiency of development policies and, at the same time, they express the capability of the Region to implement development policies against discrimination and that support the rights of people with disabilities. In compliance with art. 7 of EU Regulation no. 1303/2013, the Region involved the President of the

Regional commission for Equal Opportunities and the Regional Councilor for Equal Opportunities as experts responsible for promoting equality already during the confrontation phase of the partnership, which was aimed at identifying the needs of the social and economic system and the interventions to be implemented. In addition, the Region adopted the “Regolamento concernente criteri e modalità per la concessione di contribute in material di pari opportunità” (Regulation concerning the criteria and methods to issue equal opportunity contributions), issued with Presidential Decree no. 330/2007 in accordance with regional law no.23, 1990.

The Regional administration also wishes to include the equal opportunity and non-discrimination principles in the programming, implementation, surveillance and evaluation phases as well as in every aspect of ROP ERDF 2014-2020 to avoid discrimination based on sex, race or ethnic origin, religion or personal beliefs, disability, age or sexual orientation. This principle will be made operative especially during the implementation phase through the criteria to select interventions and the assignment of scores to reward those initiatives that promote equal opportunities.

***Equality between men and women*** - In order to promote the gender equality principle, general ex-ante conditionality no. 2 “Gender equality” was introduced, which calls for a strategy to foster gender equality and a mechanism to guarantee its implementation. The Administration pays attention to this matter and has implemented various initiatives and activities to promote the culture of equality and well-being in the workplace with the objective of creating a virtuous circle, reconcile work, economy, human development and the protection of human dignity. It is necessary to promote equality between men and women by activating entrepreneurial initiatives and issue tenders that respect a series of principles in terms of participation, access, rights, retribution or performances. Considering the strong inclination towards self-entrepreneurship and self-employment of women due to greater flexibility (useful to combine work and family life) and the increase in female unemployment especially in times of crisis, it is clear how supporting entrepreneurship is important to reduce the employment gap between men and women, with positive effects on gender equality.