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UNIVERSITÀ DEGLI STUDI DI CATANIA

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**IMPLEMENTATION & GOVERNANCE OF ERDF 2014-2020
IN THE ISLAND OF CONTRADICTIONS**

Final Thesis

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Table of Contents

List of acronyms

Introduction	1
I CHAPTER: EUROPEAN FINANCING PROGRAMMES	7
I. LEGAL BASIS.....	7
II. THE EU BUDGET.....	10
a. EU 2014-2020 budget	11
III. EU FUNDS.....	15
a. Eligibility criteria	17
b. Audit phase.....	20
c. Visibility of European co-financed projects.....	20
IV. MANAGEMENT OF EU FUNDS IN SICILY.....	21
II CHAPTER: EUROPEAN REGIONAL DEVELOPMENT FUND 2014-2020 IN SICILY 2014-2020 ...24	
I. REGIONAL REFERENCE FRAMEWORK.....	24
II. TERRITORIAL SITUATION.....	25
III. MACRO-ECONOMIC OBJECTIVES.....	27
a. Smart growth.....	27
b. Sustainable growth.....	28
c. Inclusive growth.....	31
IV. PARTNERSHIP AGREEMENT.....	32
V. EUROPEAN REGIONAL DEVELOPMENT FUND.....	33
a. Regional legislation.....	33
b. Strategy for achieving goals.....	33
c. Intervention strategy.....	34
d. Cultural and nature heritage of Sicily.....	36
e. Quality of life.....	37
f. Environmental sustainability.....	37
g. Territorial cohesion.....	38
III CHAPTER: ANALYSIS OF THE OPERATIONAL PROGRAMME OF THE EUROPEAN REGIONAL DEVELOPMENT FUND 2014-2020	50
I. STATE OF IMPLEMENTATION.....	50
II. EFFECTIVENESS AND EFFICIENCY.....	58
IV CHAPTER: GOVERNANCE OF THE EUROPEAN REGIONAL DEVELOPMENT FUND	61
I. MATERIALS AND METHOD.....	61
II. GENERAL FRAMEWORK FOR EVALUATION.....	63
III. IDENTIFICATION OF KEY ELEMENTS.....	64

IV.	ANALYSIS OF THE IMPLEMENTATION CONTEXT.....	66
V.	GOVERNANCE MODEL: STATE OF THE ART.....	68
VI.	INDEPENDENCE AND TRANSPARENCY.....	71
VII.	MONITORING AND EVALUATION.....	72
VIII.	MULTI-LEVEL GOVERNANCE.....	74
IX.	INVOLVEMENT OF DIFFERENT ACTORS.....	76
CONCLUSIONS		78
Bibliography		84
Appendices		89

ACRONYMS

- AP = Partnership Agreement
- ARIT = Regional Agency for Technological Innovation
- AT = Technical Assistance
- CdS = Monitoring Committee
- CLLD = Community local led development
- CoR = Responsibility Centres
- D.D.G. = Decree of the general manager
- DGR = Resolution of the Regional Council
- DRAP = Regional Department of Productive Activities
- DRP = Regional Department of Programming
- EAFRD = European Agricultural Fund for Rural Development
- EAGGF = European Agricultural Guidance and Guarantee Fund
- EC = European Commission
- EDP = Entrepreneurial discovery process
- EMFF = European Maritime and Fisheries Fund
- ERDF = European Regional Development Fund
- ERDF = European Regional Development Fund
- ESF = European Social Fund
- ESI = Funds European Structural and Investment Funds
- EU = European Union
- FLAG = Fisheries local action group
- GdLI = Interdepartmental Working Group
- GLT = Thematic Working Groups
- JTF = Just Transition Fund
- LAG = Local Action Groups
- Ma = Managing Authority
- MFF = Multi-financial framework
- MIUR = Ministry of Education, University and Research
- MoU = Memorandum of Understanding
- NVVIP = Evaluation and verification unit of public investments of the Sicilian Region
- OdR = Research organisation
- OS = Specific objective

- OT = Thematic objective
- PdV = Plan of evaluations of cohesion policy 2014-2020
- PON = National Operational Plan
- R&D = Research and Development
- RA = Expected result
- RAA = Annual Implementation Report
- RIS = Regional innovation scoreboard
- S3 = Regional Innovation Strategy for Smart Specialisation
- SG = Steering group
- SI = Information system
- UC = Control Unit
- UCO = Office responsible for operations
- UOB = Basic Operating Unit
- UTC = Technical Coordination Unit

INTRODUCTION

Europe is an idea, a concept that has been concretized to give a new image to a continent destroyed by war, complicit in atrocities and extremist and sovereigntist ideologies that have caused not only death but a loss of a sense of humanity. The concept of patriotism, the feeling of love, devotion and obedience to the homeland prevails over the idea of freedom and solidarity. The state becomes the highest ethical expression and in addition the embodiment of social morality and promoter of patriotic ideology. The "common good" or "good of many", of which the German philosopher Hegel speaks, is achieved by the complete annulment of individual freedoms aimed at assisting the commitment of individuals to the good of the state. In this way, the citizen becomes a slave forced to submit and sacrifice himself for the great cause: war.

The end of the Second World War marks the end of this social decline and inspires resistance fighters, Holocaust survivors and political figures to the idea of Europe. The fundamental values of freedom, democracy, equality, respect for human dignity and solidarity began to spread. Among the founders of particular prominence, we cannot but mention the Italian politician Altiero Spinelli who established the Federalist Movement and supported the elaboration of a European constitution; German Chancellor Helmut Kohl and former French President François Mitterrand who oversaw post-conflict reconciliation between their respective countries; Marga Klompé, Dutch politician, scientist and human rights defender who worked to create the single market; Paul-Henri Spaak, the Belgian statesman who helped found the Benelux Customs Union, a source of inspiration for further European integration.

1945 put an end to the recurrent and bloody conflicts that culminated in the Second World War and consequently European politicians began the process of building what we know today as the European Union. In 1951, the European Coal and Steel Community was founded, the first step towards lasting peace. In 1957 the Treaty of Rome established the European Economic Community and began a new era of cooperation in Europe. The various European institutions were founded with the aim of maintaining and guaranteeing common objectives. In 1958 European citizens acquired the right to be democratically represented thanks to the establishment of the European Parliament, establishing a real turning point in the European decision-making processes, previously closely linked to oligarchic or monarchical systems.

The common well-being becomes one of the main objectives and a trigger for economic cohesion policies that aim to reduce the gap between the diverging levels of development of its regions.

Among the states in economic deficit and with greater difficulties in the post-war economic recovery is Italy. The European Community was the drive behind a great contribution to its recovery. This was achieved by encouraging interaction between countries and laying the foundations for an economy that is based on international trade to guarantee development. Among the important factors in the Italian economic recovery, we find: The International Monetary Fund, which regulates the monetary system and intervenes in the event of a financial crisis; the GATT that lays the foundations for free trade and finally the process of European integration sanctioned by the passage of the ECSC to the EEC, which creates a single European market. Along with this it is important to highlight the transition from the country from monarchy to being a democratic republic. After the Second World War, however, Italy did not have an economic model of its own and took inspiration from the American and European capitalist economic models. Between 1950 and 1973 it recorded a remarkable economic recovery, with a growth rate of 5% thanks, also, to industrialization.¹

Despite being considered as an exporting country with a commercial growth that went from 31 billion in 2010 to 89 billion in 2018 and was ranked as the third largest economy in the European Union in 2019, it is penultimate in the financial markets in the euro area. In the 2021 economic forecast, the European Commission see an increase of +6.2%, followed by a brief decrease to +4.3% in 2022. But let us go back to 2016. In that year the public debt increased by 45 billion, aggravated by the 20 billion allocated to bank bailouts and inflation was on the rise. Once the benefits of the Job Act have ceased, unemployment remained at 12%. For these reasons we could define it as: the land of paradoxes.²³

Italy is well known for the issue which is referred to as *Questione del Mezzogiorno*⁴ that has been discussed for over a century. The most famous interpretative paradigms on development gaps have been elaborated precisely starting from this Italian case: from the amoral familism

¹ General Agreement on Tariffs and Trade (GATT) was created in 1947 in Geneva (<https://www.britannica.com/topic/General-Agreement-on-Tariffs-and-Trade> accessed 31/01/22)

² "The paradox of Italy: third economy in the EU, penultimate on the markets" (<https://www.ilsole24ore.com/art/il-paradosso-dell-italia-terza-economia-ue-penultima-mercati-ACYoqUI> accessed 31/01/22)

³ The primary objective of the Jobs Act is to create new stable employment. The open-ended contract finally becomes the preferred form of hiring. New and clearer rules have been provided in the event of unlawful dismissals.

⁴ The Southern Question

of Edward C. Banfield, formulated at the beginning of the fifties observing a village in Basilicata, to the well-known thesis of Robert D. Putnam (1993) on social capital and the performance of local institutions, set precisely by looking at the differences between the South and Central-Northern Italy. The gaps increased during the great wars: the north-west of the peninsula continued to become more and more industrialized, while the South remained tied to agriculture. In the same year in which the European Economic Community was founded, the differences between the north and South of the country reached their all-time high. From 1951 to the first decades of the new millennium, two main phases can be observed: a phase called "the economic miracle", where there was an economic convergence between North and South followed by the second phase in which Italy appears divided into two distinct regions. In fact, we find a clear separation: the Central-Northern regions, associated with the most advanced economic areas of the West, and the South left behind.⁵

In the wide span of time between the Unity of Italy to the Second World War, the position of the South in comparison to the rest of the country worsened, with a more pronounced decline in the years between the two wars: on the national average, between 1871 and 1951 the GDP per capita of the South went from 90 to 61%. In those first eighty years there was also a process of progressive downward levelling between the regions of Southern Italy. In the second half of the nineteenth century some areas of the South hovered around the Italian average, or not far from this: this was the case of Campania, with Naples, the capital of the Bourbon Kingdom, in the liberal age the most populous city in the country that boasted important tertiary and manufacturing activities; or Puglia, with its rich export-oriented agriculture; or Sicily itself, which benefited both from the strength of the enviable urban framework compared to other southern regions and from an agriculture with peaks of excellence, also abroad. During the first half of the twentieth century, these regions lost their advantage more and more, conforming to the other poorer areas of the South. Among the causes explaining this plummet are the failure of the first industrialization policies designed for Campania at the beginning of the twentieth century and, above all, the fascist policies.

During fascism, in fact, the South was seen as an ideal place for agricultural development and the process of industrialization was postponed *sin die*. The dictatorial regime focused heavily on agricultural production and above all on the production of wheat, which was less profitable

⁵ Benfield, *The moral basis of a backward society*, Illinois, The Free Press Glencoe, 1958, p. 50

than other crops. As a result, from 1911 to 1951 the presence of industrial development was almost completely absent. Only during the "economic miracle" did the south experience a significant process of industrialization, which determined not only a quantitative increase in the employment base of industry but, above all, a rapid growth in productivity. The industrialization of the *Mezzogiorno*, however, is not an endogenous process, that is, one that arises on the spot or is in any case guided by the play of market forces; but a hetero-direct transformation, which reaches the South from the outside: this industrialization is the result of the most important regional development policy carried out in all of Western Europe, that is, the *Cassa per il Mezzogiorno* and its 'extraordinary' intervention. The launch of this policy is the concrete result of a new awareness of how to deal with the underdevelopment of the *Mezzogiorno*. The *Cassa del Mezzogiorno* operated until 1984 and was replaced by *Agensud* which operated until 1992.

The policies which focused on the South did not end with the dissolution of *Agensud* but give way to another season. The latter is testimony to Europe's progressive intervention in national policies. It is financed by the Structural Funds of the European cohesion policy, which since 1988 has gradually become the reference framework for other national interventions. The new programming provides non-repayable incentives with the aim of promoting the endogenous growth of Southern entrepreneurship and civil society. Unfortunately, even this type of intervention has neither led to lasting nor to extensive improvements. This may be due to the criteria for disbursing funds or in the definition of allocation tables. Non-repayable contributions encourage investments for their own sake and do not necessarily promote job growth but instead, encourage undeclared employment and therefore illegality. In European standards, the South is seen to be an area with a low sense of civic-minded and with a predominance of illegality.

Hence, the idea of investigating, analyzing and examining how the European Union has intervened in recent years, in order to give rise to a change of direction of this phenomenon. In particular, this paper will focus on the ERDF implemented in Sicily in the six-year period from 2014 to 2020. This analysis will branch into four chapters: the first chapter focuses on the legislative basis, European funds, the European Multiannual Financial Framework & on the main component part of the ERDF; the second chapter focuses on the ERDF 14-20. In the third chapter the results of the POERDF 14-20 are analyzed. The fourth chapter focuses on the governance of the ERDF 14-20 and in the conclusion considerations and possible solutions are pointed out.

The study and analysis of research literature, the main approaches to farsightedness and critical perspective were fundamental to be able to choose a correct methodology in the process of analysing the theme chosen. The latter falls within the political sphere therefore in this work is taken into consideration what several authors, such as Godet and Petit Jean⁶, describe as a deterministic and positivist view of reality. The figure of the researcher is that of the observer, neutral and external to the object of analysis. According to Van Klooster and Van Asselt⁷ this type of approach could be qualified as historical deterministic. From a methodological point of view, according to Popper⁸ there are many tools and techniques that can be used. However, in this work, they are always implemented with variable intensity, within a common epistemological framework of reference that is characterized by the following points: non-deterministic approach of human reality, taking into account its complexity also considering the relationship with values; systemic and dynamic reading of reality; rejection of a monodisciplinary approach, broadening the spectrum of analysis; and most importantly obligation to articulate analyses and actions. It has also taken into consideration, integrated assessment models to manage complex risks, simultaneously considering all relevant aspects of the topic such as economic, social and cultural aspects. In 2004, Renn and Klinke⁹ highlighted the need for an integrated assessment model, simultaneously considering all relevant aspects of the problem under consideration. This, also taken into account in this work, is a circular model of analysis in which scientific, economic, social and cultural aspects are integrated. Risks and problems refer to what Beck calls "modern risks"¹⁰. These have particular characteristics, including temporality and the consequent lack of visibility. The dynamics that take place in human activities, in fact, do not only produce immediate effects. According to Padoa-Schioppa¹¹ at the political level, the legitimacy of governments is part of the short term objective. Furthermore, for the processes that take place within the political sphere in which the decision-maker has a large degree of

⁶ Brunet, Guyot, *Prospective et analyse des risques : une tentative de rapprochement*, Working Paper de l'IWEPS n°28, Namur 2019, P 7

⁷ Brunet, Guyot, *Prospective et analyse des risques : une tentative de rapprochement*, Working Paper de l'IWEPS n°28, Namur 2019, p 6

⁸ Popper, *Scientific Knowledge, History, and Prediction*: <https://plato.stanford.edu/entries/popper/>

⁹ Systemic Risks. A New Challenge for risk management:

https://www.researchgate.net/publication/8255305_Systemic_risks_A_new_challenge_for_risk_management

¹⁰ Lucini, Barbara, *Il rischio : definizioni sociali e contesto spaziale di sviluppo* - Vita e Pensiero - 2011 P. 405-426

¹¹ Brunet S., Guyot J., *Prospective et analyse des risques : une tentative de rapprochement*, Working Paper de l'IWEPS n°28, Namur 2019

influence, it was important to take into account what the future might look like, using exploratory methods or as it should be and using normative methods. Exploratory methods suggested how to focus on structuring possible futures, typically using qualitative descriptions. Normative forecasting was helpful to investigate how we want the future to be and how to obtain this goal. It helped to states objectives that may be substantially discontinuous with the trends at play, then moves backwards to the present to identify the necessary steps for reaching the objectives. Normative forecasting is at the heart of political planning. It allows political organisation to orchestrate and target its resources to achieve a goal. The statement of the goal itself must be realistic and take into account present and future resources and contexts.

Analyzing the impacts of a policy or an intervention is of fundamental importance in order to verify its effects. At the same time, identifying the factors of success and failure so that corrective actions can be formulated or any new policies contributing to improvement and evolution are also crucial elements. Assessing impact provides indications about: effectiveness, in terms of achieving the objectives; efficiency, as the extent of the relationship between results achieved and resources used; sustainability, seen as the ability of the policy, programme or project under evaluation to produce lasting effects over time.

In more technical terms, the effect of a policy is identified in the change obtained (result) due to an intervention (the policy). To evaluate a policy it is necessary, therefore, to define what type of treatment has been administered, according to what logic that treatment must induce a certain type of change, who among the potential recipients has received it and possibly with what intensity. The effect of a policy will be given by the difference between the result between the recipients of the policy as a result of the implementation of the policy itself and the existing state in the absence of interventions attributable to the policy. The definition of effect, as outlined, highlights a crucial element to be taken into account: the observed effects may not be due to the implementation of public policy. In fact, many other phenomena, independent of the activities related to a given public policy, can more or less directly influence the behaviors and conditions that the policy in question wants to change. It is therefore possible to overestimate, or vice versa, underestimate, the contribution made by politics itself and the relationship of randomness between the result and the intervention (politics).

I CHAPTER

EUROPEAN FINANCING PROGRAMMES

I. LEGAL BASIS

Since its inception, in the European Union there have been large territorial and demographic disparities, which have hindered integration and development. Taking a look to the first treaties it is possible to see how these disparities were immediately addressed. In point of fact, the Treaty of Rome (1957) established solidarity mechanisms in the form of two Funds: The European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF). Thereafter, in 1975 regional aspects with the creation of the European Regional Development Fund (ERDF) were introduced. In addition, the Cohesion Fund was established in 1994. These belong to the European structural and investment fund (ESIF) and they are jointly managed by the European countries and the European Commission. The goal is to finance a sustainable and healthy European economy and Environment.

Since 1986, with the introduction of the Single European Act, the European Community¹² has taken a keen interest in economic and social cohesion. In 2008, the Lisbon Treaty brought about the third dimension of cohesion in the European Union, the so-called territorial cohesion. These three aspects of cohesion receive support through cohesion policy and the Structural Funds.

Currently, the Cohesion policy constitutes the principal investment policy of the European Union. It benefits all EU regions and cities and supports economic growth, job creation, business competitiveness, sustainable development and environmental protection.

It is, therefore, possible to affirm that one of the EU's main objectives is to strengthen its economic, social and territorial cohesion. For this reason, a significant part of the EU's activities and budget is devoted to reducing the gap between regions, with particular reference to rural areas, areas affected by industrial transition and regions with serious and permanent natural or demographic handicaps.

Therefore, the European Structural and Investment Funds were designed to address this situation (ESF, ERDF, Cohesion Fund, European Agricultural Fund for Rural Development

¹² now European Union

(EAFRD) together with the European Maritime and Fisheries Fund (EMFF)) and other sources, such as the European Investment Bank.

In 2014, the European Agricultural Guidance and Guarantee Fund was replaced by the European Agricultural Fund for Rural Development. The EAFRD supports rural development and the improvement of agricultural infrastructure, within the framework of the Union's cohesion policy.

In the social field, the European Social Fund¹³ plays a pivotal role. It targets unemployment, develops human resources and fosters social integration in the labour market. It also promotes actions that boost a high level of employment, equal opportunities for men and women, sustainable development and economic and social cohesion.

At a regional level, the European Regional Development Fund (ERDF) addresses major regional imbalances in the European Union, it finances programmes in shared responsibility between the European Commission and national and regional authorities in Member States. The Member States' administrations choose which projects to finance and take responsibility for day-to-day management.¹⁴ In the period 2014-2020, its thematic concentration focused on: Innovation and research, the digital agenda, support for small and medium-sized enterprises (SMEs), the low-carbon economy.¹⁵

For projects relating to the environment and trans-European networks in the field of transport infrastructure, the Cohesion Fund grants financial contributions. It is intended for Member States whose per capita gross national income (GNI) is less than 90 % of the EU average. For the 2014-2020 period allocates a total of € 63.4 billion to activities under the following categories: trans-European transport networks upholding infrastructure projects under the Connecting Europe Facility and in the environment, supporting projects related to energy or transport, as long as they favour the environment in terms of energy efficiency, use of renewable energy, developing rail transport, supporting intramodality, strengthening public transport, etc.

To support the territories mostly affected by the transition to climate neutrality and prevent the exacerbation of regional disparities, the Fair Transition Fund has been created. It supports investments in areas such as digital connectivity, clean energy technologies, reducing emissions, recovering industrial sites, reskilling workers and offering technical assistance.

¹³ from 2021, called European Social Fund Plus (EFS+)

¹⁴ ERDF Funding: https://ec.europa.eu/regional_policy/en/funding/erdf/ (accessed 20/02/22)

¹⁵ ERDF Funding: https://ec.europa.eu/regional_policy/en/funding/erdf/2014-2020 (accessed 18/02/2022)

In order to ensure efficient use of the Structural Funds, the following principles must be respected¹⁶:

- Organisation of funds by objectives and by regions;
- Partnership between the Commission, the Member States and the regional authorities in the planning, implementation and monitoring of their use;
- Programming of the assistance;
- Additionality of EU and national contributions.

Cohesion policy financial resources allocate two main objectives:

- Investment in growth and employment - aimed at bolstering the labour market and regional economies;
- European Territorial Cooperation - supports EU cohesion through cross-border, trans-national and inter-regional cooperation.

Since 1988, the Union's cohesion policy and the common agricultural policy have been the most quantitatively important Union policies. The EU has earmarked over 350 billion for the cohesion policy, representing 32,5 % of the total EU budget of the 2014-2020 period. These funds were used for road construction, environmental protection, investment in innovative enterprises, job creation and vocational training. To the ERDF¹⁷ was allocated 200 billion, including 10.2 billion for European territorial cooperation and 1.5 billion as a special allocation for the outermost and sparsely populated regions. The ESF received over 83 billion euros and the Cohesion Fund 63 billion euros.

Financial instruments contribute to stimulating on-the-ground investment in revenue-generating and cost-reducing activities while maximising private investment with minimal public support to achieve the objectives of economic, social and territorial cohesion policy. Financial instruments are a more effective and durable alternative to traditional grant-based support. The European Regional Development Fund and the Cohesion Fund reinforce projects on the ground through financial products, such as loans, guarantees and equity funding.

¹⁶ Socio-economic Cohesion: <https://www.europarl.europa.eu/factsheets/en/sheet/93/coesione-economica-sociale-e-territoriale> (accessed 18/02/2022)

¹⁷ European Regional Development Fund

II. THE EU BUDGET

The EU budget has developed along with the evolution of the European Union and finances programmes and actions in all EU policy areas. Since 1988 the budget has a long-term programme that is known as multiannual financial framework (MFF). The MFF provide a stable framework, with overall limits aimed at the alignment of the expenditure with EU policy priorities, strengthening the predictability of EU finances for co-financiers and beneficiaries. It also guarantees EU budgetary discipline, facilitating the adoption of the EU's annual budget.

The MFF also establishes the limits of the Annual EU budget and usually covers a period of five to seven years, fixing the EU annual expenditure ceilings for:

- total commitments in a given year;
- total payments in a given year;
- payments and commitments in each area of EU spending.

Specifically, the total commitments correspond to the maximum annual amount of legal obligations, such as contracts or grants. The amounts are not necessarily paid in the same year but may be deferred over several financial years, while total payments are the amounts spent in a given year. They derive from legal commitments entered in previous years. These limits allow the overall size of the EU budget to be managed by protecting the amounts for each sector in line with EU priorities. However, the budget also requires flexibility to ensure that, even in unforeseen circumstances, money can be used when and where it is most needed. The most recent example is EU recovery fund aimed at mitigating the effects of the crisis caused by the COVID-19 pandemic¹⁸.

EU expenditure is financed by revenue from its resources, but also by what remains of payments made in the previous year or fines imposed on companies that infringe EU competition rules, refunds and payroll taxes. The EU's own resources account for most of the EU's revenue and they consist of¹⁹:

- traditional own resources: mainly customs duties and levies on sugar
- Member States' contributions based on value added tax (VAT)

¹⁸ Coronavirus & Economy: <https://www.consilium.europa.eu/en/policies/coronavirus/covid-19-economy/> (accessed 12/03/22)

¹⁹ The EU Budget: <https://www.consilium.europa.eu/it/policies/the-eu-budget/> (accessed 12/03/22)

- Member States' contributions based on gross national income (GNI), adjusted to achieve a balance between revenue and expenditure

The Council decides on the maximum amount of own resources and the types of own resources, while fixing the expenditure limits within the multiannual financial framework. These resources automatically flow into the EU budget without the national authorities having to take any further decisions. Some countries receive rebates to compensate for the gap between what they pay to the EU budget and what they get from it.

a. EU 2014-2020 budget

In the MFF 2014-2020²⁰, period taken into analysis in this work, the European Union was able to spend up to €959,51 billion in commitments and €908,40 billion in payments during its lifetime. These amounts are lower than those of the MFF 2007-2013. The reduction bears out the Council's desire to consider the significant pressure on Member States' budgets after the 2008 financial crisis.

In table (A.) at the end of the paragraph, it is possible to see the breakdown of EU expenditure for 2014-2020. It is divided into six broad categories, called "headings": Smart and inclusive growth, in which we find the subclass economic, social and territorial cohesion of which we must pay particular attention; Sustainable growth: natural resources; Security and citizenship; Global Europe; Administration; Compensations.

1. SMART AND INCLUSIVE GROWTH

This is subdivided into 2 subclasses:

1.1. Competitiveness for growth and employment

The expenditure ceiling is €125,61 billion and includes: support for research and innovation; investments in trans-European networks; the development of small and medium-sized enterprises (SMEs)

1.2. Economic, social and territorial cohesion

The expenditure ceiling is **€324,94 billion** with the aim of reducing disparities between levels of development in EU regions and supporting EU cohesion policy.

²⁰ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020

2. SUSTAINABLE GROWTH: NATURAL RESOURCES

Within this category, particular attention will be given to the fields that are more focused on food and the environment such as the so-called Common Agriculture policy (CAP), The Common Fisheries Policy and the environmental action with an expenditure ceiling of €372.93 billion.

3. SECURITY AND CITIZENSHIP

With an expenditure ceiling of €15.67 billion, measures including actions on asylum and migration were financed as well as actions related to the protection of external borders and internal security.

4. GLOBAL EUROPE

With an expenditure ceiling of €58.70 billion, the European Union is committed internationally to various measures that include humanitarian aid and development assistance. The only fund receiving direct financial support from the Member States is **the European Development Fund**²¹ that we must take particular attention to because as well as the economic, social and territorial cohesion it aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions.

5. ADMINISTRATION

This category focuses on the expenditures related to the administration of the European Union and has an expenditure ceiling of €61.63 billion.

6. COMPENSATION

In 2014 Croatia accessed the European Union. To ensure that the new entry state does not contribute more to the EU budget than it does in the first year following its accession to the European Union, 27 million was made available in 2014.

In addition to the 6 categories, discussed earlier, we find the so-called “Special instruments”. These instruments ensure the flexibility of the EU budget and are used in the event of unforeseen events such as natural disasters or emergencies. Additional financial support can be mobilised through these instruments. In fact, the special instruments exceed the long-term

²¹ ERDF14-20: https://ec.europa.eu/regional_policy/en/funding/erdf/2014-2020 (accessed 13/03/22)

budget expenditure ceilings for both commitment and payment appropriations. However, the amounts reserved for the flexibility instruments may never exceed the own resources ceiling.

Among these Special Instruments, we find: the Emergency aid (€280 million) devolved to financing civilian crisis management, humanitarian aid and peace operations in non-EU countries; the EU solidarity fund (€500 million) to assist member states or a country holding accession negotiations with the EU in the event of unexpected situations like Covid-19; the Flexibility Instruments (€471million) to address specific needs that cannot be funded by the MFF²²; European globalisation adjustment fund (€150 million yearly) devoted to supporting citizens who are affected by structural changes in world trade patterns or global financial and economic crisis and are in need of a job; Contingency margin represents 0.03% of the EU's gross national income (around €4 billion), used to react to unpredicted circumstances; Specific flexibility to tackle youth unemployment and strengthen research allowing addition of €2.543 billion on youth unemployment and research programmes.

On 26 May 2014, the Council settled the resources for the period 2014-2020. According to the rules in force, the EU own resources could be allocated with a ceiling of 1.20% of the total gross national income (GNI) of all Member States. The latter are responsible for the collection of traditional own resources

The following types of own resources have been approved for the MFF 2014-2020²³²⁴²⁵:

- traditional own resources corresponding to customs duties and levies on sugar
- VAT-based own resources from a uniform rate of 0,3% which applies to the VAT base of each Member State, with the VAT base levelled at 50% of each country's GNI
- GNI-based own resources deriving from a uniform rate applied to Member States' gross national income; this rate is adjusted annually to balance revenue and expenditure

²² Multi Financial Framework

²³ Council Decision of 26 May 2014 on the system of own resources of the European Union: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:32014D0335> (accessed 12/03/22)

²⁴ Council Regulation (EU, Euratom) No 608/2014 of 26 May 2014 laying down implementing measures for the system of own resources of the European Union <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:32014R0608> (accessed 12/03/22)

²⁵ Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Recast) <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:32014R0609> (accessed 12/03/22)

Table 1: Multiannual financial framework

(EUR million - 2011 prices)								
COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014–2020
1. Smart and Inclusive Growth	60 283	61 725	62 771	64 238	65 528	67 214	69 004	450 763
1a: Competitiveness for growth and jobs	15 605	16 321	16 726	17 693	18 490	19 700	21 079	125 614
1b: Economic, social and territorial cohesion	44 678	45 404	46 045	46 545	47 038	47 514	47 925	325 149
2. Sustainable Growth: Natural Resources	55 883	55 060	54 261	53 448	52 466	51 503	50 558	373 179
of which: Market related expenditure and direct payments	41 585	40 989	40 421	39 837	39 079	38 335	37 605	277 851
3. Security and citizenship	2 053	2 075	2 154	2 232	2 312	2 391	2 469	15 686
4. Global Europe	7 854	8 083	8 281	8 375	8 553	8 764	8 794	58 704
5. Administration	8 218	8 385	8 589	8 807	9 007	9 206	9 417	61 629
of which: Administrative expenditure of the institutions	6 649	6 791	6 955	7 110	7 278	7 425	7 590	49 798
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS	134 318	135 328	136 056	137 100	137 866	139 078	140 242	959 988
as a percentage of GNI	1,03 %	1,02 %	1,00 %	1,00 %	0,99 %	0,98 %	0,98 %	1,00 %
TOTAL PAYMENT APPROPRIATIONS	128 030	131 095	131 046	126 777	129 778	130 893	130 781	908 400
as a percentage of GNI	0,98 %	0,98 %	0,97 %	0,92 %	0,93 %	0,93 %	0,91 %	0,95 %
Margin available	0,25 %	0,25 %	0,26 %	0,31 %	0,30 %	0,30 %	0,32 %	0,28 %
Own Resources Ceiling as a percentage of GNI	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %

III. EU FUNDS

The European Union, through its various instruments, promotes cooperation and synergy both within and outside Europe. In order to achieve the objectives of Europe 2020, the European Union put in place different types of financial instruments managed through:

- Indirect management, a system of "shared responsibility" between the European Commission and the authorities of Member States;
- Direct management by the European Commission.

Indirect management funds include the European Structural and Investment Funds. These financial instruments implement the cohesion policy also known as the regional policy of the European Union. The main objective of these funds, as mentioned previously, is to reduce socio-economic disparities across Europe. Europe's poorest regions receive most of the funding, although all European regions can benefit from funding through the different mechanisms. The European Union's regional policy is financed by three main funds that contribute to one or different objectives of that policy: the European Regional Development Fund (ERDF); the European Social Fund (ESF); the Cohesion Fund (CF)²⁶. Together with the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime affairs and fisheries (EMFF) represent most of the funding and most of the total EU expenditure.

Instead, the funds under direct management include financial instruments for external assistance and thematic programmes that are directly managed by the European Union.

The Direct Funds²⁷ are managed directly by the various Directorates-General of the European Commission or through delegated Agencies. These are subsidies that must be supplemented by the beneficiaries' own resources. This type of funding requires the establishment of transnational partnerships. As already mentioned, the Direct Funds include both thematic programmes and external assistance instruments. The latter, however, requires separate treatment, therefore, below, the term Direct refers exclusively to thematic programmes. In direct funds, the European Commission transfers the amounts directly to the beneficiaries of the project.

²⁶ Italy is not a beneficiary of this Fund

²⁷ research, education, environment, transport, etc.

Another important distinction is that the European Structural and Investment Funds can also finance infrastructure while thematic programmes finance essentially innovative ideas, exchanges of experience, best practices or the organization of seminars and conferences, studies, to be carried out in partnership with other countries. There also is a difference between the submission of proposals to obtain direct and indirect funds. Project proposals under the European Structural and Investment Funds must be submitted at the local and regional levels to regional and national authorities. Instead in thematic programmes, project proposals should be submitted directly to the Directorates-General of the European Commission which manage the individual financial lines or appointed Executive Agencies. In this context the European Union, through a network of Regional Information Centres, provides information to citizens on the activities of the European Union, such as:

- The Managing Authorities (AdG) of the Structural Funds, that are located in the 27 European Member States with the aim of providing information on calls published under the Country and Regional Operational Plans²⁸;
- The Europe Direct Centres network (EDICs): are information centres for citizens on policies and European funding that provide the first orientation to citizens on different funding opportunities²⁹;
- European Documentation Centres (EDCs): provide information to Higher education and research institutes to promote and develop teaching and research on European integration. They encourage these institutes to participate in the debate on European integration and by increasing transparency they contribute to letting European citizens know about the policies of the European Union³⁰;
- Euro Info Centre: provide information to businesses up to the provision of high value-added assistance and advice³¹;
- Eurodesk: is a network set up with the support of the Education and Culture DG and the "Youth in Action" programme. It provides information on opportunities the European Union and the Council of Europe to young people in the fields of culture, training, work, youth mobility and volunteering³²;

²⁸ Regional Policy: http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm (accessed 31/03/22)

²⁹ Direct Europe: http://europa.eu/europedirect/meet_us/index_en.htm (accessed 31/03/22)

³⁰ Direct Europe: http://europa.eu/europedirect/meet_us/index_en.htm (accessed 31/03/22)

³¹ Euro Info Centres: <http://www.euroinfocentre.it/> (accessed 31/03/22)

³² EuroDesk: <http://www.eurodesk.it/> (accessed 31/03/22)

- Enterprise Europe Network: managed by the European Commission's Enterprise and Industry DG helps small and medium-sized enterprises to seize the opportunities and benefits of the European market and to develop their e potential innovation³³.

The local information centres are crucial to identifying the best-suited program that can finance citizens' projects. Subsequently, it is possible to deepen through the National Contact Points (NCPs) of the individual programmes which are indicated on the websites of the individual financial instruments. NCPs can also provide information on unclear points of individual calls and in many cases also facilitate the establishment of transnational partnerships. They are also responsible for providing assistance to potential participants at a national level and organizing information days both on the financial instruments and on the occasion of the publication of calls for proposals. In some cases, they also provide user guides to potential candidates in national languages. These centres are essential and would enable citizens to promote ideas and projects. Unfortunately, however, in Sicily they are not very well known. This determines the dispersion of innovative ideas and projects that could change the present state of things of Sicily.

a. Eligibility criteria

A European project, in order to be successful, must contain several basic elements justifying the request for funding from European funds. A successful project must also be able to survive the funding. The objectives and consequences of the actions of the project should be better achieved at European level rather than at local or national level. Furthermore, according to the subsidiarity principles the European Union can intervene because local, regional and national authorities have not been able alone to solve that specific problem. Independently from the typology of funding, there is the need to build a partnership. The partnership can be defined as a collaborative relationship based on the convergence of interests and the achievement of joint objectives, from which individual participants benefit indirectly. Building a good partnership is a crucial part of the project. A good transnational partnership requires that each partner takes a specific role within the project with clear and well-defined tasks. The consortium between partners can be formalized through the signing of an

³³ Europe Network: <http://www.enterprise-europe-network-italia.eu/AD> (accessed 31/03/22)

agreement that determines the distribution of funding between the different actors, in what way to disseminate and use the results of the project, which are the property rights agreements and how to settle internal disputes. Once the partners are identified as the project coordinator within the consortium. The coordinator is the only person legally and financially responsible for the implementation of the project. The coordinator manages the financial operations, provides reports on the progress of the project and most importantly, manages the supporting documentation relating to all expenditure and revenues of the project as required by the Commission. To achieve a goal, a series of activities must be defined that must be consistent with the main objective and from which the results of those outputs must be derived. It is also important to indicate the timing of the activities that can be organized through a GANTT³⁴ diagram, commonly used in EU project management. If a proposal is selected, the European Commission and the coordinator formally undertake it to carry out the activities of the project through the stipulation of a contract. The contract determines the rights and obligations of the contractors, indicating all the provisions for the technical and financial implementation of the action, and shall enter into force at the time of signature by the Commission and the coordinator. The date of signature shall indicate the beginning of the contractual period during which the activities and commitments are carried out. The contractual period is crucial for establishing the eligibility of project costs: only expenditure effected under contract may be subsidised. The project coordinator has the important task of concluding formal partnership agreements for the implementation of the activities. The organization of the project and assigned roles and responsibilities is defined in detail through these agreements.

The coordinator regularly prepares a report of the costs and results of the project to the Commission. Based on these reports, the Commission carry out periodic reviews to verify that the project is achieving its objectives and that it is meeting the formal funding criteria.

As mentioned earlier in this document, the grant awarded to the project partners is a non-repayable grant which generally ranges from a minimum of 35% to a maximum of 100% (in limited cases) of the total costs. A co-financing with the beneficiary's own resources, national funds or private sponsors is therefore necessary. Co-financing must always be properly documented. The reporting summarizes and links all the aspects of a project, highlighting any

³⁴ The GANTT diagram can be constructed from a horizontal axis – a representation of the total time span of the project, divided into incremental phases (e.g. days, weeks, months) - and from a vertical axis - to represent the tasks or activities that make up the project. The Gantt diagram thus allows the graphical representation of a calendar of activities, useful in order to plan, coordinate and draw specific activities in a project giving a clear illustration of the status progress of the project represented.

deviations from the design idea and the achievement of the targets from the point of view of the percentage of expenditure. It should be borne in mind that each financial instrument has its own specific rules and own financial reporting manual. In general, however, any expenditure must: be relevant and consistent with the objectives of the project, be temporally functional with the project objectives and be carried out in the lifetime of the project, be supported by supporting documents and be paid within the time limits laid down in the financing contract.

The only expenditure which complies with the following principles shall be considered eligible:

- must be necessary for the implementation of the project;
- indicated in the project budget and therefore have been accepted in advance by the European Commission;
- be considered necessary for the achievement of the objective of the project;
- be easily identifiable and verifiable;
- must be of a reasonable amount (fair value);
- be reasonable and justified in accordance with the principles of economy and efficiency;
- do not contradict the specific eligibility criteria;
- be in accordance with national social and tax legislation;
- be consistent with the approved budget;
- expenditure should not be financed by other European programmes.

Project costs can be direct or indirect. They are considered "direct costs" when these are essential for the implementation of the project and if the expenditure may be directly charged to a given unit of product, to a certain production or activity carried out under the project.

They are considered "indirect costs" when these are not exclusively linked to the project, but they contribute to its realization and are linked to the administrative structure (e.g. photocopies, users telephone, post, fax, office supplies, utilities) or when they are needed for direct or indirect support of staff working on the project (costs not directly attributable to the project, but incurred in direct relation to the direct costs)

b. Audit phase

This phase consists in the verification, control, review and evaluation of an activity, carried out by means of a methodological examination of the procedures adopted, with a view to correspondence and compliance with legal requirements, established policies and practices and with the additional aim of proposing solutions to any identified issue.

European funding programmes require that beneficiaries certify expenditure of the approved projects, as regulated by European regulations, in order to ensure that European funds are effectively used. Public institutions may certify their expenditure, incurred under the European project, through internal bodies responsible for management control.

The basic principles of auditing are:

- compliance of project activities and expenditure system with European laws and regulations;
- efficiency, that is, the examination of how resources have been used to obtain reasonable costs;
- effectiveness, that is, the evaluation of the benefits provided to the target group to analyse how the obtained results have contributed to the achievement of the specific objectives.

c. Visibility of European co-financed projects

Projects co-financed by the EU must give visibility to the European Union. Within the project proposals, it is therefore important to make European citizens aware of the results of the project, being the latter the main contributors of European funding and therefore, as such, have the right to know how European funds are used for the socio-economic development of the territories.

The communication strategy should disseminate information on the results and products that the project intends to achieve.

It must therefore pursue the following objectives:

- disseminate information both on the project and on specific activities and products;
- developed within it, highlighting its added value and innovativeness;
- increase awareness about the importance of the project for the territories;

- strengthen and broaden the involvement and participation;
- provide a "brand" to the project, or an identifying image that becomes family and therefore easily and immediately recognized;
- publicise the European Commission's funding and what it is doing for the development of territories and citizens;

IV. MANAGEMENT OF EU FUNDS IN SICILY

All the economic resources listed above, give the same importance to the alignment of the member states of the European Union but, as previously specified, with different addresses. At various stages of research and during the preparation of this work, they were equally analysed, but it has been decided to outline the fundamental features of two of the Structural Funds: the European Regional Development Fund and the Social Fund. The next chapter, therefore, focuses on their Operational Programmes, during the period 2014-2020.

The Responsible Authorities, at the regional level, involved are Managing Authorities, Certification Authorities, Audit Authorities and Monitoring Committee

The DGR n. 104 of 13 May 2014, concerning the Programming 2014-2020, designates as Authority of the Operational Programme for the European Regional Development Fund the Managing Authority, Certification Authority and Audit Authority. The Regional Planning Department (DRP) of the Presidency of the Sicilian Region has been identified as the Coordinating Authority of the Managing Authority of the ERDF Operational Programme Sicily 2014/2020. The Managing Authority is composed of the regional Departments involved in the Operational Programme, which are competent by law pursuant to D.P. Reg. 12/2016 and are consistently identified as Centres of Responsibility (CdR) for operations.

In particular, the Regional Planning Department (DRP) coordinates, links and directs the activities carried out by the Departments responsible, as Centres of Responsibility (CdR), for implementing the financed operations. It proposes only the examination and approval of the Government Council, through the President of the Region. It advance changes and updates to the Operational Programme and the implementing documents such as eligibility requirements and selection criteria, the Financial Plan or Communication Strategy. It also provides guidance on standard methodologies for the implementation of the Programme, identifying

appropriate solutions to solve any problems of operational integration and provides an interface with regional, national and European Union authorities. (AdC and Ada).

Instead, the AdC, incardinated in the Presidency of the Region in a position of functional separation from AdG and functional hierarchical separation and independence from Ada. It fulfils the tasks referred to in Article 126 of the DRC and has the primary responsibility to draft and submit to the EU:

- certified periodic declarations of expenditure which must come from reliable accounting systems, be accompanied by verifiable supporting documents which comply with Community and national rules and meet the requirements of accuracy;
- the statement of annual accounts to be accompanied by the annual statement and summary of AdG, the opinion and the audit report of Ada.

The Audit Authority is responsible for verifying the effective functioning of the management and control system. This function is attributed to the Special Office for Second Level Controls on the management of the Structural Funds in Sicily. This Special Office for Second Level controls on the management of the Structural Funds in Sicily is functionally independent of both the Managing Authority and the Certification Authority.

The Audit Authority fulfils all the functions defined by Regulation (EC) 1803/2006, according to the implementing rules defined by Regulation (EC) 1828/2006. Art. 47 of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013, laying down the common provisions between the Structural Funds It stipulates that within three months of the date of notification to the Member State of the Commission Decision adopting an Operational Programme, the Member State, in accordance with its institutional, legal and financial framework, in agreement with the Managing Authority, establish a Committee to monitor the implementation of the Operational Programme.

Art. 49 of Regulation (EU) No. 1303/2013 specifies the functions of the Supervisory Committee. In short, it examines and approves: the internal rules; any changes to the Operational Programme, the methodology and criteria used for the selection of operations; the annual and final implementation reports; the evaluation plan of the Operational Programme and any amendments thereto; the communication strategy for the Operational Programme and any amendments thereto.

With Resolution no. 275 of 18 November 2015, the Regional Government Council established the Monitoring Committee of the ERDF Operational Programme Sicily 2014-2020. The composition has been defined taking into account the provisions of the aforementioned Regulation (EU) No. 1303/2013; of Regulation (EU) No 1301/2013 on the European Regional Development Fund; of the Delegated Regulation (EU) n. 240/2014, containing a European Code of Conduct on partnership in the framework of the European Structural and Investment Funds and paragraph 7.2 of the ERDF OP Sicily 2014/2020.

To conclude, the Supervisory Committee of the PO ERDF Sicilia 2014/2020, in the first session of 1 March 2016, approved its Rules of Procedure.

II CHAPTER

EUROPEAN REGIONAL DEVELOPMENT FUND 2014-2020 IN SICILY

Having outlined, in the previous chapter, the legal basis of financial resources, their development over time and their specific role in supporting member countries, this Chapter will analyze the two main Structural Funds. Therefore, the Operational Program of the European Regional Development Fund 2014-2020 and the Operational Program of the European Social Fund 2014-2020 will be examined. However, it is considered a priority and fundamental to present a reference framework that contextualizes and contains key elements in order to understand the island of contradictions, Sicily.

I. REGIONAL REFERENCE FRAMEWORK

At the beginning of the new planning cycle, Sicily was deeply affected by the crisis that began in 2007. Despite the expected attenuation of the recession³⁵ caused by the drop in oil prices, the recent monetary policies of the ECB and from the perspective of the start of structural reforms at the national level, the prospect of an escape from the crisis remains particularly difficult for Sicily.

Since the start of the crisis, there has been a fall in the regional gross domestic product of more than 13%, accompanied by a decrease in the value added of the industrial sector by 7%, in construction by 11%, in services by 14%. but, above all, a 41% drop in investments in machinery and equipment and 19% in construction. In particular, in comparative terms, the initial fall following the international financial crisis sees Sicily, in the two-year period 2008-09, in relatively less critical positions³⁶ compared to the southern and national data³⁷. The situation changed in the 2010-11 two-year period, with Sicily at -1.6% and worsened in the

³⁵ due to exports and the recovery of domestic demand

³⁶ -6.3%

³⁷ -6.8 and -6.7 percent respectively

two-year period ending in 2013, with a further, drastic retreat of 7.4% ³⁸. The negative effects of the recessionary phase of the economic cycle were heavily manifested on the relevant dimensions of the labor market. In 2013, compared to the previous year, the employed in Sicily decreased by 73 thousand units, while the unemployed grew by 33 thousand units. Compared to the national figure, 15.2% of the employment loss in Italy in 2013 was located in Sicily, where 8.4% of the population resides and 11.3% of the total unemployed in Italy are concentrated ³⁹. These trends require a broad and urgent strategy to contrast the effects of the crisis and at the same time to strengthen the structural foundations of the Sicilian socio-economic system, in the direction of competitiveness, of the innovative exploitation of the region's competitive advantages, of radical improvement of the service system, of consolidation of adequate conditions in favor of environmental sustainability.

II. TERRITORIAL SITUATION

On the basis of the analytical tool of geographical classification of the AdP ⁴⁰⁴¹, in Sicily there are 14 *Polo* municipalities ⁴², 78 *Cintura* municipalities ⁴³ and finally 298 municipalities of other categories, constituting the "internal area dimension", with 2,134,766 residents equal to 42.7%. The *Polo* municipalities are characterized by the remarkable effect of settlement concentration since, together with their *Cintura* municipalities, with a quarter of the surface they reach almost two thirds of the regional population. They are high-ranking service providers. In point of fact, most of the productive activities are established there: 65.8% of regional companies and 60.1% of employees 72.3% of regional hospital beds and 65.6% of railway stations are allocated. At the same time, there are significant weaknesses such as the scarce presence and even more insufficient distribution of residential places for the elderly ⁴⁴, the excessive concentration of high schools in the *Polo* municipalities, so that only 28.2% of the *Cintura* municipalities are equipped with them.

³⁸SICILIAN REGION, *Regional Operational Program. National Strategic Framework for the Italian regions of the Convergence objective (2007-2013)*, p 5-53

³⁹SICILIAN REGION, *Regional Operational Program. National Strategic Framework for the Italian regions of the Convergence objective (2007-2013)*, p 5-53

⁴⁰ Automatic Data Processing

⁴¹Sicilian Region, Department of Planning, *The Internal Areas of the Sicilian Region candidates for the National Strategy of Internal Areas - SNAI Section I: Main elements of classification of the Internal Areas*, 2021, p 13

⁴² 1,859,158 inhabitants, equal to 37.2% of the regional total

⁴³ 1,005,968 residents, equal to 20.1%

⁴⁴ 8.8% of the *Polo/Cintura* municipalities are equipped

By surveying the Urban Rank Index (RU) of each municipality, it was possible to identify the concomitant presence of urban service functions and significant dynamics of a particular socio-economic liveliness. The regional urban framework is also clearly concentrated on the three major cities, on a polycentric metropolitan system on the west and on the south-eastern part, made up of medium-large centers. In the central area, only the provincial capitals constitute the *Polo* city, and this basically due to their administrative-institutional pre-eminence, as evidenced by the scarcity or absence in the *Cintura* municipalities. The territories with a high indicator of accessibility to the services provided make up just 2.7% of the regional population. In other words, the vast majority of the regional population, not concentrated from a settlement point of view, resides in municipalities that are not equipped and / or not adequately connected to service delivery centers. As for the intermediate, peripheral and ultraperipheral municipalities, they are characterized by physical distance, demographic/economic fragmentation, and an overall functional subordination. They are plagued by widespread depopulation phenomena ⁴⁵. All the municipalities of the Sicilian inland areas are rural. The high percentage of smaller Sicilian municipalities can represent a strength with regard to the sense of identity of local communities, but also a highly critical element, where it essentially manifests itself as a weakness of the overall territorial structure, expressed, for example, from the scarce endowment in services and infrastructures. In general, the needs of the region remain high throughout the territory but, while in urban systems they primarily concern the levels of essential services, functional both to the well-being of citizens and to the competitiveness of the contexts, in the internal areas it is necessary to engage from scratch recovery processes of the gaps that characterize them, appropriately combining local specificity and regional intervention scenario. In urban areas, the need of interventions to improve the environmental and social quality of the most congested, polluted or marginalized areas is felt more strongly, while there is no significant discrepancy between these and inland areas in terms of the demand for intervention in sectors such as eco-efficiency of energy consumption, integrated management of waste and water resources, support for tourism and enhancement of the environment and cultural resources.

⁴⁵in the period 1971-2011 the population of the peripheral and outermost municipalities in Sicily decreased by 8.1% and 21.1% respectively

III. MACRO-ECONOMIC OBJECTIVES

a. Smart growth

With respect to the objective of smart growth, Sicily is starting from a situation of serious delay, placing itself below the average of the Italian regions for expenditure on Research and development in relation to GDP and therefore well below the national objective. In the period between 2005 and 2012 there was a very slight increase in the total expenditure ratio in R&D⁴⁶/ GDP, which brought the region to a value of around 0.9% against the national figure of 1.3%⁴⁷. In this context, the weight of university R&D expenditure increases considerably, with a weight equal to 61% against a national average of 30%. The level of R&D expenditure by companies, compared to a national average of 53%, in Sicily drops to values close to 26%⁴⁸. These developments are also reflected in the number of people employed in the R&D sector. In 2011, Sicily slightly exceeded 50,000 researchers employed in companies against a national average of more than triple, while there was a higher incidence than the national average of research workers operating in public institutions, which report to numerous institutes of research belonging to international organizations. The low spending of the private sector in R&D is also the consequence of an entrepreneurial fabric characterized by micro and small dimensions and by the poor ability to network. Over half of these companies operate in agriculture and commerce. In an overall so critical context, there is a widespread and articulated presence in Sicily of a public research and innovation system: to date in Sicily there are 21 national research institutes present on the territory, including CNR⁴⁹ and other Bodies, there is a significant presence of some science-based sectors, as well as a good liveliness of the dynamics of social innovation evidenced by the significant presence of initiatives mapped through the discovery process promoted by the new regional strategy for innovation which revealed the existence of an already active network at the regional level. In terms of foreign trade and international competitiveness, Sicily is a region with a prevalent role as a importer. In 2013, the foreign trade balance closed with a deficit of 8.8 billion euros, against a negative balance for the previous year of 7.9 billion⁵⁰. Compared to the national

⁴⁶Research and development

⁴⁷ Azevedo, *ECONOMIC, SOCIAL AND TERRITORIAL SITUATION OF SICILY*, Directorate-general for internal policies policy department structural and cohesion policies, European Parliament, 2020, p 12

⁴⁸ Azevedo, *ECONOMIC, SOCIAL AND TERRITORIAL SITUATION OF SICILY*, Directorate-general for internal policies policy department structural and cohesion policies, European Parliament, 2020, p 15

⁴⁹ National Research Council

⁵⁰ Azevedo, *ECONOMIC, SOCIAL AND TERRITORIAL SITUATION OF SICILY*, Directorate-general for internal policies policy department structural and cohesion policies, European Parliament, 2020, p 15

aggregates, Sicily contributes 5.6% of the total to Italian imports and 2.9% to exports⁵¹. Despite the crisis, some sectors have nevertheless consolidated their importance for regional exports in recent years. A relevant condition for smart growth is also associated with the spread and use of digital technologies. Even in this case, Sicily must overcome significant gaps: in 2013, the share of Sicilian companies with more than ten employees using PCs connected to the Internet was 24.3% against 37.5% of the national figure. In households, the degree of Internet use is equal to 50.3% against 61% in the national average. On the supply side, even if important advances have been made in recent years, the digital infrastructure must be adapted and extended⁵². In the Region there are 378 municipal areas out of 390 still lacking ultra-broadband coverage.

b. Sustainable growth

To achieve sustainable growth, compared to 2000, Sicily recorded some improvements in almost all sectors of environmental value⁵³. The regional energy system can be considered on the whole well developed, in consideration of the consistent presence of energy transformation and refining plants. Around 85% of regional production is attributable to thermoelectric plants and approximately 15% to plants from renewable sources. In terms of energy efficiency, it should be considered that the regional residential building park was largely built after the war and in the period of the economic boom⁵⁴, without paying particular attention to the technical-qualitative conditions in the building, from an energy point of view, resulting inefficient. In view of the above, it should be noted that the climate and insolation conditions of Sicily offer the particular opportunity to intervene on the building stock for the construction of almost zero emissions or positive energy buildings with the use of renewable sources. Another indicator that allows us to measure the penetration of energy efficiency policies in Sicily is offered by the energy saving data for the interventions that benefited from tax deductions equal to 55% per inhabitant.

As far as garbage is concerned, with its 441 kg of waste disposed of in landfills per inhabitant, Sicily is the region that in 2013 offers the worst performance in Italy together with Molise,

⁵¹ Azevedo, *ECONOMIC, SOCIAL AND TERRITORIAL SITUATION OF SICILY*”, Directorate-general for internal policies policy department structural and cohesion policies, European Parliament, 2020, p17

⁵² Sicily has Next Generation Access Network territorial coverage at 30 Mbps equal to 10.4%, while coverage at 100 Mbps is close to 0%

⁵³Energy, waste and water resources

⁵⁴ 70s-80s

remaining far from the national figure of 181 kg, in a general context in which all the other regions on the contrary show significant and constant reductions over the last ten years. As a result, the entire cycle of integrated waste management suffers greatly, with a separate collection rate of 13.4% ⁵⁵ and a composting rate at 12.4% ⁵⁶.

With regard to the management of water resources, the regional context shows serious shortcomings: Sicily has the highest share, albeit decreasing, of families who report irregularities in the distribution of water ⁵⁸. Even the share of water supplied out of the total water introduced into the municipal distribution networks is not satisfactory if compared with the values expressed by almost all the other regions ⁵⁹, also resulting in a sharp reduction compared to 2008, when it reached 64.9% ⁶⁰.

The Sicilian environmental picture is characterized by a high vulnerability to hydrogeological, seismic, volcanic, coastal and desertification risk. The fragile condition of the Sicilian territory is reflected in the damage resulting from climatic weather events. The causes of this vulnerability have mainly natural origin: a large part of its territory of mountain topography and relatively young age, is particularly exposed to the erosive dynamics linked to the terrestrial cycle of water and to atmospheric agents in general⁶¹.

Tourism still fails to achieve the goal of seasonal adjustment of flows and still has a very large potential for development and growth, thanks above all to the quality and quantity of cultural and environmental attractions, which need to be safeguarded and protected. The Sicilian coasts, another strong attraction of the region, present an overall satisfactory situation, considering that 95% of them are suitable for bathing. According to data from the Bank of Italy, in 2013 the expenditure of foreign tourists on the island increased by 5.7% compared to the previous year, while in Italy the increase reached 3.1% ⁶². Among other things, growth seems to consolidate over time, as demonstrated by the fact that in the island the expenditure of foreign customers in the period 2009-2013 increased by 22.1% compared to a progression in the national territory of 14.6%. Despite the serious crisis facing the island's

⁵⁵in Italy it is 42.3%

⁵⁶In Italy it is 42.5%

⁵⁷ Pasotti, *Sorting through the Trash: The Waste Management Crisis in Southern Italy*, Routledge, 2010, p45

⁵⁸25.3% against the national 9.9%

⁵⁹62.6% the national figure

⁶⁰ Presidenza del Consiglio dei Ministri, *Italia sicura: il piano nazionale di opere e interventi e il piano finanziario per la riduzione del rischio idrogeologico*, Roma, 2017.

⁶¹ Presidenza del Consiglio dei Ministri (2017), *Italia sicura: il piano nazionale di opere e interventi e il piano finanziario per la riduzione del rischio idrogeologico*, Roma.

⁶² Paci, Marrocu, *Tourism and Regional Growth in Europe*, Papers in Regional Science, vol. 93, p 73

economy, Sicily can therefore boast a considerable tourist position on the international scene. The Sicily brand, in fact, enjoys a remarkable perception and recognition thanks to its unparalleled landscape, artistic and cultural heritage. The region has 238 sites *Natura 2000* sites⁶³ of which 208 Sites of Community Interest but unfortunately threatened by various pressure factors such as fires, hydrogeological instability and construction activities. In 2013, however, there was a slight increase in tourist flows, with a number of arrivals equal to just over 4 million and 400 thousand units, 2% more than the previous year, corresponding to 14 million 376 thousand presences, also given 'it above that recorded in 2012⁶⁴.

The theme of sustainable development in Sicily is strongly linked to the issues of regional mobility, both internally and externally. In 2007 Sicily presented a road network endowment index of 85.94⁶⁵, slightly lower than that of the southern regions⁶⁶. With reference to the motorway endowment, the motorway endowment index is higher than the national average: the index of km of motorways per 100 sq km in Sicily is 2.5 compared to an Italian average of 2.2. This means that the internal road network of the island is extremely lacking and travel times are extended. As regards the railway network, Sicily has in the same year a railway network endowment index of 59.89⁶⁷. The Sicilian network is also the one with the most obsolete routes, due to the fact that the modernization works, over the last century, have been very limited due to the changes in the route necessary to adapt them to the changing needs of transport. The characteristic of insularity of the Sicily region and its strategic positioning in the center of the Mediterranean basin have contributed to the development of port infrastructures well above the Italian average and the South. However, the nominal size of the port infrastructure offer is not matched by an adequate level of the same infrastructures in terms of physical characteristics and services. Currently the Sicilian airport system consists of six airports for civil-cargo use. The airport infrastructures of Sicily, as well as for all those of the South, are lacking in the availability of connections with other modalities, that is, in the ability to develop logistic integration and modal exchange. All the airports have, in fact, road connections, but they are completely devoid of railway connections, with the exception of Palermo airport.

⁶³ Natura 2000 is the largest coordinated network of protected areas in the world

⁶⁴ Paci, Marrocu, *Tourism and Regional Growth in Europe, Papers in Regional Science*, vol. 93, p.85

⁶⁵Italy = 100

⁶⁶Noon = 87.10

⁶⁷Italy = 100; Noon = 87.91

c. Inclusive growth

The data on poverty place the Island in first place among the Italian regions for state of deprivation, with over 1 million and 71 thousand families living this condition⁶⁸. The incidence of absolute poverty also increased throughout the country and in particular in Sicily, reaching 15.8% in 2013, around 320,000 families, more than 800,000 people⁶⁹. If we consider the incidence of relative poverty among families, in Sicily it reaches 32.5%⁷⁰, an increase compared to 29.6% in 2012 and at the top, as a maximum value, in the ranking of the regions. The reduction in spending was particularly intense in household goods (-43.1%), in the clothing sector (-50%) and in resources destined for education (-36.7%) but did not fail to affect the costs considered more rigid such as those for food (-14.9%) and health care (-31.1%)⁷¹. Household consumption recorded an average annual decline of 2.1% at regional level in the years 2009-2013, almost equal to that of the South and certainly more serious than the national average (-1.3%). The flow of investments, although subject to the typical fluctuating trend, contracted on average in Sicily by 5.8% per year. In a largely negative general context, Sicily has tried to moderate the effects of the crisis with respect to the so-called essential services, managing not to worsen the already low regional levels. Therefore, in addition to the reduction of early school leaving⁷², the share of children served by the daycare service has been maintained at around 5.5% and the share of municipalities offering this service at around 34%⁷³. In general, the regional school structures appear old and in a critical condition in terms of safety. Integrated home care for the elderly has recorded a significant positive leap in recent years, going from 0.6% in 2000 to 3.6% in 2012⁷⁴. It is necessary to take into consideration the fact that, due to the negative effects of the economic crisis, associates a worrying demographic picture, characterized by a rapid progression of the aging of the Sicilian population, at a much more sustained speed than in the rest of Italy, with the sighting in the medium term of possible problems of stability of the regional welfare.

Account should be taken of the fact that the negative effects of the economic crisis are accompanied by a worrying demographic picture characterized by a rapid increase in the ageing of the Sicilian population, at a speed much more sustained than in the rest of Italy,

⁶⁸ Le statistiche dell'istat sulla povertà, INSTAT,2020, p.6

⁶⁹ Le statistiche dell'istat sulla povertà, INSTAT,2020, p.8

⁷⁰ 661 thousand families

⁷¹ Pasotti, *Sorting through the Trash: The Waste Management Crisis in Southern Italy*, Routledge, 2010, p 45

⁷² 25.8% in 2013 against 30% in 2005

⁷³ POR Sicilia ERDF, Palermo, 2021, p16

⁷⁴ POR Sicilia ERDF, Palermo, 2021, p17

with the sighting in the medium period of possible problems of holding of the regional welfare.

IV. PARTNERSHIP AGREEMENT

The 2014-2020 Programming Partnership Agreement is the tool with which a Member State defines its strategy, priorities and methods of use of the European Structural and Investment Funds, in accordance with the Community Regulation on ESI⁷⁵ Funds no. 1303/2013 of 17 December 2013.

The Agreement stems from a partnership process based on shared public action between entities belonging to the administration, the private sector, the third sector and civil society, involved at different levels in the preparation and implementation of operational programs. The technical-institutional comparison was initiated on the basis of the Position Paper documents and Methods and objectives for an effective use of EU funds 2014-2020⁷⁶.

The strategic document, sent in September 2014 to the European Commission at the end of the formal negotiations, provides for resources equal to 20.6 billion euros from the European Regional Development Fund (ERDF), 10.4 billion euros from the Fund European Social Fund (ESF), € 10.4 billion from the European Agricultural Fund for Rural Development (EAFRD) and € 537.3 million from the European Maritime and Fisheries Fund (EMFF), for total funding equal to over 42 billion euros to be drawn from ESI Funds ⁷⁷.

⁷⁵ European Structural and Investment funds

⁷⁶ POR Sicilia ERDF, Palermo, 2020, p45

⁷⁷To view the programming path leading to the adoption of the Partnership Agreement and the operational programs, it is possible to consult the summary document Internal programming path for the definition of the Common Strategic Framework 2014-2020. To simplify the reading of the Partnership Agreement, you can consult the infographic Seven things to know about the Partnership Agreement. For further information, we recommend consulting the Partnership Agreement item

V. EUROPEAN REGIONAL DEVELOPMENT FUND

a. Regional legislation

The Operational Program ERDF Sicily 2014/2020 was built on the basis of an analysis of the relevant needs, problems and opportunities that characterize the Sicilian Region. The thematic objectives and investment priorities have been identified on the basis of Regulations no. 1301/2013 and n. 1303/2013 of the European Union and the Partnership Agreement for Italy 2014/2020⁷⁸. At the conclusion of the partnership process and the political consultations, the ERDF Operational Program was approved by the European Commission with Decision C (2015) 5904 of 17 August 2015 and adopted by the Regional Council with Resolution no. 267 of 10 November 2015. The Operational Program is divided into 10 priority Axes and provides for total funding of € 4,557,908,024, of which € 3,418,431,018 from Union support and € 1,139,477.006 from national public co-financing.

b. Strategy for achieving goals

The POR ERDF Sicily 2014-2020 contributes to the European Strategy for smart, sustainable and inclusive growth, addressing it to the recovery of the structural delays of the Sicilian Region and to the achievement of greater economic, social and territorial cohesion. The Program was built on the basis of an analysis of the relevant needs, problems and opportunities that characterize the region. The thematic objectives and investment priorities have been identified on the basis of the relevant Regulations of the European Union, the Country-specific Recommendations of the European Council and the Partnership Agreement for Italy. The Sicilian Region jointly directs the POR ERDF Sicily 2014-2020, the other operational programs financed by the ESI funds ⁷⁹, the national resources for regional development and other relevant funds to face in an integrated way some fundamental challenges for Sicily: relaunch employment , growth and social cohesion; increase competitiveness; enhance the territorial resources, the environment and culture as a driver of the expected development; improve the quality of life of citizens, also through the search for greater territorial cohesion; improve the ecosystem and make services more efficient and

⁷⁸ Normative Framework: <https://www.euroinfosicilia.it/quadro-normativo/normative-regionale/> (accessed 20/05/22)

⁷⁹European Structural and Investment Funds

accessible. The starting context, in which these challenges are placed, is very complex: the severe problems that hinder the growth of the regional system and the social cohesion of the Sicilian community have been made more serious, in recent years, by the harshness of the international crisis grafted on to deficits structural present in the region. The Program was also formulated on the basis of intense concertation between the Region, the institutions operating in the area, the economic and social partners and other relevant actors. The concertation put at the center of the debate of the regional community the declination for Sicily of the European Union strategies for smart, sustainable and inclusive growth ⁸⁰. The ROP elaboration process ⁸¹ was also based on the evaluations of the results of the previous programs. The coordination of the preparation of the 2014-2020 Operational Programs of the ESI Funds in Sicily was ensured by the establishment of technical tables in which all the Regional Departments participated, sharing the strategies of the funds and the priorities of the cohesion policy within a overall strategic framework at regional level. Preliminarily to the elaboration of the POR ⁸², the Orientation Document for the 2014-2020 programming of the Sicilian Region was elaborated, which constitutes a reference for the whole of the regional development policies. The Region will promote an implementation aimed at favoring a unitary dialogue between the Region itself and the beneficiaries, reducing the administrative burdens of the latter.

c. Intervention strategy

The gravity of the current crisis and the need to ensure effectiveness and integration in the use of development resources⁸³ in the period 2014-2020, have led the Sicilian Region to define a unitary and integrated regional strategy to increase the well-being and quality of life of the population, as well as to relaunch economic and social growth. This strategy is based on five challenges, consistent with EU priorities and with the Partnership Agreement for Italy. The challenges concern:

- The rapid strengthening of anti-cyclical measures, aimed at alleviating in a short time, with the help of structural policies, the very serious conditions of social and working hardship of a large part of the regional community;

⁸⁰Macro-objectives

⁸¹Regional Operational Program

⁸²Regional operational program

⁸³ EU, national and regional

- The competitiveness of the economic system;
- The enhancement of the cultural and natural heritage;
- The improvement of the quality of life, with reference to the strengthening of social inclusion and the raising of the quality-of-life levels in the regional context;
- Environmental sustainability and the quality of services for the environment.

Supporting innovation is the first component of intervention within this challenge. In particular, actions have been envisaged aimed at linking research with innovation and economic development from an innovative perspective, i.e. through a process of entrepreneurial discovery and through the definition of a limited number of priorities based on the identification of resources and characteristic assets of the Sicily system. The stimulus to innovation, diversification and the international opening of the Sicilian production system is central to the second component of this challenge, relating to the relaunch of competitiveness and the international opening of businesses. In carrying out this challenge, the consolidation, modernization and diversification of territorial production systems is promoted; the increase in the level of internationalization of production systems and the attractiveness of the entrepreneurial system with respect to foreign investments; the relaunch of the propensity to invest in the production system. This also intervenes on essential environmental conditions for the production system, in particular relating to the improvement of access to credit and the facilitation of corporate financing by strengthening the system of public guarantees for credit expansion, in synergy between the national system and regional guarantee systems. The relaunching of the competitiveness of the regional production system also rests on the improvement of the efficiency of public services relevant, in various ways, for the quality of the economic and productive environment. The first type of intervention, in this area, concerns the promotion of e-government and e-public procurement. In particular, the Program provides for interventions aimed at strengthening the demand for services in the field of information and communication technologies (ICT) by citizens and businesses. In the face of these interventions, the expected change in the regional system concerns the quality and quantity of the use of online services, digital inclusion, online participation, the digitization of administrative processes and the dissemination of digital services for the benefit of citizens and businesses. The reduction of digital divides in the territories and the spread of broadband connectivity are also expected.

d. Cultural and natural heritage of Sicily

The tourist enhancement of the vast heritage of the Region constitutes a priority strategic option which, far from being characterized by a mono-sectoral approach, identifies the recognition of the integrated enhancement of natural, cultural and tourist resources as a driver of regional, coherent growth with the European approach to smart, sustainable and inclusive growth. The first component of action within this challenge consists in promoting initiatives for the intelligent and integrated enhancement of territorial resources. The Operational Program includes interventions to protect the environment and promote the efficient use of tangible and intangible resources that make up the culture and identity of the Sicilian territory. In particular, it is intended to achieve results in terms of:

- containment of the loss of terrestrial and marine biodiversity, also linked to the rural landscape, maintaining and restoring ecosystem services through the recovery and enhancement of environmental assets;
- improvement of the conditions and standards of offer and use of cultural heritage, tangible and intangible, in the areas of attraction for the integrated enhancement of local resources and skills. In this context, the priorities concern: the enhancement of areas and poles of greater importance in terms of attraction; the support and qualification of existing parks as well as the creation of new art parks and the promotion of contemporary art, music, performing arts and cultural activities in relation to the enhancement of the identified areas of cultural attraction; the recovery, restoration and enhancement of cultural and archaeological heritage; the improvement of the conditions and standards of offer and use of the heritage in the areas of natural attraction through the integrated enhancement of territorial resources and skills through the enhancement and promotion of Sicilian natural parks.

At the same time, it is intended to support the development processes of tourism and cultural and creative industries. Tourism, Culture and Cultural Heritage must in fact be considered from an integrated perspective as a lever for new business models. This becomes significant for the possibility of enhancing and making available the substantial historical, artistic and natural heritage existing and to explore new target audiences through digital technologies, as well as innovative segments and potential to be explored. The Program should support business investments in tourist destinations aimed at qualifying the offer and product / service innovation.

e. Quality of life

The unitary strategy for regional development intends to broadly improve the quality of life of Sicilian citizens, acting on innovation and improvement of services, on civic participation, on the resolution of structural problems that hinder the improvement of living conditions and work. In this context, the regional strategy aims at more livable peripheries and more accessible marginal areas, as part of an effort for greater territorial cohesion oriented according to a principle of integration. The Program therefore primarily pursues the objective of increasing the level of legality in areas of high social exclusion and of positively affecting the conditions of social inclusion in the urban fabric. In particular, it is a question of increasing sustainable urban mobility by allowing the modernization and integration of network infrastructures for transport, operating through the creation of: infrastructures and interchange nodes for collective mobility and related transport systems; sustainable urban mobility interventions, also by encouraging the use of transport systems with low environmental impact, the completion of the system and the renewal of fleets; traffic management infrastructural and technological systems; the development of the infrastructures necessary for the use of the low environmental impact vehicle also through sustainable charging hub initiatives in municipalities or aggregations of municipalities with urban characteristics.

f. Environmental sustainability

The first strategic component within this challenge is aimed at improving the quality of environmental services for citizens. The strategy includes the multiple environmental challenges of the territory, identifying the priority areas of intervention: in the reduction of urban waste and in the increase of the percentage of material to be used for preparation for reuse and recycling according to EU objectives, minimizing landfill disposal; in the return to the productive use of polluted areas; in the improvement of the integrated water service for civil uses and reduction of the losses of the aqueduct network; in improving the quality of water systems; in contributing to halting the loss of biodiversity by maintaining and restoring ecosystem services. The priority objectives are the reduction of energy consumption of regional public buildings and businesses and the integration of renewable sources; the increase in the share of energy needs covered by distributed generation; the improvement of the sustainable exploitation of bioenergy. The risks associated with hydrogeological instability and the need for prevention also require the adoption of more advanced tools for

analysis, intervention and management of the territory⁸⁴. In this regard, the possibility of implementing interventions aimed at reducing the hydrogeological risk and coastal erosion as well as reducing the risk of fires and seismic risk is envisaged.

g. Territorial cohesion

The territorial dimension of the POR is based on the territorial interpretation previously described and, therefore, articulated in differentiated territorial development policies. The scope of eligibility of the Urban Agendas, to be implemented with the characteristics and methods pursuant to Article 7 of Reg. (EU) 1301/2013 consists of the eighteen Polo municipalities and / or with a population of more than 50,000 inhabitants. This dimensional threshold, on the one hand, is correlated to the ascertained presence of needs/opportunities of an urban nature, according to the analyzes carried out in the regional scenario, on the other hand it finds significant correspondence in the classification adopted by the Program. The choice regarding implementation is to operate through Integrated Territorial Investments based on Urban Agendas articulated in a complex of operations relating to different priority Axes, resulting from a comparison in progress with the regional level, further enhancing a co-planning practice built in the previous programming period with a significant investment of human, organizational and financial resources. The actual degree of concentration of objectives is a condition to be pursued ex ante in order to achieve the tangible impact of the intervention on the target territorial systems. In the case of the metropolitan areas of Palermo, Catania and Messina, a further element of strategic complexity is given by the aspects of demarcation and complementarity with the PON METRO⁸⁵. As regards the Internal Areas, the regional planning aims to value the in-depth analysis activities carried out, as part of the construction process of the National Strategy for Internal Areas (SNAI), in order to identify the project areas that can be applied to it. In addition to certain demographic-dimensional requirements, the selection of these territories was also made taking into account their characteristics relating to both production specialization, manufacturing and agricultural production IGP, DOC, DOCG, DOP etc., and the presence of cultural and environmental attractors. The outcome of these activities consisted in the identification of four territories: Calatino, Madonie, Nebrodi and Terre Sicane, as well as the experimental area of national

⁸⁴ Presidenza del Consiglio dei Ministri, Italia sicura: il piano nazionale di opere e interventi e il piano finanziario per la riduzione del rischio idrogeologico, Roma, 2017

⁸⁵ That will be described later in this chapter

importance Simeto-Etna⁸⁶. The five identified areas, which include about half of the peripheral municipalities and over two thirds of the outermost ones present in the region, are adopted by the Program as target systems of the integrated regional approach relating to inland areas. The implementation tool is still identified in the ITI⁸⁷, where the combination of several operational tools can effectively address both the strengthening of essential collective services and the protection of the territory. In addition to the selected systems, the inland areas of Sicily, in the structural meaning of this definition, include a further 38% of the regional population, residing in about two thirds of the Municipalities, almost entirely made up of intermediate rural areas and with development problems⁸⁸. This is the vast majority of local institutional subjects, essential agents and not otherwise replaceable both in terms of the representation of the needs and in the capacity to intervene, as beneficiaries of a large part of the interventions for territorial cohesion. Considering also that the rural connotation of these territories confers on the EAFRD⁸⁹ the role of lead fund, the innovative choice made by the Program is that of not pursuing a further overlap of integrated ERDF actions for development territorial but, rather, to contribute to a multi-fund support of the bottom up approach, through the CLLD tool⁹⁰. They do not exhaust the entire territorial dimension of the Program, which also emerges in reference to other organizational, procedural and financial choices relating to the set of Axes. As for urban policies, in fact, the interventions for territorial cohesion also intend to take charge of the peculiar cluster of cities that have elaborated a Strategic Plan and / or an Integrated Urban Development Plan (PISU) in the previous programming period, characterized in gender with a demographic dimension between 30 and 50,000 inhabitants. With regard to these municipalities, which up to the present cycle have benefited from the tools for implementing urban policies, interventions are necessary to complete the territorial policies implemented up to now: functional completion of investments already made, with complementary interventions that allow their complete activation and valuation; strategic completion, with the implementation of the interventions that characterized the strategies of the Integrated Plans 2007/13 but were not at the time endowed with mature technical planning. The intervention tool will be that of a dedicated procedure, which produces

⁸⁶ Simeto is the longest Sicilian River in scope and watershed area. It originates in the Nebrodi mountains and flows into the Ionian Sea, south of the Etna town. Etna

⁸⁷ Integrated Territorial Investments

⁸⁸ It is possible to find more information about it later in this chapter.

⁸⁹ European Agricultural Fund for Rural Development

⁹⁰ Community Led Local Development is a dedicated tool for use at sub-regional level and thus complements other development support at local level

investment decisions that are solidly evaluated and agreed with the regional level, to be formalized in a Program Agreement which also regulates their implementation.

Table 2: Thematic objectives and investment priorities

Priority axis	Fund	EU support (in EUR)	Proportion of total EU support to the OP	Thematic objective / investment priority
1	ERDF	222,322,695.00	6.50%	<p>01 - Strengthen research, technological development and innovation</p> <p>1a - Strengthen the infrastructure for research and innovation (R&I) and the capacities to develop excellence in R&I as well as promote centers of competence, in particular those of European interest</p> <p>1.5 - ENHANCING THE ABILITY TO DEVELOP EXCELLENCE IN R&I</p> <p>1b - Promote business investment in R&I by developing links and synergies between businesses, research and development centers and the higher education sector, in particular by promoting investment in product and service development, technology transfer, social innovation , eco-innovation, applications in public services, stimulation of demand, networks, clusters and open innovation through smart specialization, as well as supporting technological and applied research, pilot lines, early product validation actions , advanced manufacturing capabilities and first production, especially in key enabling technologies, and the dissemination of general purpose technologies, as well as promoting the investments needed to strengthen the crisis response capacities of health services</p> <p>1.1 - INCREASE IN THE INNOVATION ACTIVITY OF COMPANIES</p> <p>1.2 - Strengthening of the regional and national innovation system</p>

				<p>1.3 - Promotion of new markets for innovation</p> <p>1.4 - Increase in the incidence of innovative specializations in knowledge-intensive application perimeters</p> <p>1.6 - Promote the investments needed to strengthen the crisis response capacity in health services</p>
2	ERDF	254,274,448.00	7.44%	<p>02 - Improve access to information and communication technologies, as well as the use and quality of same</p> <p>2a - Extend the spread of broadband and high-speed networks and support the adoption of future technologies ed emerging and networks on the digital economy</p> <p>2.1 - REDUCTION OF DIGITAL DIFFERENCES IN THE TERRITORIES AND DIFFUSION OF CONNECTIVITY IN ULTRA WIDE BAND (EUROPEAN "DIGITAL AGENDA")</p> <p>2b - Developing ICT products and services, e-commerce and ICT demand</p> <p>2.3 - ENHANCEMENT OF CITIZENS AND BUSINESSES DEMAND FOR ICT IN TERMS OF USE OF ONLINE SERVICES, DIGITAL INCLUSION AND NETWORK PARTICIPATION</p> <p>2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health</p> <p>2.2 - DIGITALIZATION OF ADMINISTRATIVE PROCESSES AND DIFFUSION OF DIGITAL SERVICES FULLY INTEROPERABLE</p>
3	ERDF	662,234,524.00	19.37%	<p>03 - Promote the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the sector of fisheries and aquaculture (for the EMFF)</p>

				<p>3a - Promote entrepreneurship, in particular by facilitating the economic exploitation of new ideas</p> <p>e</p> <p>promoting the creation of new companies, including through business incubators</p> <p>3.5 - ESTABLISHMENT AND CONSOLIDATION OF MICRO, SMALL AND MEDIUM ENTERPRISES</p> <p>3b - Develop and implement new business models for SMEs, in particular for internationalization</p> <p>3.3 - CONSOLIDATION, MODERNIZATION AND DIVERSIFICATION OF PRODUCTION SYSTEMS</p> <p>TERRITORIAL</p> <p>3.4 - INCREASE THE LEVEL OF INTERNATIONALIZATION OF PRODUCTION SYSTEMS</p> <p>3c - Support the creation and expansion of advanced capabilities for the development of products and services</p> <p>3.1 - RELAUNCHING THE PROPENSION TO INVESTMENT IN THE PRODUCTION SYSTEM</p> <p><input type="checkbox"/> 3d - Support the ability of SMEs to engage in growth in regional, national and international markets and in innovation processes</p> <p>3.6 - IMPROVEMENT OF ACCESS TO CREDIT, OF THE FINANCING OF THE</p>
4	ERDF	794,570,147.00	23.24%	<p>04 - Support the transition to a low-carbon economy in all sectors</p> <p>4a - Promote the production and distribution of energy from renewable sources</p> <p>4.5 - INCREASE IN THE SUSTAINABLE EXPLOITATION OF BIOENERGIES</p> <p>4b - Promote energy efficiency and renewable energy use in businesses</p> <p>4.2 - Reduction of energy consumption and emissions in businesses and integration of renewable sources</p>

				<p>4c - Supporting energy efficiency, intelligent energy management and renewable energy use in public infrastructure, including public buildings, and in the housing sector</p> <p>4.1 - Reduction of energy consumption in public buildings and structures or for public use, residential or otherwise</p> <p>residential and integration of renewable sources</p> <p>4d - Develop and implement intelligent distribution systems that operate at low and medium voltage</p> <p>4.3 - INCREASE IN THE SHARE OF ENERGY REQUIREMENTS COVERED BY GENERATION DISTRIBUTED BY DEVELOPING AND BUILDING INTELLIGENT DISTRIBUTION SYSTEMS</p> <p>4e - Promote low-carbon strategies for all types of territory, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and targeted adaptation measures mitigation of emissions</p> <p>4.6 - INCREASE SUSTAINABLE MOBILITY IN URBAN AREAS</p>
5	ERDF	237,756,115.00	6.96%	<p>05 - Promote adaptation to climate change, risk prevention and management</p> <p>5b - Promote investments to address specific risks, ensure resilience to disasters and develop disaster management systems</p> <p>5.1 - REDUCTION OF THE HYDROGEOLOGICAL AND COASTAL EROSION RISK</p> <p>5.3 - REDUCTION OF SEISMIC RISK</p>
6	ERDF	409,729,598.00	11.99%	<p>06 - Preserve and protect the environment and promote the efficient use of resources</p> <p>6a - Investing in the waste sector to meet the obligations imposed by the Union acquis on the environment e</p> <p>meet the needs, identified by the Member States, for investments that go beyond these obligations</p>

			<p>6.1. - OPTIMIZATION OF MUNICIPAL WASTE MANAGEMENT ACCORDING TO THE HIERARCHY COMMUNITY</p> <p>6b - Investing in the water resources sector to meet the obligations imposed by the Union acquis in this area</p> <p>and meet the needs, identified by Member States, for investments that go beyond these obligations</p> <p>6.3 - IMPROVEMENT OF INTEGRATED WATER SERVICE FOR CIVIL USE AND REDUCTION OF LOSSES OF AQUEDUCT NETWORK</p> <p>6c - Conserving, protecting, promoting and developing the natural and cultural heritage</p> <p>6.6 - IMPROVEMENT OF THE CONDITIONS AND STANDARDS OF THE OFFER AND USE OF THE HERITAGE IN THE AREAS OF NATURAL ATTRACTION</p> <p>6.7 - IMPROVEMENT OF THE CONDITIONS AND STANDARDS OF THE OFFER AND USE OF THE CULTURAL HERITAGE IN THE AREAS OF ATTRACTION</p> <p>6.8 - COMPETITIVE REPOSITIONING OF TOURIST DESTINATIONS</p> <p>6d - Protect and restore biodiversity and soils and promote ecosystem services also through Natura 2000</p> <p>and by means of green infrastructure</p> <p>6.5 - HELPING TO STOP THE LOSS OF LAND AND MARINE BIODIVERSITY, ALSO LINKED TO THE RURAL LANDSCAPE AND KEEPING AND RESTORING ECOSYSTEM SERVICES</p> <p>6e - Taking action to improve the urban environment, revitalize cities, redevelop and decontaminate industrial areas</p>
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				<p>decommissioned (including reconversion), reduce air pollution and promote measures to reduce noise</p> <p>6.2 - RETURN TO THE PRODUCTIVE USE OF POLLUTED AREAS</p> <p>6f - Promote innovative technologies to improve environmental protection and the efficient use of resources in the sector</p> <p>waste, water and with regard to the soil or to reduce air pollution</p> <p>6.4 - MAINTENANCE AND IMPROVEMENT OF THE QUALITY OF WATER BODIES</p>
7	ERDF	426,851,759.00	12.49%	<p>07 - Promote sustainable transport systems and eliminate bottlenecks in the main network infrastructures</p> <p>7b - Improve regional mobility by connecting secondary and tertiary nodes to the TEN-T infrastructure, including multimodal nodes</p> <p>7.1 - ENHANCEMENT OF THE RAILWAY OFFER AND IMPROVEMENT OF THE SERVICE IN QUALITY TERMS AND TRAVEL TIMES</p> <p>7.3 - REGIONAL RAILWAY STRENGTHENING, MODAL INTEGRATION AND IMPROVEMENT OF MULTIMODAL CONNECTIONS WITH THE MAIN URBAN, PRODUCTION AND LOGISTIC NODES AND THE CENTRAL, GLOBAL AND LOCAL NETWORK</p> <p>7.4 - STRENGTHENING CONNECTIONS WITH THE GLOBAL NETWORK OF INTERNAL AREAS</p> <p>7c - Develop and improve ecological transport systems (even those with low noise) and low emission of carbon, including inland waterway and maritime transport, ports, multimodal links and</p>

				<p>airport infrastructures, in order to promote sustainable regional and local mobility</p> <p>7.2 - INCREASE IN THE COMPETITIVENESS OF THE PORT AND INTERPORT SYSTEM</p>
8	ERDF	150,445,675.00	4.40%	<p>09 - Promote social inclusion and fight poverty and any discrimination</p> <p>9a - Investing in health and social infrastructure in order to contribute to national, regional and local development,</p> <p>to the reduction of disparities in health conditions, to the promotion of social inclusion through better access to social, cultural and recreational services as well as the transition from institutional services to local services</p> <p>9.3 - INCREASE / CONSOLIDATION / QUALIFICATION OF SERVICES AND INFRASTRUCTURES</p> <p>SOCIO-EDUCATIONAL CARE SERVICES ADDRESSED TO CHILDREN AND CARE SERVICES ADDRESSED TO PEOPLE WITH LIMITATIONS OF AUTONOMY</p> <p>9b - Provide support for the physical, economic and social regeneration of disadvantaged communities in urban and rural areas</p> <p>9.4 - REDUCTION IN THE NUMBER OF FAMILIES WITH PARTICULAR SOCIAL FRAGILITIES ED</p> <p>ECONOMIC IN CONDITIONS OF LIVING DISCOMFORT</p> <p>9.5 - REDUCTION OF EXTREME MARGINALITY AND INCLUSION INTERVENTIONS IN FAVOR OF HOMELESS PEOPLE AND OF ROME POPULATIONS, SINTI AND WALKING IN COHERENCE</p> <p>WITH THE NATIONAL INCLUSION STRATEGY</p> <p>9.6 - INCREASE OF LEGALITY IN HIGH SOCIAL EXCLUSION AREAS E</p>

				IMPROVEMENT OF URBAN FABRIC IN LOW-LEGALITY AREAS
9	ERDF	182,127,436.00	5.33%	<p>10 - Investing in education, training and vocational training for skills and learning permanent</p> <p>10a - Investing in education, training and vocational training for skills and learning permanent, developing the school and training infrastructure</p> <p>10.5 - Raising levels of skills, participation and educational success in university education and / or equivalent</p> <p>10.7 - Increase in the propensity of young people to remain in training contexts and improvement of safety e</p> <p>the usability of school environments</p> <p>10.8 - Dissemination of the knowledge society in the world of education and training and adoption of innovative teaching approaches</p>
10	ERDF	78,118,621.00	2.29%	<p>11.1 - Guarantee adequate levels of efficiency, effectiveness, quality, timeliness for the implementation of the Program.</p> <p>11.2 - Strengthen the communication and information system and the evaluation system of the Operational Program.</p>

The investment priorities have been identified within each thematic objective selected. The analysis of these priorities is fundamental in order to understand what the specific objectives are, to which each single action aims to achieve and what was the financial breakdown.

In compliance with Article 9 of the Regulation, the distribution of resources contributes to the achievement of the objectives of the Union Strategy to foster smart, sustainable and inclusive growth ⁹¹.

As per Regulation (EU) 1301/2013, art. 4, the ERDF Operational Program of the Sicilian Region allocates 53.9% of the resources to the first 4 thematic objectives, provides for an allocation of 23.2% for OT4 and dedicates 9.1% to urban development. The resources are

⁹¹Which correspond to the 3 macro priorities.

distributed over 9 thematic objectives and 27 investment priorities consistent with the framework of regional needs and in compliance with territorial propensities.

Considering the decrease of the manufacturing production base an absolute emergency, the program dedicates 30.7% of the total resources in the OT1, OT2 and OT3, supporting, in particular, public and private research, given the need to stimulate innovation promoting greater investments especially by companies and inducing a greater diffusion of productive innovation processes (9.4% of total resources); supporting a greater expansion of the information society and digital growth, with particular reference to the spread of broadband and ultra-broadband (7.52%); and strengthening the system of small and medium-sized enterprises (13.8%) by supporting their birth rate, employment, upgrading the production system and greater openness to the international market.

Taking into account the threats related to erosion, decrease in biodiversity, landslides and fires, seismic and volcanic risks; the worrying low levels of efficiency and effectiveness in the management of waste and resources; of the weaknesses of the transport system, the Program contributes to the sustainable growth of the region with 58.7% of the resources concentrated in the OT4, OT5, OT6 and OT7. In particular, in order to promote a low-carbon economy, the Program intends to achieve the European targets set for 2020 in terms of energy and climate by dedicating 23.2% of resources to the reduction of energy consumption in public buildings and in private companies, increasing the production of renewable energy and supporting local public transport for the reduction of journeys with private cars; 7.8% of the total resources, taking into account the real capacity of planning and carrying out the interventions, in favor of the redevelopment of the territory and strategic buildings for the reduction of hydrogeological and seismic risk; 10.2% in favor of environmental protection and enhancement of cultural and environmental resources with the aim, in particular, of increasing the capacity for waste collection and management, of improving the management capacity of water resources ⁹², of improving the conservation status of the community habitats and the environmental restoration of the state of the places affected by pollution phenomena, and to increase the ecotourism presences in the territory by seasonally adjusting the tourist flows; 17.4% of resources, finally, in favor of sustainable mobility of people and goods, increasing the quality

⁹²Sicily is suffering from serious infrastructural deficits which are the subject of various litigation and pre-litigation procedures within the EU

and safety of the regional railway network and strengthening and qualifying the regional port system.

As far as inclusive growth is concerned, the Sicilian Region presents a context that is among the most critical in Italy in terms of living conditions and incidence of poverty and in relation to the endowment and quality of services to the person. Furthermore, the economic crisis has led to a further deterioration of social marginality in Sicily, already among the highest in Italy, in the face of the persistent fragility of the productive structure and the labor market in a context in which the level of skills is significantly lower, compared to the rest of Italy. For these reasons, in a complementary way with respect to the interventions envisaged by the 2014-2020 ESF of the Sicilian Region, the Program also contributes to inclusive growth by making 8.4% of the total resources available to TO9 and TO10 in favor of social inclusion and the fight against poverty and 3.9% for investments in education, vocational training and skills and lifelong learning.

Finally, the Program assigns 2.3% of the resources in support of Technical Assistance to the Program in order to guarantee the necessary support to the administrative structures responsible for planning, management, monitoring, control and communication-information of the ROP, as well as in general for the strengthening of the governance system of the Program itself.

III CHAPTER

ANALYSIS OF THE OPERATIONAL PROGRAMME OF THE EUROPEAN REGIONAL DEVELOPMENT FUND 2014-2020

I. STATE OF IMPLEMENTATION

The year 2020 was characterized by the deep socio-economic and health shock generated, globally, by the Covid-19 pandemic. The European and national regulatory framework concerning the implementation of cohesion policies have necessarily been adapted to the new needs emerging from this state of crisis that has also affected the Sicilian Region with significant impacts on all components of the economic, social and health system. Consequently, this situation has led the Community, national and regional bodies to radically modify the regulatory framework that has allowed the Managing Authorities of the Operational Programs to proceed with a streamlining of procedures, functional to intervene promptly to counter the state of emergency. The new Action 1.6.1 was also introduced in Axis 1 of the OP, intended to finance initiatives, already carried out or to be implemented, in the health sector, directly aimed at combating the COVID 19 emergency. With the introduction of this Action it was possible to certify expenses incurred in the health sector for interventions already carried out or in the execution phase⁹³⁹⁴⁹⁵.

From the point of view of the financial progress of the ERDF OP 14-20, 2020 represented the third year in which the Operational Programme was exposed to the rule of automatic

⁹³ At EU level, Regulations 460/2020 and 558/2020 have been adopted

⁹⁴ At national level, the enactment of the Decree Law n.34 of 19 May 2020 which, in art. 241, provided indications on the use of the resources of the Development and Cohesion Fund deriving from the 2000 – 2006, 2007 - 2013 and 2014 – 2020 programming cycles for each type of intervention of a national, regional and local nature sby implementing procedures to speed up and simplify the reprogramming of these resources. In addition, pursuant to art. Article 242 of that directive Decree Law, through the 100% co-financing from EU Funds for the expenses declared in the payment applications in the accounting period from 1 July 2020 to 30 June 2021, the possibility of certifying the anticipated emergency expenses by the State in order to counteract and mitigate the health, economic and social effects generated by the Covid-19 epidemic has been extended.

⁹⁵ At the regional level, in compliance with art. 241 and 242 of Legislative Decree no. 34/2020 and the purposes of Regional Law no. 9/2020 in order to counter the state of emergency, the Coordinating Authority of the Managing Authority, in agreement with the regional departments, has drawn up a proposal for the reprogramming of the OP ERDF Sicily 2014/2020 which, following approval by the Monitoring Committee of the OP, was approved by Decision C (2020) 6492 final of 18 September 2020. The current financial plan was approved by Decision C (2020) 6492 final of 18 September 2020 at the conclusion of the review process of the Programme that introduced the extraordinary measures to face the Covid-19 pandemic.

decommitment which, following the failure to achieve the planned expenditure objectives, provides for the loss of ERDF Community resources corresponding to the difference between the target amount to be certified at 31 December 2020 and the value actually certified. The monitoring and impulse actions towards the Departments/CoR, combined with the measures to combat the negative effects of the Covid-19 pandemic which have already been discussed previously and in footnotes (see note 1;2;3), have recorded, in the last months of 2020, a significant increase in expenditure related both to operations selected under procedures financed with OP resources and to operations identified in the context of operations identified in the context of other implementation programmes/instruments financed by national resources that have made it possible to reach the expenditure target set for the year 2020. The data on certified expenditure at 31/12/2020 and 31/08/2021 is represented, by Axis and department in the following table.

Table 3: Certified expenditure by Axis and department

AXIS	DEPARTMENT	FUNDS	EXPENDITURE UNTIL 31/12/20	EXPENDITURE UNTIL 31/12/21
1	Productive Activities	273.577.531,00	57.586.730,88	62.472.100,25
	Strategic Planning	4.325.838,00	25.752.676,06	27.689.761,99
2	ARIT ⁹⁶	317.843.060,00	120.266.197,33	135.644.837,36
3	Productive Activities	634.637.675,00	227.640.227,80	308.941.558,14
	Finance	208.155.484,00	76.991.613,00	76.991.613,00
	Infrastructure	10.000.000,00	0,00	4.148.100,00
	Instruction	/	0,00	0,00
4	Infrastructure	501.212.027,00	206.738.815,84	143.637.828,28
	Energy	492.000.661,00	42.020.855,76	50.002.715,99
5	Civil Protection	101.663.770,00	54.688.277,40	49.372.446,57
	Environment	195.531.376,00	42.780.329,21	41.073.152,42
6	Dar ⁹⁷	202.357.329,00	91.767.051,45	93.885.639,62
	Tourism	101.872.441,00	14.203.975,62	21.796.565,21
	Basin Authority	2.379.730,00	664.554,74	664.554,74
	Rural development	110.000.000,00	0,00	0,00
	Cultural Heritage	70.552.499,00	6.842.337,27	5.889.595,52
7	Infrastructure	533.564.702,00	491.066.432,16	507.830.840,74

⁹⁶ Regional Authority for Technological Innovation

⁹⁷ Department of Water and Waste

8	Strategic Planning	8.449.809,00	286.325,43	286.325,43
	Infrastructure	77.297.651,82	25.204.752,31	16.751.631,69
	Productive Activities	/	0,00	0,00
	Family	102.309.634,40	14.416.334,62	14.628.236,01
9	Instruction	222.720.442,00	45.295.676,25	47.999.027,03
10	Programming	97.648.277,00	28.263.737,77	37.220.768,35
Total		4.273.038.775,00	1.575.476.900,70	1.646.927.298,34

In view of the expenditure already certified during 2021 and the application of the reference rules for achieving the annual targets, these forecasts would allow to exceed the expenditure target, but there is a difference of about 93.5 million euros. This last figure is derived from the difference between the cumulative expenditure target at 31/12/2021 equal to about 1,921 million euros and the sum of the payment applications submitted to the European Commission by the Certification Authority. It should be noted that the total payment applications, calculated with a co-financing rate of 80%, would have been just over EUR 1.98 trillion. However, as this amount includes a share of expenditure of around €608 million reported with 100% EU funding in the accounting period from 1 July 2020 to 30 June 2021, the total cost of payment applications, including the state and regional contributions, is €1.828 billion⁹⁸.

Furthermore, the figure relating to the total requested for reimbursement to the EC differs by about 190 million euros compared to the amount actually certified as a result of financial corrections and withdrawals that occurred during the implementation of the OP that will have to be replaced by new certifiable expenditure by the final date of eligibility of the expenditure (31/12/2023).

However, it is clear that the current financial structure of the Programme is subject to further variations linked to the overall reprogramming of the OP on the basis of specific checks and analyses on the level of implementation of actions and procedures, also in consideration of the link with the other financial instruments of the unitary cohesion policy and the objectives set at the end of the programming cycle.

In view of the decline in expenditure forecasts during the year with the potential risk of non-achievement of the planned targets, and taking into account the permanent difficulties in

⁹⁸ as a result of the Coronavirus Response Investment Initiative Plus

implementing some OP Actions, the MA will continue its strategic monitoring work and the introduction of measures to accelerate spending.

To this end, the Region of Sicily considers it of fundamental importance, also for the safeguarding of the Programme to 2023, a verification and analysis activity that will also be carried out through bilateral meetings with the CoR aimed at deepening the current financial progress of the Actions under the responsibility of the CoR in relation to the expenditure forecasts communicated by them to the AdC and to the financial targets, in proportion to the financial envelope, to be achieved for the full absorption of resources on the closing date of OP 31/12/2023.

Moreover, also in consideration of the expenditure forecasts for the year 2022 which are equal to a further 730 million euros, the Coordination Authority of the PO MA has estimated the residual expenditure that will have to be certified in the year 2023 which would stand at about 1.65 billion euros.

This figure leads to concerns mainly deriving both from the connection of this expenditure with a significant share of interventions, often of an infrastructural nature, still in the start-up phase, including interventions based on the territorial implementation instruments of the OP, and from the administrative burden necessary for the management of such an important share of resources to be certified.

A further process of reprogramming of the OP is currently underway, with the aim of safeguarding the closure of the Programme by 2023 and ensuring its full financial implementation within the eligibility terms provided for by the community regulation of reference. It aims, in general terms, to:

- introduce new initiatives, consistent with the objectives and purposes of the OP, able to produce certifiable expenditure by 2023, also in connection with the contents of the agreement signed between the Region and the National Government which provides for the use of OP resources for the financing of measures aimed at combating and mitigating the effects of the COVID-19 emergency;
- safeguard delayed implementation procedures by ensuring financial coverage on investment plans that expose greater scope for profiles related to the eligibility deadlines of expenditure;

- extrapolate from the Operational Program the share of resources deriving from financial corrections, the result of audits that will not be able to guarantee any certification within the terms of eligibility of the OP.

As can be seen from the official website of the Sicily region, the path will be started in synergy with the Regional Responsibility Centers and it is estimated that it can be perfected within the current year.

The progress of the individual procedures will be carefully analyzed in order to identify those whose completion times are not compatible with the final date of eligibility of the Program expenditure and those that, on the contrary, can guarantee the full use of the available resources.

With regard to the works already carried out thanks to the 2014-2020 ERDF fund, it is important to underline how the latter have made innovative progress in various areas. These advances are of fundamental importance for the Sicilian Society, which is always hindered, in its progress, by political decision-makers who are not particularly innovative, easily corruptible and rooted in old systems of governance. In this regard, reference will be made later in this work.

One of the projects that was first carried out refers to the Axis "OT7 Transport Systems", the purchase of twenty-five EMU trains, called Pop⁹⁹. The trains were purchased by the Department of Infrastructure, Mobility and Transport of the Sicilian Region, with the resources of the OP ERDF Sicilia 14-20¹⁰⁰. This will make it possible to strengthen regional public transport services and improve connections with the main urban, productive and logistical centers of Sicily. The cars are part of the ten-year service contract signed in 2018 by the Sicilian Region and Trenitalia¹⁰¹, which includes pop trains purchased under Action 7.3.1 of the PO ERDF Sicilia 14-20. The 21 trains initially planned, following the remodeling of the Operational Program decided by the Regional Council with resolution no. 514/2021, have risen to 25 with the contractual integrations approved by the Department of Infrastructure, Mobility and Transport¹⁰², for a total funding of 182 million and 500 thousand euros. Work

⁹⁹ Electrical Multiple Units

¹⁰⁰ These are electrically powered trainsets with three hundred seats each, to be allocated to the routes with greater demand, which can travel at a maximum speed of 160 kilometers per hour and carry up to 530 people. They are built with 95% recyclable materials and have eight standard bicycle racks, which on Sicilian regional trains will travel for free.

¹⁰¹ FS Italiane Group

¹⁰² Decrees no. 4160 of 13 December 2021 and no. 779 of 23 March 2022

began on 18 July 2019 and ended on 27 April 2021¹⁰³. Sicily was the first region of the South to use Pop trains. The first convoy was presented at Palermo Central Station in December 2019. At the end of March 2022, the 25 trains purchased were delivered and operate on the main routes of the island. Pop cars are branded with the hashtag EuropeLoveSicily to give visibility to the use of European funds on the island.

Among the most successful works, within the OT1 "Research and Innovation" regarding Action 1.5.1 "Support to research infrastructures considered strategic for regional systems" idmar was created, a multidisciplinary laboratory distributed on the sea¹⁰⁴. A research infrastructure consisting of terrestrial nodes and submarine nodes, wired and battery powered. The Idmar research infrastructure is considered strategic for the socio-economic growth of the Sicilian territory¹⁰⁵. Launched at the end of 2018, for a total amount of 40 million euros, the project is co-financed by the ERDF Sicily 14-20, which has given a contribution of 20 million euros. It represents the largest multidisciplinary laboratory for marine scientific and technological research in Europe, with the poles of Portopalo di Capo Passero (Syracuse), Milazzo (Messina), Palermo and Capo Granitola (Trapani). "Sicily – as explained by Giacomo Cuttone, director of Infn, will become in all respects a pole of world excellence in research, development and monitoring of the marine environment. Thanks to European funds these great structures of revelation that go to 3. 500 meters deep will allow us to achieve something that is absolutely not there in the Mediterranean"¹⁰⁶. With the largest underwater telescope ever built, located 96 kilometers from the coast of southeastern Sicily, Idmar will allow you to monitor the marine environment in real time: a novelty for the Mediterranean¹⁰⁷.

¹⁰³ Press Release, *FS ITALIANE, TRENITALIA: TWO NEW POP TRAINS IN SICILY*

(https://fsitaliane.it/content/dam/fsitaliane/Documents/media/comunicati-stampa/2021/aprile/2021_04_27_CS_Due_nuovi_treni_Pop_Sicilia.pdf) (accessed 12/06/22)

¹⁰⁴ The project was also among the winners of EUinmyRegion 2020 – Postcards, a contest that rewarded the most beautiful photos on interventions financed with EU resources. The images chosen were, in fact, transformed into postcards published on the website of the European Commission.

¹⁰⁵ A research infrastructure The operation, considered to be of a strategic nature in the context of the National Research Infrastructure Plan, (Pnir) prepared by the Ministry of Education, is coordinated by the National Institute of Nuclear Physics (Infn), Laboratori Nazionali del Sud di Catania, in partnership with the National Institute of Geophysics and Volcanology (Ingv) of Palermo and Milazzo and of the Cnr of Capo Granitola, consisting of terrestrial nodes and submarine nodes, wired and battery powered

¹⁰⁶ Sicily Region, *STRENGTHENED THE IDMAR LABORATORY OF REGIONE AND INFN*: http://pti.regione.sicilia.it/portal/page/portal/PIR_PORTALE/PIR_ArchivioLaRegioneInforma/PIR_2021/PIR_Gennaio/PIR_Potenziatoillaboratorio (accessand 07/12/22)

¹⁰⁷ <https://www.euoinfosicilia.it/eventi/laboratorio-multidisciplinare-sul-mare-idmar/> (accessed 07/07/22)

Instead, in April 2020, two laboratories¹⁰⁸ belonging to the "GMP Facility, Research Laboratories and Diagnostic and Therapeutic Services of ISMETT" project were built, with the aim of strengthening the research infrastructure "GMP¹⁰⁹ Facility, Research Laboratories and Diagnostic and Therapeutic Services of the IRCCS - ISMETT¹¹⁰ of Palermo. For the realization of this project, technical expenses, construction works and technological systems, purchases of scientific equipment and instrumentation and scientific and technological consultancy assignments have been envisaged. The research infrastructure is one of those considered a priority by the National Plan of Research Infrastructures (PNIR) prepared by the MIUR. The activity involves the creation of a clinical, biomedical and translational research center that, through artificial intelligence approaches and systems, is able to identify solutions and implement diagnostic, therapeutic and preventive strategies and systems, for the application of precision medicine.

A turning point in the management of serious emergency cases are the multifunctional strategic units for risk management. They are containers equipped with equipment that allows the Civil Protection and the fire brigade to operate in cases of serious emergencies¹¹¹. With a project entirely financed by the PO ERDF 14-20, the Sicilian Region has purchased 14 Usar¹¹² modules, each consisting of two prefabricated structures, set up throughout the territory, including the smaller islands¹¹³. These are instruments to detect the sound and breath of people under the rubble. Among other things, containers are equipped with systems that make them easily transportable¹¹⁴. The intervention, launched in 2018, has a value that exceeds eight and a half million euros, all coming from the national and Community resources of the Operational Programme co-financed by the European Regional Development Fund, with particular reference to Axis 5 "Climate change, risk prevention and management". The initiative was set up with the idea to cover the entire Sicilian territory, bringing the Usar equipment also in the smaller islands, to improve the emergency response in case of any particularly demanding accidents as was already possible in the volcanic island of Stromboli, where the Usar containers arrived with a similar project co-financed by the Po ERDF Sicilia

¹⁰⁸ The two laboratories are: one of diagnostic imaging and another for the development of advanced therapies based on the use of cells.

¹⁰⁹ Good Manufacturing Practice

¹¹⁰ Mediterranean Institute for Transplants and Highly Specialized Therapies

¹¹¹ These tools are useful especially in the search for missing or in the crushing of permitted rubbleEndo to save lives

¹¹² Urban search and rescue

¹¹³ Pantelleria (Trapani), Ustica (Palermo), Lipari (Messina) or Lampedusa (Agrigento)

¹¹⁴ Among the equipment you can find cameras with laser detectors to remotely measure people's body temperature or geofoni specific to listen to noises under rubble, to understand if accident victims are still alive.

2007-2013. Given the predisposition of the island to seismic risks related to the mainly volcanic morphology, this work will guarantee greater efficiency in cases of serious seismic episodes. The intervention consists in the construction of 14 Usar modules, each consisting of 2 prefabricated metal structures, to be positioned on the regional territory, equipped with specialized Urban Search And Rescue equipment. Among the requirements of Usar containers stand out the suitability to operate on land and the repairability and shelf life of the structures stand out.

Among the works included in the Major Project category¹¹⁵ it is possible to mention the realization of the Ultra Broadband in Sicily which aims to improve internet coverage with optical fiber. The work consists of two projects: the first, started in 2015 and already completed, regionally; the second, which started in 2017 still in progress, launched by the Region as part of national intervention. Both also contribute to the achievement of the objective of the European Digital Agenda and the Italian Strategy for Ultra Broadband. The interventions concern the construction of network infrastructures in areas where the BUL¹¹⁶ is or was absent to guarantee the 390 municipalities of the island coverage with optical fiber and a high-speed internet connection. This will allow new services such as telemedicine, teleworking and distance education to be activated. The Region of Sicily was the first in Italy to start a installation of optic fibre in the so-called "white areas"¹¹⁷: that of San Giovanni la Punta (Catania). The objective is part of the OT2 Digital Agenda Axis¹¹⁸. Work began in 2015 and is hoped to be completed at the end of 2022.

These are just a few examples of the projects carried out thanks to the ERDF Sicily 14-20. Further projects are listed on the official website of the Sicily region¹¹⁹.

¹¹⁵Major projects are large-scale investments worth more than €50 million each and are supported by funding from the EU's cohesion policy. These projects directly benefit the Member States and their citizens by creating better infrastructure, a healthier environment, new jobs and new business opportunities.

¹¹⁶ The tools slifiable, which allows you to transport them quickly and safely from one point of the island to another.

¹¹⁷ Ultra Broadband

¹¹⁸ areas where there had been no private investment

¹¹⁹ See ERDF 14-20 Sicily: <https://www.euroinfosicilia.it/po-ERDF-sicilia-2014-2020/> (Accessed 11/05/22)

II. EFFECTIVENESS AND EFFICIENCY

As highlighted in the previous paragraph, Sicily is not committed to creating a management system capable of implementing all the resources proposed at European level. There are many factors that slow down the region's capacity for growth. An in-depth study of ERDF 14-20 and other European funds¹²⁰ has revealed that the management system is inadequate in terms of effectiveness and efficiency. There are about 18 works that can be built or already built in Sicily, which precede slowly due to lack of funding or which are blocked for bureaucratic reasons and which are worth 1.5 billion, taking into consideration only the projects which are still to be contracted. Among these there is the railway junction of Palermo and the port of Augusta, the inter-port of Termini Imerese and the project for the intermodal pole of Catania. The Regional Department of Infrastructure led by Marco Falcone has drawn up a detailed list of Sicilian infrastructures financed within the PON Trasporti, the PO ERDF 14-20 or with FAS funds¹²¹ that have never been built or only partially. These include roads, highways, airports, ports and inter-ports. The Rosolini-Modica motorway section is in the black list, and was provocatively inaugurated in 2012, with a false ribbon cutting precisely to denounce the state of paralysis of public works on the island. The project is funded by 339 million in 2011 but lacked the approval of the Major Project card by the European Commission. The infrastructure process, financed with national and European funds, started again in January 2022, after exactly 11 years.¹²²¹²³¹²⁴

But it is the entire infrastructure system that is in a tailspin due to a series of obstacles due to a series of obstacles which have brought about the failure to comply with the Stability Pact with the reprogramming of the FAS funds 2000-2006 imposed by the CIPE, ending with the recent directive of the Directorate-General for Competitiveness in Brussels according to which public works managed at a tariff must obtain the anti-competition visa intended for State aid.

¹²⁰ What ERDF (European Regional Development Fund), ESF (European Social Fund), CF (Cohesion Fund), EAFRD (European Agricultural Fund for Rural Development) and EMFF (European Maritime and Fisheries Fund).

¹²¹ ERDF SICILIA: <https://www.euroinfosicilia.it/po-ERDF-sicilia-2014-2020/>

¹²² 213.25 million of euro

¹²³ 126.47 OPS ERDF 2007-201 (see <https://www.sitr.regione.sicilia.it/po-ERDF-2007-2013/> accessed 15/06/22)

¹²⁴ Interministerial Committee for Economic Planning (CIPE) is a collegial body of the Government chaired by the President of the Council of Ministers and composed of Ministers with significant expertise in the field of economic growth.

This led to the immediate blocking of tenders for the interports of Catania and Termini Imerese and for the strengthening of the port of Augusta.¹²⁵

One of the reasons that leads to slowing down the start of construction sites is the fact that the signing of the State-Region institutional agreement has not been signed. Another example in the North-South itinerary, Santo Stefano di Camastra-Gela, one of the great works of the PO ERDF 2007-2013.

A positive milestone concerns the works for the Ragusa-Catania Road link, for which a project financing procedure is underway: the works are worth 800 million and have been unblocked but the failure to stipulate the agreement with the Ministry of Economy has brought the funding to a stand-still for a long time. The contract for the construction of the Regalsemi junction in Licodia Eubea on the A19 Palermo-Catania has also been blocked¹²⁶

In 2012, the former Russian Regional Infrastructure Department declared the state of impotence of the Region with respect to some delays. The percentage of ERDF OP funds managed directly by ministerial companies such as Anas, Rfi is more than 70% of the total. The Region has ownership only on 8.79% of the funds allocated to infrastructure, just 133 million. "That's why", affirms Russo, "the establishment of the task force between the Region, ministries and Brussels becomes fundamental to unlock the expenditure and construction of the works". Among the other slow works, the speeding up of the Palermo-Agrigento railway network (94.26 million) has also stopped for bureaucratic reasons related to the Region, since July.¹²⁷

These are just some of the examples, but the strong presence of phenomena related to corruption and bad business that stagnate progress on the island should not be underestimated. Among the most recent examples it is possible to cite one of the latest phenomena of corruption and fraud against the European Union on funds for agriculture, with officials of the Sicilian Region involved. The first investigation had led in March 2020 to carry out 24 precautionary measures that concerned the process of granting funding in agriculture, European and national, under the Rural Development Program (RDP) 2007/2013 and

¹²⁷ Rosolini-Modica, steps forward: <https://www.lasiciliaweb.it/2022/01/rosolini-modica-passi-avanti/> (accessed 16/06/22)

2014/2020, managed by the Provincial Inspectorate of Agriculture of the Sicily Region, a body responsible for assessing the eligibility of applications aimed at obtaining funds. In the crosshairs public employees, as well as entrepreneurs and professionals. The attribute crimes at present, are for various reasons, criminal association, aggravated fraud for the achievement of public disbursements, corruption, abuse of office, forgery, destruction and concealment of acts and revelation of official secrecy.

A very recent confirmation of these phenomena concerns the renovation of the Social Housing of Zen 2 carried out thanks to European funds in Palermo. The officers of the EPPO Section of the investigative nucleus of Palermo between October and December 2021 would have discovered a center of illicit interests, in the offices of the IACP of Palermo, formed by private professionals and public officials with skills in construction and in charge of managing national and European public spending funds.¹²⁸¹²⁹

According to the investigation, the public officials involved would have been able to appropriate a part of the sums of money that were used for the execution of works in reality never fully carried out, with the complacency of the entrepreneurs who had been awarded the contracts. The investigations focused on a project for the construction of rehabilitation and maintenance works of public utility buildings located in the "Zen" district of the city of Palermo for which a total allocation of one and a half million euros had been envisaged. These works are part of the "Ruis Palermo" project¹³⁰, implemented by the economic coverage of the European Fund for Development and Cohesion. The investigation is the first operation of the carabinieri coordinated by the European Public Prosecutor's Office.

To counter these phenomena, the National Anti-Corruption Agency (ANAC) and the European Public Prosecutor's Office (EPPO) intervene from a national point of view, but this is not considered sufficient. A change of schemes and mechanisms is needed to counteract these phenomena in a preventive manner.

A detailed analysis of the Governance system is therefore considered appropriate and more specifically, in the next chapter, this analysis will concern the governance system of the ERDF 14-20 with references also to the management of other European funds.

¹²⁸ European Public Prosecutor's Office

¹²⁹ Autonomous Institute of Social Housing

¹³⁰ urban regeneration, infrastructure and security project of the city of Palermo

CHAPTER IV

GOVERNANCE OF THE EUROPEAN REGIONAL DEVELOPMENT FUND

I. MATERIALS AND METHOD

The analysis of the Governance of the ERDF Sicilia 14-20 was conducted through several survey tools, the evidence of which was appropriately integrated and verified in order to give solidity to the results of the work, using both primary and secondary sources for the collection of data and information to be processed. The nature of the evaluation is mainly qualitative although it contains some evidence based on a quantitative approach. In the initial phase of the study, an in-depth bibliographic research was carried out on the issue of governance of public processes that allowed to define a conceptual reference scheme useful for identifying the elements of analysis that were the subject of the data collection phase, in particular the secondary ones. The conceptual framework that is taken as a reference standard in this evaluation integrates aspects related both to the static dimension of the governance model and to the dynamic dimension of the same, but above all outlines the characteristics necessary for the decision-making process, i.e. the distinctive element of the governance model, to take place effectively and in a fully consistent manner with respect to the principle of openness and transparency of the Processes. The sources that support the analyses contained in this assessment are as follows: ¹³¹

- Analytical evidence

The analytical evidence was collected through an in-depth examination of the administrative documentation relating to the entire path of the OP ERDF Sicily 2014-20, starting from the Strategy document itself and all the documentation that characterized the design phase, up to all the acts that accompanied its implementation until December 2021. More in detail, this audit activity concerned both documents of a strategic nature and documents and acts of secondary level, such as: decrees, notes and communications, which accompanied both the writing phase and the implementation phase, with particular reference to the aspects related to

¹³¹ As for example organisms Involved

the governance model. The framework of secondary data is completed by a context analysis that focuses on the key dimensions of innovation in the regional landscape and that offers a comparison with the national dynamics and the Area of the South

- **Interviews**

In relation to primary source data, the assessment makes use of the tools of the interview. The choice to resort to interviews is justified in the light of the fact that since it is a realistic evaluation it seems appropriate to resort to the tools of social research and above all to that of the interview. The interviews were conducted, during the month of May 2022, using a mixed approach that intended to combine the method of narrative interview with that of semi-structured interview. The purpose of this phase of the evaluation survey is to activate a comparison by interlocutors who are particularly representative of the regional system, comparing this to the first evidence emerged as a result of the analysis of data.

In addition, during my traineeship at the European Parliament it was possible to interview Sicilian Mayors and Municipal Councillors as well as Members of the European Parliament.

- **Comparison of codes of practice**

The analytical work also took into account some reference documents published by the EC with specific reference to the definition and implementation of strategies for the implementation of OPs. Specifically, the following documents were used:

- **Guide on Research and Innovation Strategies (2012):** in particular, phase 2 of the design process of the project was taken into account, which provides key indications for the correct setting of the governance model;
- **Implementing Smart Specialisation Strategies. A handbook (2016):** the manual was used above all for the identification of the seven key variables that characterize the virtuous examples of governance of European regions

II. GENERAL FRAMEWORK FOR EVALUATION

This evaluation report is an in-depth analysis of the functioning of the governance model that accompanies the implementation of the OP ERDF Sicily in the programming cycle 14-20.

The Guidelines on the European Commission for the definition of strategies provide that implementation strategies are first developed and then implemented through the involvement in a process of entrepreneurial discovery of national, regional, territorial and stakeholder authorities, such as universities, other higher education institutions and sectoral and social partners, through a multi-level and multi-stakeholder governance model inspired by collective, collaborative and inclusive leadership.

To carry out the analysis of the validity of the governance model of the implementation process of the OP ERDF Sicily 14-20, the following evaluation questions were defined and concerted:

- Evaluation question 1: To what extent has the governance model outlined in the regional strategy paper for the implementation of the OP been put into practice? What were the most critical aspects in its full implementation and any deviations from the set-up and procedures that had been traced?
- Evaluation question 2: In its current formulation, is the adopted model able to ensure horizontal and vertical governance of all policies?
- Evaluation question 3: Has the functioning of the governance model guaranteed the active participation of all the subjects of the regional ecosystem through shared, transparent and stable processes? What obstacles or difficulties have, if any, limited participation in the process?
- Evaluation question 4: What were the actual results of the involvement in governance of various actors? Are corrective actions needed to make the governance model more effective?
- General Question: What could be the choices (political or not) that would guarantee a better management of European funds?

In the following paragraphs, the considerations of the various actors interviewed will be highlighted. It is, however important to underline that from the answers received to the questionnaire sent to both institutional and non-institutional actors, there is a strong discrepancy between experts in the field and politicians. In particular, Dr. Gullotta shows

the need for greater attention and in-depth analysis of the quality of institutions at local / regional level aggravated by the low level of public participation in programming and planning. To further aggravate, according to Dr. Gullotta, curator of the design moments on the viability, there is the strong presence of corruption phenomena and criminal infiltration. In addition, the excessive emphasis on the high fragmentation of interventions is criticized, which do not consider an overall vision of growth. Finally, Dr. Gullotta considers the lack of a ruling class and consequently a political class to be decisive. While the Regional Deputata Concetta Damante underlined the need to improve the governance of the spending centers, and with regard to the ERDF 14-20, it considers it necessary to return to the Managing Authority definitively setting aside the Sicilian experiment of the Management Coordination Authority which, according to the deputy, has led to complications in the management of skills and the reporting of expenditure. Furthermore, it adds that it is necessary to adopt a separate accounting for extra-regional funds otherwise the Regional Departments and the Centers of Responsibility, to comply with the obligations provided for in Legislative Decree 118/11, will continue to work for the obligations provided for by the management of resources deriving from extra-regional funds without giving it due importance. Finally, the Deputy underlines the need to create a special fund in the budget that guarantees the financial coverage for the co-financing of European and extra-regional funds and a careful activity of Unitary Regional Planning.

All the elements present in the responses of the various actors have been duly taken into account and considered fundamental, not only to add value to this work but to be able to address the issue taking into account various aspects that compose it.

III. IDENTIFICATION OF KEY ELEMENTS

The importance of good governance of public processes and policies is a widely established concept and represents an enabling factor necessary for the achievement of policy objectives that require the participation and collaboration of a vast and diverse audience of actors, whose natural interests are not necessarily aligned with a common goal. In the framework of public governance, good governance must be verified against the ability of the public administration to manage and direct networks, involving public and private actors of various kinds in political-decision-making processes, promoting dialogue, sharing of responsibilities,

participation and coordination of many actors at many levels. With reference to governance, a further study concerning the concept of multilevel governance is considered particularly relevant, which, in the context of the EU, moves away from the focus on governments operating at different territorial levels and is oriented towards a vertical multi-level government, with hierarchical and geographical jurisdictions defined, in limited numbers and horizontal, with multiple and more fluid jurisdictions for specific activity. This is therefore very important for implementing policies, as they require horizontal integration of different types of actors. Although the way in which these principles are put into practice in terms of the system, as well as the strategic process, can and should vary according to the characteristics and conditions of each region, it is considered useful to identify a conceptual framework of reference that conventionally defines the standard of good governance of European funds.¹³²¹³³

A relevant reference to the key dimensions of good governance can be found, in the first place, in the White Paper on Governance which identifies the following principles:¹³⁴

- Openness: the institutions must operate more openly and must actively work to explain in a language accessible and understandable to the general public what they do and what the decisions they take consist of
- Participation: The quality, relevance and effectiveness of policies depend on the broad participation that will be ensured throughout their journey, from first formulation to implementation. With greater participation, it will be possible to increase confidence in the final result and in the institutions from which these policies emanate. For there to be greater participation, it is essential that administrations seek to involve citizens in the formulation and implementation of policies;
- Responsibilities: Roles within processes must be clearly defined. Each institution must explain what its role is and must take responsibility for it. But there is also a need for clarity and accountability on the part of all those involved, at all levels, in the formulation and implementation of policies;

¹³² i.e. role of the components and structure of their relationships

¹³³ i.e. definition, implementation and monitoring

¹³⁴ Communication from the Commission of 25 July 2001 entitled 'European Governance - A White Paper' [COM(2001) 428 Final. - Official Journal C 287 of 12.10.2001]

- Effectiveness: Policies must be effective and timely, producing the required results based on clear objectives, the assessment of their future impact and, where possible, of past experience. For their effectiveness, it is also necessary that policies are implemented proportionately and decisions are taken at the most appropriate level;
- Coherence: Policies must be coherent and easy to understand. Coherence requires political leadership and a firm assumption of responsibility on the part of the institutions, so as to ensure a coherent approach within a complex system

The application of these five points is supported by the principles of proportionality and subsidiarity.

IV. ANALYSIS OF THE IMPLEMENTATION CONTEXT

It has been noted, with reference to policy heritage, that there is a vicious circle between low levels of development and a lower quality of governance and, more generally, that policy makers are first of all heirs before decision-makers and that learning processes require a greater effort precisely in the contexts in which they are most needed. Therefore, there is no set of standardized solutions that guarantee the improvement of governance for the sole fact that they have worked in different contexts from a social and economic point of view, even when these differences are relatively small. With this in mind, the context analysis allows to define the reference framework in which the governance system of the OP ERDF Sicily 14-20 has operated and will operate in the future.

Sicily, which today is in a markedly negative condition and seriously worsened by the current Covid 19 pandemic that has been added to the endemic problems and structural delays that characterize a very fragile socio-economic context. The current crisis is causing one of the worst declines since the post-war period, so we are witnessing the sharp decline in domestic demand, both on the side of household consumption, on which the progressive reduction in disposable incomes and the decline in employment have had a full effect, and on the part of investments that will be strongly conditioned by the poor prospects of the market and the difficulties of access to credit.

As specified in the previous chapter, even before the shock produced by the pandemic, Sicily was in fact experiencing difficulties in recovering the fall in GDP suffered between 2008 and 2014 (-14.9%), which the most recent series of regional accounts, released by Istat in May 2020, have confirmed. There was a slightly positive trend during 2015 by virtue of a GDP growth of 0.4% which, however, immediately weakened the following year (0.2% in 2016), distancing the island from the other territorial districts. Between 2017-2018 the gap became more evident with Sicily marking respectively 0.6% and -0.3% while the South as a whole 0.8% and 0.2% and Italy 1.7% and 0.8% remained clearly positive. Finally, the estimates for the year 2019 show an almost stagnant trend in all the constituencies. The confirmation of these data would ascertain for Sicily a recovery of product in the five years since 2014 of only one percentage point.¹³⁵

These data in series until 2019, which then exploit the temporal information available for the main macroeconomic aggregates, have suffered the devastating impact of the Covid pandemic. In particular, the impacts are more penalizing for the production specializations more sensitive to the lockdown and relatively more open to foreign markets. For the same reason, from 2021 it is possible to note a stronger economic momentum in the North of the country, while the GDP of the South proceeds at a growth rate lower than the national average.

The component used in the management processes appears to be the most delayed and from which we must expect the greatest driving force towards the break with the trends expressed so far, in particular by addressing the following evidences:

- low level of employees of companies employed in R&D activities on the total number of employees: only 0.6 units per thousand inhabitants in 2014 (equal to 2,915 units), compared to an average of 5.2 units per thousand inhabitants for the Centre-North and 4.1 units per thousand inhabitants for the national average;
- high level of expenditure per employee of companies, which is equal to just over 81 thousand euros per year in the region in 2017, higher than 77 thousand euros per year on a national average. What appears as a positive element must actually be interpreted as a strong criticality if analyzed as a function of the

¹³⁵ Sicily 0.1%, South 0.2% and Italy 0.3%, source Prometeia/Sicilian Region.

low levels of production output in the most innovative and high-knowledge/technology sectors;

Already in the transition from the period 2000-06 to the period 2007-13, as shown by the data of participation in the calls for tenders of the OP ERDF and the PON R&C, the ability of the Sicily Region to manage these European funds has grown, although there are no elements to evaluate the increase in the quality of collaboration to the advantage of the competitive capacities of the beneficiary companies. In addition, in the face of a high presence of public entities, there is a lack of adequate preparation of the bodies operating in the management areas.

V. GOVERNANCE MODEL: STATE OF THE ART

The Management Strategy of the European Funds of the Sicilian Region assumes the importance of the ability to act as one of the critical elements that, in the past and still today, have conditioned the efficiency of regional policies. Starting from the implementation and evaluation evidence gained in the previous programming cycles, the coordinated management of regional policies identifies an undeferrable need for change to ensure efficiency in its work. This is not only a transformation of the organizational model, but the need to achieve a radical change of approach capable of transforming the Region, from a financing body and manager of bureaucratic obligations, into the subject at the helm of a solid collaborative leadership and leader of a governance system. With this in mind, the Region has already understood the partnership comparison as a fundamental moment for the construction of a stable governance aimed at rooting in the relevant actors the sense of ownership and shared responsibility in which the Region assumes the role of animator of a collective learning process. The governance of the EU Funds in Sicily can schematically be represented:

- internal governance composed of the structures of the Administration that have taken charge of the coordination and supervision of the Funds;
- external governance composed of bodies in which subjects external to the Regional Administration (SG and GLT) are also involved.

More specifically, internal governance is attributable to the structure of intermediate dimensions hinged in the Regional Administration with functions of inter-departmental coordination and tasks of analysis and programming, guidance and coordination, monitoring and evaluation. In external governance, on the other hand, the Steering Group (SG) is framed, which is assigned the task of guiding the implementation of the Strategy on the basis of constant monitoring, identifying the mechanisms to redirect resources to objectives and activities more deserving of support and more adequate to produce the expected results and impacts; Permanent Thematic Working Groups (GLTs), whose task is to analyse issues of strategic relevance related to the implementation of the strategy.

The transition phase between the time of approval of the Funds and its implementation was characterized by some critical elements that largely relate to procedural / organizational aspects and are physiological in the underlying change. Overall, these elements have contributed to implementation delays that need to be addressed and resolved over a short time horizon to consolidate the envisaged process of change. First of all, the weakness of the structures responsible for governance, both in terms of quantitative shortages of dedicated staff and of some specific professionals, has limited, at least in part, the effectiveness of regional action. In this context, the placement within the DRAP of both the entity responsible for governance and the entity responsible for its implementation was not suitable to guarantee the independence that the Community guidelines suggest to ensure full transparency in the implementation processes. This is all the more relevant because of the absence of the balance that should have ensured the SG and in light of the limited activation of the GLT.¹³⁶¹³⁷

The analysis of the administrative documentation and the work of comparison with the main stakeholders have highlighted some of the critical issues that have characterized the transition from the approval phase to the start-up phase, first, and of ordinary implementation, then. These are, to a large extent, not problems of a conceptual nature but rather of a procedural and organizational nature which, given the extent of the change envisaged, appear to some extent natural in relation to the path taken, but which nevertheless require the adoption of adequate and timely corrective measures. On the other hand, it should be emphasized that a structural modification of procedures widely consolidated in the administrative culture of an organizationally complex public entity, such as the Sicilian Region, is a process that can hardly be completed in a short period of time, but which instead requires a long-term commitment and a constant fine tuning. The theme is well known: territories characterized by

¹³⁶ Regional Department of Programming

¹³⁷ Thematic working groups

limited growth are more vulnerable and the processes of improving governance and transparency are slow and complex.¹³⁸

In the face of this awareness, the weakness of the structures responsible for governance both in terms of quantitative shortages of dedicated staff and of some specific professionals, seems to have limited, at least in part, the effectiveness of regional action. In the broader issue related to the absence of staff turnover and progressive aging of the organic plant of the Region, the insufficient presence of personnel with specific skills weighs. The current configuration of the structures that support the implementation of UTC appears at least partly undersized in relation to the role, quantity and importance of the obligations to be completed. Taking as a reference the indications provided by the S3 Platform on the ideal size of the management structure, even if the current composition of the UTC does not appear significantly different, it must be considered that the specificity of the regional context, including the need to put a new governance system into operation, require, at least in the start-up phase, additional support that has not been there.

In the period between 2015 and 2020 there were a series of activities to recognize the needs of human resources and start procedures that, however, did not lead to the selection of the support figures envisaged, although with DGR n. 206 of 28.05.2020 it was possible to evaluate the scheme of agreement with the in-house body FormezPa for the specialized external support for the implementation of the OP ERDF Sicilia 2014-20.¹³⁹

The same support function by the Interdepartmental Working Group, which supported the UTC pending its establishment and full operation, was not exclusively focused on the launch and implementation of governance but rather concerned a varied support activity to the DRAP for the preparation of the acts necessary for implementation. This support activity was wide-ranging and concerned both a concrete aid to the preparation of the calls for tenders and preliminary study activities necessary for the strategic definition of the nature of the actions to be carried out. The action of the GdL also concerned the activities necessary for the establishment of the so-called external governance structures, but these did not represent the unique function of the Group. It follows that the manner and timing with which, finally, the issue of the availability of human resources was dealt with was a very critical element in

¹³⁸ EC communication "lagging regions initiatives"

¹³⁹ As for example the editing selection notice

relation to the actual operation primarily of the UTC itself and cascading of the other governance structures (SG, GLT) that to fully exercise their functions needed a role of technical secretariat that an inadequately structured UTC was not able to perform. Although the technical support of the GdL has supported the activities of the UTC also with the production of specific outputs, the substantial amount of activities envisaged, would probably have required constant and fully operational support under the direction of the UTC for the performance of the daily activities of this structure. Therefore, the evidence that emerged shows the existence of an administrative impasse that until now has frustrated the various attempts to make up for the absence of a structure fully compliant with the directives of the UTC and with adequate competences to the tasks assigned to it.¹⁴⁰

VI. INDEPENDENCE AND TRANSPARENCY

The issue of independence and transparency in the governance process can be addressed with a view to the appropriate separation of responsibilities. This implies a reasoning in part already realized in relation to the location and the relationship of functional dependence between the subjects who perform the different functions. As previously pointed out, the decision to place the Office responsible for coordinating the ERDF Funds in the same structure responsible for the implementation of almost all the actions, while on the one hand favors the connection between the different Offices, on the other does not ensure the aforementioned independence of the decision-making function from the implications of an implementing nature. In light of the state of implementation of the other components of external governance, namely the GLT and the SG, this imbalance is not even countered by the presence of external subjects called to express themselves in relation to the strategic decisions concerning the Strategy. On the other hand, the participation of these actors is also functional to fill a democratic deficit and a general lack of confidence in the process that derives from the fact that these actors, or the issues they represent, are not taken into adequate

¹⁴⁰ By way of example, among the functions that the UTC should have guaranteed are: the definition of strategic documents on the periodic updating of the technological development trajectories for each area of innovation, for the construction of technological and innovation roadmaps shared with the Partnership and the Administration; the preparation of methodological and/or communication and/or strategic monitoring documents of the S3 Sicilia and Foresight technological; the elaboration of studies, analysis and reporting related to the collection and processing of data and information on the S3 Sicily 2014-2020, etc.

consideration in the implementation paths. In summary, such research should move towards the inclusion in the implementation processes of as many subjects act collectively to share and collaborate around a common resource to produce in an open way and therefore in favor of the community regardless of the level of organization achieved. A further critical element is attributable to the absence of exclusive focus of the UTC with reference to the functions delegated to it. The manager responsible for the UTC is also entrusted with administrative functions, including those responsible for the selection of the operations of the various implementation procedures of the OP ERDF Sicily 14-20, which tends to absorb the same in terms of time and effort causing a slowdown in the pursuit of other functions.¹⁴¹¹⁴²

VII. MONITORING AND EVALUATION

The level of stability and transparency of the processes that characterize the governance model on the subject of evaluation and learning is considered to be of fundamental importance. It refers to the mechanisms that allow you to constantly analyze the implementation so as to correct the shot when deemed necessary. In this regard, the presence of a structured monitoring system is important. The responsibility for the management of the monitoring information system of the OP ERDF Sicilia is attributed monitoring to the UTC, which will devote specific human resources to the activity of data collection and the elaboration of a related report. From the analysis of the documentation examined, it emerged that the Administration has made two attempts to create an information system for the implementation and management of the communication contents of the OP ERDF 14-20. In particular, during 2017, a collaboration was launched with the Lombardy Region that led to the creation of a basic version of a platform that allowed the provision of a wide range of services: creation of working groups, sharing documents, news, partner search, etc. The final step of the project, according to which the platform would have migrated to the servers of the Sicilian Region in the spring of 2018, has not materialized. The documents examined,

¹⁴¹ Some authors argued, in this regard, that an effective inclusion of civil society in the decision-making processes of the various OPs European Funds it would help to address challenges such as the environment more effectively, which with the New Green Deal plays an even greater role in the framework of EU policies, but also other issues such as material deprivation and corruption

however, do not highlight the reasons impeding the definitive implementation of the path. A second attempt aimed at creating an information tool, parallel to the one just described, concerned the participation of the Sicilian Region in the LINKORD project that began in 2017 as part of the PON Governance and institutional capacity 14-20. In this case, the tool was the website "toscana open research" whose functionalities are focused more on stimulating interactions between the actors of the regional innovation system¹⁴³. However, even this design collaboration, despite the work done by the GdL to achieve a use of the system by the Sicilian Region, has not finally materialized¹⁴⁴. Even from the recent Monitoring Report released in June 2021, the attempt to arrive at a precise description of the progress of the ERDF OP 14-20 with reference to all the other tools that make up the policy mix has not been satisfactory. And in fact, for the preparation of the 2021 Report, the integration of data collected from different information sources was used and, in order to offer a picture as exhaustive as possible on the state of the art of the Implementation Strategy, the database and information reconstructed by UTC was drawn. It is not, therefore, a question of data relating to the progress of expenditure but, rather, of a representation of the commitments undertaken by the Regional Administration through the implementation of the individual instruments of each of the programmes. Net of the delays in the implementation of the OP, therefore, as also emerged during the direct interviews and already highlighted in the previous pages, the existence of a pressing need for information on the part of the UTC is highlighted: the information is made available by SMEs but there is no electronic storage system that makes it usable. In this regard, it was hoped for full interoperability between the monitoring system, Caronte and the portal of facilities for 2021-27 which is not present at the state of the art. More precisely, in addition to quantitative monitoring, there is a need for strategic monitoring of processes that to be conducted by UTC requires dedicated resources as it requires extensive work of information collection, interviews, processing of data also qualitative. This also emerges clearly from phases 1 and 2 of the S3 Sicily 2019 roadmap¹⁴⁵:

¹⁴³ The system allows, precisely, the satisfaction of the following needs: identify and integrate contextualized, updated and heterogeneous data distributed on different sources and "silos"; analyze and communicate such data in a manner customized for the different users and purposes (decision-maker, stockholder, civil society); identify and map emerging trends that escape traditional taxonomies.

¹⁴⁴ The project also involved other regional administrations: July 2020 the revocation was initiated due to the delay in implementation

¹⁴⁵ "Relevance and completeness of the monitoring system with a focus on indicators" sub phase 1 and "2. Verification monitoring - set of indicators (all); - Information system - Integration of databases" sub phase 2

in particular, it is emphasized that "the reflection on the indicators has not been fully addressed".¹⁴⁶

VIII. MULTI-LEVEL GOVERNANCE

The declination of the Strategy in the implementation policies of the OP ERDF Sicily 14-20 reconciles two levels: the comparison with the national political dimension and that with the level of sub-regional policies. With reference to the vertical dimension of coordination, it emerged that, although there were moments of confrontation with ministerial representatives or the Territorial Cohesion Agency, contacts between the regional and central levels were, on the whole, quite limited. For these reasons, some branches of the Administration have supported the inclusion of the regional referents of the TNC within the SG. With specific reference to the need to adopt more flexible models, it is possible to look at the model adopted by the Norte Region¹⁴⁷. Appreciated for its capacity for involvement, it places the responsibility for the strategy on the regional Innovation Council; within the board there are platforms that represent real spaces for entrepreneurial discovery and, therefore, present a multisectoral and multi-institutional composition and lead to the proposal of specific lines of action and recommendations that the Board must appreciate or approve or adopt and, where relevant, submit to the Managing Authority of the Operational Programs for the implementation of EU Funds, competent *ratione materiae*. The basic logic of the model, aimed at avoiding excessive duplication of management bodies, is flexibility: for this reason, the Council meets in plenary sessions or, if necessary, in sessions focused on specific areas of specialization with the involvement of platforms. The same underlying philosophy, aimed at rationalizing and simplifying, inspired the change in the model of the Friuli Venezia Giulia Region which introduced, in 2019, the possibility for the Technical Secretariat to operate both in a restricted version and in an enlarged mode depending on the topics covered¹⁴⁸. Furthermore, the FVG has introduced specific operational solutions to improve the EDP process: a minimum frequency for meetings and precise operating rules for decision-

¹⁴⁷ The North region is a Portuguese region

¹⁴⁸ The first case offers technical and operational support, to ensure implementation; in the second modality it involves different referents of regional departments, *ratione materiae*, to support the definition of tools and calls and evaluation questions

making¹⁴⁹. Finally, to ensure stability to the implementation process, a minimum staff dedicated to permanently supporting both the implementation and the revision of the ERDF has been guaranteed and a more stable and proactive involvement of the various Regional Directorates has been promoted with specific regulatory acts¹⁵⁰.

It should be noted that the coordination mechanisms between the national and regional directives are not precisely defined. In this regard, it became clear that, although Open days held in Calabria and Sicily in recent years, have focused on the need for coordination procedures at local level, in the implementation phase of the ERDF OP, this coordination has proved to be very complex also because of the rules and constraints that exist in the implementation of Community policies with reference to territorial constraints. The coordination mechanisms envisaged, including with regard to Horizon, although they were envisaged, have remained substantially unimplemented. With regard to the category of the PA, as emerged by analyzing the internal compositions of each GLT, we observe the exclusive presence of members of the Regional Administration resulting in the absence of different levels of government such as, for example, institutional representatives of municipalities or metropolitan cities or representatives of intermediate bodies for the management of resources of the European Funds. From this point of view, the ability of the model to feed multilevel governance processes is weakened. The analysis therefore found that the sub-regional level of government has been underused despite evidence that concrete specialisation choices have been made more frequently at local than regional level. In particular, the evaluations on the subject underline how it is necessary to encourage experimental processes that involve as many actors as possible at local level, especially those who take a leading role in these territorial contexts, starting from the assumption that the complexity deriving from the involvement of decision-makers belonging to different levels of government can translate into a real advantage at the time of implementation. In essence, it is a matter of clearly identifying subjects and functions: who has a leading role, who has a collaborative role, who has a role to obtain the final result of reducing the distance between the time and the place where knowledge is generated and the application of specific territorial challenges.

In conclusion, it is clear that it is necessary to concentrate the governance action towards a greater interaction between the parties involved, starting to give priority not only to "know

¹⁴⁹ adoption of regulation and principle of constitutive and deliberative majority

¹⁵⁰ Decree of DGEN n. 663/2019

what to do" and "know why", but also to "know how" and "know who". In this perspective, it should be noted that there is no progress without a strong anchoring to the basic knowledge of a territory¹⁵¹, but at the same time, that it is possible to arrive at complexity in stages, implementing courageous investments in areas where the expected benefits are high, even if extremely difficult to achieve, and proceed to a progressive consolidation of the results, focusing on a thematic subset from time to time. The evaluative evidence shows the success of such an approach in less developed areas of the European Union whose characteristics, *mutatis mutandis*, are similar to those of Sicily.¹⁵²

V. INVOLVEMENT OF DIFFERENT ACTORS

Sicily suffers from a policy heritage that makes complex the possibility of achieving consistent results in a limited time horizon such as that relating to a community programming cycle rather complex. Cognitive change is not enough, *ex se*, to bring about a change in the behavior of the actors and, even where the Administration has spent time assimilating the need for a change of approach, the effects of such a change may require a longer gestation time. On the other hand, the composition of governance structures is affected by the limited participation of subjects, for example, representatives of the social and environmental world, individual innovators, representatives of the third sector, independent experts and citizens. The evolution of governance will necessarily have to take charge of this need for change. With this in mind, in order to increase the expected results, it is necessary to strengthen the structures responsible for managing and controlling the implementation process. The analysis of involvement requires a preliminary reflection on the characteristics of the regional territory and cannot be separated from some Heritage policy considerations¹⁵³. With reference to the aspects that cannot be measured from a quantitative point of view, even managing to stimulate a cultural change on the part of policy makers, the path that leads to reaping the first fruits would remain long and, with good probability, the effects would be measurable on a longer time scale than that of a programming cycle. It would not be surprising, in this regard, that some of the seeds planted sprouted over the next few years. On the other hand, cognitive

¹⁵¹ Balland, Boschma, *Smart specialization policy in the European Union: relatedness, knowledge complexity and regional diversification*, Italy, 2018, p 37

¹⁵² See note 150

¹⁵³ Cavallini, *Using the Quadruple Helix Approach to Accelerate the Transfer of Research and Innovation Results to Regional Growth*, 2016, pp.19-20

change is not enough, *ex se*, to determine a change in the behavior of the actors for which many other elements are necessary such as adequate resources, the involvement of the right subjects, the definition of routine. According to the guidelines available on the S3 Platform, the category of the fourth propeller is composed of "innovation users"¹⁵⁴, i.e. members of civil society. These are therefore customers, citizens, members of the community who, in the final analysis, constitute the enabling factors and end users of innovations and who, at least on a theoretical level, represent, together with companies, the main recipients and whose involvement is fundamental for consensus building. In this regard, in order for the demands of a social nature to be more satisfied during implementation, it is desirable for the Administration to make an extra effort to include within the processes, but also within the governance structures themselves, of a component more representative of the environmental, social and third sector trade associations in general looking at models that already in other contexts have proved particularly effective in revitalizing urban ecosystems. Therefore, recalling the evidence already presented in the previous paragraphs, the theme inherent in the effects of involvement in governance must be declined on the basis of two basic assumptions: the low participation in the processes by citizens and the high index of corruption. A careful evaluation of the areas, or at least of the sub-areas, on which to focus future policies is recommended, guided by an objective observation of the context to identify the specific territorial competences and not be attracted by development hypotheses that are not feasible in that specific territorial area. Although a precise identification of any corrective actions aimed at conferring greater effectiveness of the governance model would require further investigation, it is possible, based on the evidence in the literature¹⁵⁵ and the results of field analysis, to highlight some specific potential of the model examined that could lead to the achievement of important results in terms of progress, conducting the implementation processes on paths not fully explored so far both in terms of possible solutions and type of subjects involved. New stimuli, for example, could derive from an effective participation in governance structures by environmentalists, operators in the non-profit world, actors in the school system, members of civil society but also by independent experts or individual

¹⁵⁴ Collective entity formed by individual users living on a territory and interacting with university, industry and government as customers, citizens or members of a community in order to contribute to building new innovation paths which are able to promote the socio-economic growth of the territory

¹⁵⁵ Albertini, Overbeek, Hoes, *Connecting bio-based forces for a sustainable world*, see: www.biovoices.eu (accessed 13/07/22)

innovators¹⁵⁶, representatives of consumer associations, representatives of professional associations but first and foremost Mayors and Municipal Councilors.

¹⁵⁶ This may include, by way of example, participants in projects financed by EU Funds

CONCLUSIONS

If the failure to complete the governance framework mainly concerns the involvement of subjects who are external to the Regional Administration, even with respect to the organization of the internal dimension, an articulation which is partially distinct from the initial design emerges, contributing to determining a lower clarity in the univocal attribution of responsibilities for the performance of activities. More specifically, on the basis of the functions attributed to it by the organizational reform that affected the Regional Administration in 2016, a more articulated organizational structure has been established that provides for the co-presence of several subjects in the performance of governance functions: on the one hand the newly established UTC itself and on the other the Service 3 of the DRP by virtue of its previous role in the design phase. The space of connection, first of all, between these two subjects but also between all the other actors within the Administration who are directly involved in the implementation of the European Funds, is identified in the GdLI which, compared to the previous phase in which it had assumed responsibility for the definition of the OP, is called on to continuously ensure without interruption all the actions envisaged by the implementation programming attributable to PO ERDF14-20 under the coordination of the DRP. It is therefore an organizational solution, at least in part, seen necessary to provide support for the fulfillment of the substantial amount of obligations placed on the UTC that the same, due to its recent establishment and its endowment of internal staff, could not have satisfied alone within the set time. Although therefore, in the start-up phase of the Strategy, the role of the DRP appeared physiological, on the other hand, with the passage of time, this co-presence could instead have contributed to reducing the ownership of UTC compared to the responsibilities and skills that had been attributed to it. In this context, the attribution of the coordination of the GdLI to the DRP does not seem to have been the optimal solution to consolidate the framework of responsibilities in the governance start-up. In terms of external governance, i.e. that in which subjects not belonging to the Regional Administration (SG and GLT) also operate, the organizational structure adopted is not yet fully completed. The activation of the GLT was carried out in May 2017 and, with a subsequent integration in August of the same year, their composition was adapted by partially resolving the weak presence of the entrepreneurial component among the subjects initially identified. Conversely, even in their final set-up, the Groups continued to lack the presence of individual innovators, members of civil society or non-entrepreneurial trade associations. The

coordination of complex processes involving a multiplicity of subjects requires the definition of a framework of responsibilities that clearly explains who does what, in what way and in what times. There are many reasons for the delays that have accumulated. These are, in large part, not problems of a conceptual nature but rather of a procedural and organizational nature which, given the extent of the change envisaged, appear to some extent natural in relation to the path taken, but which nevertheless require the adoption of adequate corrective measures. Among all, the main one seems to lie in the structural lack of qualified human resources exclusively dedicated to the management of these processes, further aggravated by the absence of ad hoc technical support which, given the specificity of the regional context, including the need to put a new governance system into operation, seems necessary. It would not be so much a question of a quantitative strengthening of substantial dimensions as rather of the identification of some qualified human resources, belonging to the Regional Administration, which are exclusively dedicated to the analysis and planning, guidance and coordination, monitoring and evaluation of the ERDF processes but in general of all European funds. The burden of governance of the European Funds must be supported by adequate human and instrumental resources to allow the effectiveness and efficiency of the functions of analysis and planning, guidance and coordination, monitoring and evaluation. The evaluation of the functioning of governance cannot, on the other hand, disregard the observation of the modest progress of the Programme, which, in part, explains the attribution of priority to the recovery of implementation and spending delays, even at the expense of the implementation of governance. The basic idea is that the iterative process of collective learning and sharing and co-decision with stakeholders has been greatly weakened by the limited ability to complete the preordained phases of evidence gathering. The state of implementation of the OP ERDF 14-20 Sicily confirms a degree of progress contained not only of commitments and expenditure but also in relation to the pursuit of the policy mix initially envisaged, whose revision, rather than reflections on the validity and strategic relevance of the actions, seems to have been conditioned by reasons of critical implementation. Ultimately, although, at least in its original structure, the model would therefore theoretically be able to ensure the governance of all regional policies, its incomplete implementation has partly undermined the ability of structures to exert a constant impetus to implementation. There is a weakness in the Region's function of guiding the process, which is mainly found in the absence of an operating methodology that allows the work to be focused on the realization of the outputs, although, in some cases, the first organizational methods or the creation of specific contents emerge.

The effectiveness of cohesion, on the other hand, recalls the question of the independence and transparency of the functioning of governance, which implies an adequate separation between the person responsible for the implementation of the Strategy and the one responsible for the governance of the Strategy. If, at a formal level in Sicily, this requirement is fully satisfied, at a more substantial one the placement of the UTC in the same structure (i.e. DRAP) responsible for the implementation of most of the actions, risks compromising the independence of the decision-making function from the implications of an implementing nature. Similarly, the exercise of the monitoring and evaluation functions, useful to ensure stability and transparency to the processes that characterize the governance model, are lacking in a timely monitoring system capable of returning the necessary information in the first place and, consequently, also for the purposes of evaluation. The dynamism of the regional community is an essential element on which to build a process of entrepreneurial discovery more pushed than in the past. With this in mind, in order to maintain a high level of stakeholder interest, the level of participation in the processes must be strengthened.

In order to achieve, progressively, a truly participatory model, it is therefore appropriate to open up governance to the business system, especially to those that can play a leading role with respect to the territory. The objectives and expected results must be constantly monitored to ensure compliance with the action deadlines and to promptly introduce any corrective measures. With regard to the functionality of the governance model to ensure horizontal and vertical coordination, in terms of organizational setting and the specification of the functions assigned by subsequent planning acts to the bodies that compose it, they define a suitable scenario to ensure an integrated implementation of the Strategy transversally to the regional structures that are responsible for the different policy areas more or less directly linked.

In the face of this, however, in all regional policies it seems that only partial interest has been expressed by some branches of the Administration, at least in the initial phase of the process has hindered positive progress. It is therefore not surprising that, although there are some attempts to implement an integrated approach, the coordination activities are overall modest both with reference to the Departments that implement the actions of the ERDF OP and, a fortiori, with regard to the Departments that perform the function of AdG of the other regional programs financed by European funds ¹⁵⁷. In general, fewer difficulties were found in the implementation of horizontal policies where the regional departments had already

¹⁵⁷ As for example the ESF OP and EAFRD RDP

implemented, independently, policies on specific sectoral issues. Furthermore, with reference to the vertical dimension of multi-level coordination, the analysis carried out revealed an overall reduced scope of comparison and integration actions. Compared to the national level, although there were moments of confrontation with ministerial representatives or the Territorial Cohesion Agency, contacts between the regional and central levels were, on the whole, quite limited. Even less significant is the comparison with the sub-regional level of government that has been underused, although there is evidence that concrete choices have been made more frequently at the local level than at the regional level. In this regard, the presence of intermediate bodies that can act as a collector between the policies resulting from implementation and the specific instances that arise at local level, seem rather limited at a regional level. On the other hand, however, there is a certain diffusion of territorial strategies in Sicily within which operate subjects who have matured, during the different programming cycles, an intense wealth of experience and relationships that can also be enhanced in the context of implementation. The delegation by the governance structures of some of the functions of animation and coordination of the processes proves to be effective if implemented in favor of bodies that demonstrate to have an adequate rootedness in the territory and a good ability to manage relations between the different stakeholders.

This function can be carried out, with reference to the sub-regional level, by institutional representatives of municipalities or metropolitan cities or representatives of intermediate bodies for the management of resources of the ESI Funds¹⁵⁸ while, with reference to the national level, through the inclusion of regional referents of the TCS within the governance structures. With reference to the actual results of the involvement of the various actors, although it is still premature to express oneself due to the limited implementation of the OP ERDF Sicily 14-20 and within it of the OT1, it is not surprising to note that, at present, the involvement of representatives of the fourth helix has been modest. Concrete examples in which the bottom-up approach initially envisaged has not actually materialized concern: the action system that were characterized by a high involvement of the interlocutors coming from the four branches that make up the quadruple helix; support for the generation of innovative solutions to specific problems of social relevance, also through the use of open innovation environments such as Living Labs. This evidence is at the same time determined by two factors: on the one hand, it has been found that a wide gestation period is necessary for the maturation of the effects of interventions aimed at the active and effective involvement of the

¹⁵⁸ such as Inland Areas, Urban Areas, LAGs or FLAG

actors of the fourth helix in the design of smart specialization strategies; on the other hand, the strategic value assumed by the widespread presence of organizations / bodies representative of civil society that operate with innovative approaches to determine the effective involvement of the fourth helix in the processes was widely emphasized. Although a precise identification of any corrective actions aimed at conferring greater effectiveness of the governance model would require further investigation, it is possible, based on the evidence in the literature and the results of field analysis, to highlight some specific potential of the model examined that could lead to the achievement of important results. New stimuli, for example, could derive from an effective participation in governance structures by environmentalists, operators in the non-profit workers, actors in the school system, members of civil society in general but also by independent experts or individual innovators, representatives of consumer associations or even representatives of professional associations.

Nevertheless, these are policies that require a long period of time to show their effects. Finally, it seems logical to highlight the limits to the evaluation of the effectiveness of the governance model adopted by the Regional Administration with specific reference to its ability to effectively involve the implementation processes. It was not possible to deepen the reasons underlying the reduced involvement of the business world or the lack of involvement of the actors of the fourth helix since there were no interlocutors who took part in a full and constant way in the implementation of governance processes. The search for evidence in this sense would presuppose a further deepening of the evaluation exercise that should intercept those subjects who "could" have taken part in the processes but have not done so. By way of example, the dynamics in the relationship between Citizens and Regional Administration should be further explored, therefore the identification of any possible stimuli to strengthen the involvement of the sub-regional levels of government. Any future investigations could act as a stimulus to the construction of those relationships that have not yet been realized, being able, in the final analysis, to determine results in terms of growth in social capital. This survey, however, focusing on the detection of the effectiveness and efficiency of the processes of continuous listening to stakeholders who are active in the regional territory would take on particular relevance with specific reference to the functioning of the cooperation which constitutes the fourth criterion of fulfillment for good governance provided for by Article 11 of the draft DRC for 2021-27.

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APPENDICES

Appendix a

EUROPEAN SOCIAL FUND

a. Regional legislation

The strategic choices of the ESF Operational Program of the Sicilian Region find their community and national regulatory basis on the labor market, social inclusion and human capital in:

- Recommendations of the European Council to the 2014 National Reform Program, with respect to the full implementation of the labor market reform, strengthening and qualification of the education and vocational training system with a view to the recognition and use of qualifications, actions to combat youth unemployment (through , in particular, the implementation of the YEI). These are guidelines for intervention priorities which, in fact, trace the path of structural initiatives to be taken in order to achieve the national objectives of Europe 2020 and which attribute a leading role to the policies that can be co-financed by the ESF;
- Community regulations 2014-2020, with particular reference to the principle of thematic concentration which for the ESF operates at the level of investment priority: in the "less developed" areas, no less than 60% of the resources must be allocated to no more than five investment (among the 19 set out in Article 4 of EU Reg. 1304/2013) and, among them, at least 20% must be allocated to the theme of social inclusion;
- See also ¹⁵⁹.

¹⁵⁹Position Paper, of the European Commission at the end of 2012 in anticipation of the start of the negotiations on the Partnership Agreement (PA) and the Operational Programs (OP), which reduces the investment priorities requiring co-financing from the ESF in our country to 10; the Partnership Agreement, with which the national government establishes clear programmatic guidelines for each of the thematic objectives (TO) referred to in art. 9 of EU Reg. 1303/2013, and acknowledges and specifies the innovations introduced with the document "Methods and objectives for an effective use of EU funds 2014-2020"; Council Recommendation of 22 April 2013 on the establishment of a Youth Guarantee, which, in addition to guiding the PON YEI, constitutes a relevant reference for the implementation of the ROP ESF, with which it is intended to act in close cooperation and in complementary to the National Program.

Of equal importance is the political agreement between the Minister for Territorial Cohesion and the Presidents of the Regions in relation to some basic principles ¹⁶⁰of the Community cohesion policy which have reduced overall funding compared to 2007-2013;

a. Framework requirements

The recessive economic trend described in point (I) of this chapter, in the case of Sicily, has accentuated even more the structural, productive and social gaps and delays already present, producing a significant drop in regional production. This has produced an emergency condition of the labor market causing the flight of human capital, in particular of the most competitive one in terms of knowledge and skills possessed. Between 2008 and 2013, the crisis caused a contraction in the number of employees by over 150,000 units. The regional employment rate has decreased since 2008 and stood at 39.3% in 2013: the comparison with the reference aggregates shows a deficit situation both with respect to the data for the South ¹⁶¹and the Italian average ¹⁶². The downward trend in the rate is found, both for the male component and for the female one. In Sicily, female employment in 2013 settles on a value that is almost half that of men and the difference with the EU 28 figure is more than 30 percentage points ¹⁶³. The most worrying data concern the younger sections of the population: the employment rate for young people aged 15 to 29 has decreased by 5.2% in five years, reaching 17.9% in 2013 ¹⁶⁴. Also in this case the decline is more pronounced for men (-6.6%) than for women (-3.9%). Also affecting the low employment rates is a tendency towards discouragement on the part of younger people, who, not seeing concrete prospects of finding a job materialize, end up abandoning the search for work. Even the data regarding unemployment tend to worsen: in 2013 in the Sicilian territory there were 352,000 unemployed, representing an increase of 116,000 units compared to 2009 (+ 49.1%). Consequently, the regional unemployment rate also increased significantly, which recorded an increase of over 7 percentage points between 2009 and 2013, reaching a value of 21.0% in 2013: in Italy, the figure represents the third highest value, after Calabria at 22.2% and Campania at 21.5% ¹⁶⁵. Also in this case the consequences of the current economic difficulties

¹⁶⁰financial allocations at national and regional level, size and distribution of co-financing

¹⁶¹42.0% Data source: ISTAT 2013 "Employment rate 15-64 years"

¹⁶²equal to 55.6% Data source: ISTAT 2013 "Employment rate 15-64 years"

¹⁶³Data source: Eurostat 2013 "Employment rate, 15 to 64 years".

¹⁶⁴Data source: ISTAT 2013 "Employment rate 15-29 years"

¹⁶⁵Data source: ISTAT 2013 "Unemployment rate 15 years and over"

were more negative for the male component (+ 7.5%) than for the female component (+ 6.4%), which nevertheless recorded the highest absolute values. As is well known, and as evidenced by the data, the phenomenon of unemployment in Sicily has a much higher significance than what can be seen both at the national level, where in 2013 the unemployment rate was equal to 12.2%, and in Europe at 10, 6% (Data source: Eurostat 2013). What is further worrying is the duration of unemployment, which has also increased in recent years: the percentage of people seeking employment for over 12 months out of the total unemployed exceeded 65% in 2013 and 70% for women ¹⁶⁶, a circumstance that it also implies an increase in expenses for social safety nets and favors the discouragement of those looking for work and the possibility of passing to a condition of inactivity. The unemployed young people (15-29 years), with reference only to the two-year period 2011-2013, there is an exponential increase with an index that goes from 33.9% to 46.0% ¹⁶⁷, and that according to the data, not yet stabilized by the 2014, it is further increased to 51%. The unemployment rates of young people are lower for those who have educational qualifications than those who do not, these are, however, particularly high and well above those of young graduates and graduates of the central-northern regions ¹⁶⁸. A sign of a productive fabric unable to enhance medium and high professionalism. A condition of growing hardship which is further reflected in the increase recorded in recent years in Sicily in the number of families in poverty which in 2012 was 34.8% which represents the highest value recorded by this indicator in Italy ¹⁶⁹. The negative effects of the economic crisis are associated with an alarming demographic picture for Sicily. In a period in which the region keeps its overall volumes of resident population constant at around 5 million due to the contributions of the migratory component from abroad, which compensates for the poor regional reproductivity, and due to the resumption of emigration towards other regions above all, and which concerns the younger and more educated components, we are witnessing a rapid progression of the aging of the Sicilian population, at a much faster rate than in the rest of Italy. This is a trend that in the medium term risks having a negative impact on the stability of the regional welfare system. The island must therefore cope with the demand for assistance services produced by the growing work and social unease and which would therefore require significant consolidation and

¹⁶⁶Data source: ISTAT 2013 "Long-term unemployment incidence"

¹⁶⁷Data source: ISTAT 2013 "Unemployment rate 15-29 years"

¹⁶⁸unemployment rate of graduates: 42% al

South, 24% in the Center and 16% in the North; for high school graduates, 40% in the South, 27% in the Center, 20% in the

North (Data source: ISTAT 2013 "Unemployment rate by educational qualification")

¹⁶⁹See point II lett. c of this chapter

development both in terms of equipment and the quality of the services offered. The difficulties and delays that have emerged as regards the labor market and discomfort are further confirmed also in the education and training sector, which shows deficient situations. The educational levels of the Sicilian youth population are lower than those recorded for the rest of the South and for the entire national territory: the higher schooling rate for young people between 20 and 24 years old was 68.9% in 2013 against an average 77.3% in Italy and 73.9% in the South ¹⁷⁰. The data referring to early school leaving appear particularly worrying: in Sicily, in 2012, young people who left their studies prematurely were almost a quarter of the total while the national average was 17%. The dropout rate is particularly high for men (29.1%), while the situation is better for women who have also made progress in recent years (20.4%) ¹⁷¹. The data of the Sicily Region represent approximately double the European average and are very far from the objectives set by the Europe 2020 Strategy, whose target for Italy is equal to 15-16%.

These are alarming data that indicate a cross-section of training on which it is necessary to intervene with commitment, and also with a critical analysis with respect to what has been invested so far in the sector, to try to operate with greater effectiveness and results, in the awareness of the strategic nature that education plays into the overall territorial development strategies of the island. Difficulties also emerge from the point of view of the degree and type of education: in fact, the share of the population between 30 and 34 who has achieved a level of tertiary education, especially among men, is very low, just 12.1% in the 2012, while for women the situation is more favorable 21.1% ¹⁷². Also in this case we are far from the target set for Italy in the Europe 2020 Strategy, equal to 26-27%. Further information sources, although unofficial, also suggest that the chances of finding employment for graduates in Sicilian faculties are lower than for Italian colleagues.

, young people who do not work and do not study, has also worsened in Sicily in recent years. ¹⁷³In 2013, Sicilian NEETs now represent 39.5% of young people between 15 and 29 years, marking the highest value in Italy.

A factor of weakness of the Sicilian regional system is also represented by the deficits of the public administration from the point of view of institutional-administrative capacity, as a

¹⁷⁰Data source: ISTAT 2013 Higher education rate "

¹⁷¹Data source: ISTAT 2013 "Young people who drop out of school prematurely"

¹⁷²Data source: ISTAT 2012

¹⁷³Not in Education, Employment or Training

delay in the computerization process of the administrative procedure and in the digitization of archives and data networking. . The effects of this deficit of administrative efficiency and effectiveness are reflected on the production system and on society as a whole, in a lengthening of the times of fulfillment of the administrative burdens and related costs and in the presence of information gray areas that create fertile ground also for corruptive dynamics.

b. Strategy for achieving goals

The strategic choices of the operational program are addressed to the serious employment and social emergencies of the island. Taking into consideration the lower financial availability mentioned above, the Sicilian Region has identified the thematic objectives, the investment priorities to be implemented and the specific objectives to be achieved, on the basis of the concentration and integration principles proposed by the regulations of the ESI Funds.¹⁷⁴ for the period 2014-2020. The selected interventions are based on the ability to act more effectively taking into account the National Reform Program (NRP) and the stability program on the labor market and human resources. The Sicilian Region, in line with the regional characteristics and needs, aims to:

- social protection of the unemployed, supporting their job reallocation and strengthening the link between active and passive labor market policies;
- the improvement of the intervention capacity of services to support the employability of young people, with specific attention to those not registered with the employment services;
- widening the offer of traineeships and the opportunity for apprenticeship contracts for young people;
- the consolidation and increase of female employment thanks, above all, to the improvement in accessibility to assistance and care services;
- the rooting and development of the network of employment services operating in the regional territory, strengthening their coordination and efficiency;
- the consolidation and development of the network of services in favor of low-income families with

¹⁷⁴ European Structural and Investment Funds

children, with the aim of preventing them from drifting towards conditions of poverty.

With respect to the younger generations, the Sicily ESF Operational Program aims to ensure continuity and development on the Youth Plan, through the Youth Employment Initiatives which implements measures of access and support to quality education and training and support for work placement, also through business creation and self-employment, regardless of the family, economic and social background of the potential recipients. This strategic orientation also wants to be a reference for those measures aimed at adult unemployed, women and the disabled.

An approach that includes investments in the development of high-profile skills for the training and expansion of professional figures of excellence, to which the sectors of the Sicilian economy can refer.

With reference to the training and employment aspects, which may contribute to the achievement of the expected results assumed by the Partnership Agreement of Italy (AdP) for the thematic objective, the ESF Program of the Sicilian Region dedicates to the Employment Axis, within which concentrates the commitment to support active employment policy interventions for the activation and employability of that population of working age for which low employment rates are recorded. In particular, as previously highlighted, among young people, the share of NEETs for which it was deemed appropriate to proceed in a targeted manner within the thematic Objective 8, proposed by Regulation (EU) 1304/13, is significant. of the ESF, according to an approach that inspired by what is indicated by the Council Recommendation of 22 April 2014 on the establishment of a guarantee for young people, expands the tools that are being experimented on the aforementioned Youth Plan and National Operational Program "Guarantee for i Giovani 2014-2015 ", complementing and combining that action with diversified interventions depending on whether they are directly aimed at entering the world of work, at training recovery, at strengthening professional qualifications and the growth of skills and knowledge. This Axis of the Program then directs its commitment in favor of female employment. The assumption of a specific area of intervention of the Program in support of the employability of women represents a novelty for Sicily, where in the last two ESF programs, the issue of gender equality was addressed only through the integration of the gender mainstreaming in the various stages of program implementation but never resorting to direct interventions specifically dedicated to supporting

those conditions necessary to contain the risks of discrimination by gender and to favor the integration and employment of women.

The other targets of the Axis are represented by the adult unemployed and by those workers at risk of unemployment, and by other categories of workers in disadvantaged conditions, such as in particular the disabled, on which action will be taken through policies for employability, including the support for job placement, and mobility.¹⁷⁵

Compared to the strategic approach taken by the Region in support of employment, the commitment to the consolidation, strengthening and development of employment services is central. A fundamental area of intervention for the achievement of the expected results for this Axis, and on which it is intended to integrate other national instruments and programs ¹⁷⁶.

Through the exclusive commitment of the ESF, the Axis addresses the entire regional territory of Sicily, articulating itself in the following investment priorities:

- access to employment for job seekers and inactive people, including long-term unemployed and people on the fringes of the labor market, including through local employment initiatives and support for professional mobility;
- sustainable integration of young people into the labor market, in particular those who do not follow studies or training, including young people at risk of social exclusion and young people from marginalized communities, also through the implementation of the Youth Guarantee;
- equality between men and women in all areas, including access to employment and career progression, the reconciliation of work and private life and the promotion of equal pay for equal work or work of equal value ;
- the modernization of labor market institutions, improving cooperation between institutions and stakeholders.

The regional priorities revolve around the following expected results that the Sicilian Region has identified as driving forces for the dynamics of employment and work at the territorial level:

¹⁷⁵Overall, this is a strategic orientation that the Sicilian Region implements in alignment with the 2014 Council Recommendations on the National Reform Program (NRP) (see Recommendation No. 5) e on the stability program, proposed by the Council to Italy in relation to the issue of the labor market

¹⁷⁶PON Systems of active employment policies

- Increase the employment of young people;
- Increase female employment;
- Promote the job placement and employment of the long-term unemployed and those with greater difficulty in job placement, as well as support for people at risk of long-term unemployment;
- Improve the effectiveness and quality of services at work.

Thematic Objective 9 is implemented by the Social Inclusion and Combating Poverty Axis, through which the Region intends to promote social inclusion and prevent the fight against poverty by breaking the vicious circle of disadvantage that continues through generations, and pursuing a activation of subjects belonging to the most disadvantaged categories. This implies the mobilization of a range of policies targeting disabled and disadvantaged people.

Through the Axis, attention is also paid to the support of asylum seekers and beneficiaries of international protection (including those with humanitarian protection status), who represent, as is well known, a majority and growing component of the immigrant population that for some years interests Sicily.

On the basis of a careful analysis of the needs of the regional context, within the Axis attention was paid to the following investment priorities:

- active inclusion, also to promote equal opportunities and active participation and improve employability;
- improving access to accessible, sustainable and quality services, including social services and health care of general interest.

Regional priorities aim at the following results:

- Reduction of poverty, social exclusion and promotion of social innovation;
- Increase in employability and participation in the labor market, through courses

integrated and multidimensional active inclusion of the most vulnerable people ¹⁷⁷;

- Increase / consolidation / qualification of socio-educational care services for children and care services for people with limited autonomy;

- Strengthening the social economy.

As regards Thematic Objective 10, the aim is to contrast early school leaving and drop out by acting both in terms of prevention and recovery. A commitment that the ESF program of Sicily assumes through the implementation of complementary and strengthening measures with what the PON "For the School" will implement on the subject on the island's school system. Furthermore, through the ESF, it is intended to consolidate and further expand the offer of regional competence paths of the VET system ¹⁷⁸, both of the three-year ones aimed at issuing the qualification of professional operator, and of those relating to the fourth year for the achievement of the technician diploma. professional. This is an area of intervention that the Region pursues in total coherence with the Council Recommendations of 2014 to PNR Italy (recommendation No. 6), in which our country is asked to intensify its efforts to prevent early school leaving and improve school quality and outcomes through a commitment of regional resources. Again with respect to Objective 10, it is intended to strengthen the action of raising the levels of competence in the various levels of the education and vocational training system, developing and enhancing the training offer throughout the life of individuals and above all expanding the interactions between the business world and the research and higher education system. It therefore becomes strategic to aim for the recovery of the delays still present with respect to the levels of education and skills of the population of working age. In addition, Thematic Objective 10 concentrates the commitment by the Region in favor of policies for sustainable development with low environmental impact which, based on innovation, leverage on key sectors that offer greater growth prospects, such as in particular so-called green economy and blue economy. In particular, in line with the "New skills for new Jobs" Agenda, the Region through the ESF intends to support the retraining of the workforce by strengthening their skills. With respect in particular to the blue economy, the ESF intends to strengthen the commitment to the so-called economy of the sea. An action that

¹⁷⁷people with disabilities, pursuant to article 1, paragraph 1, of law 68/1999, disadvantaged people, pursuant to article 4, paragraph 1, of law no. 381/1991, victims of violence or serious exploitation and at risk discrimination, other subjects taken care of by social services

¹⁷⁸Institute of Employment and Vocational Training

involves the expansion of the initiatives aimed at training professional figures capable of responding adequately to the job opportunities offered in this sector.

Furthermore, again with reference to this area of the island's economy, specific attention will be paid to higher education at university level, with the aim of consolidating and developing connections between universities and research centers and businesses so as to favor the employment of graduates and doctorates and the dissemination of new technologies and innovations.

Thematic Objective 10 is implemented through the Education and Training Axis in which the intervention policies are divided into the following investment priorities:

- Reduction and prevention of early school leaving and promotion of equal access to good quality pre-school, primary and secondary education, including formal, non-formal and informal learning that allow you to resume education and training ;
- Improving the quality and effectiveness of higher and equivalent education e access to the same, in order to increase participation and success rates especially for groups disadvantaged;
- Strengthen equal access to lifelong learning, for all age groups in contexts formal, non-formal and informal, updating the knowledge, skills and competences of the workforce and promote flexible learning paths also through the orientation of the professional path and recognition of acquired skills;
- Improve adherence to the labor market of teaching and training systems, favor transition from education to work and strengthen education and training systems professional and improving their quality, including through mechanisms of anticipation of skills, adaptation of curricula and the introduction and development of programs work-based learning, including dual learning and apprenticeship systems.

On the training offer front, a role of absolute importance is assigned to the regional university system and to the established network of technical-professional centers.

Regional priorities will translate into targeted and incisive interventions:

- Reduction of early educational failure and of school dropout and training at the same rate context and with attention to specific targets, also through the promotion of quality;
- Improvement of pupils' key competences;

- Raising the educational level of the adult population;
- Enhancing the skills of the workforce and facilitating mobility, job placement / reintegration, through support for training courses related to demand from businesses and / or to the analysis of professional and training needs, to the issue of qualifications included in the regional or national repertoires, the improvement of the quality of the education and training system in line with European recommendations;
- Raising levels of skills, participation and educational success in education university and / or equivalent;
- Qualification of the offer of technical and vocational education and training.

The ESF Program plans to contribute to the implementation of Thematic Objective 11, reinforcing and integrating, for the specific intervention of the Fund, what the Region has planned to achieve through the commitment of the regional OP FERS 2014-20. The container of this ESF commitment for this thematic objective is represented by the institutional and administrative Capacity Axis (previously described). With this Axis, the Sicilian Region undertakes both to improve the efficiency and quality of the services provided by the regional administrative machine as a whole and to strengthen the institutional capacity of all those local public entities operating in the labor and educational services services. (education, training, assistance) and care involved, with different roles and functions, in the implementation of the policies supported by the ESF Operational Program. This is an Axis which among other things, in continuity with what has been experimented in the 2007-13 programming, dedicates specific attention to the improvement of the judicial offices that operate on the island. The interventions of this axis it is highlighted, will be conducted according to an implementation model careful to ensure the appropriate complementarities and integrations with the actions that will be implemented in this field under the PON Legality.

The decrease in the resources available to the program is a problem that the Region intends to address through synergies and complementarities with policies and interventions in the field of work, social inclusion, education and training conducted by other ESI Fund programs operating on the regional territory. The reference is in particular to the ERDF OP, the FEARS OP and the Sicily EMFF and the NOPs that intervene on the topics of interest of the ESF such as:

- PON Youth Employment Initiative, relating to measures in favor of youth employment, in particular in NEETs ¹⁷⁹(ESF, monofund);
- PON “Systems of active employment policies,” relating to active policies aimed at young people; in implementation of the results of TO8 and TO11 (ESF, single-fund)
- PON "For the School: skills and environments for learning", with respect to the intervention themes inherent to early school leaving and the strengthening of knowledge and basic skills; in implementation of the results of TO10 and TO11 (ESF and ERDF, multi-fund);
- PON "Inclusion", relating to interventions to combat poverty; in implementation of the results of TO9 and TO11 (ESF, single-fund);
- PON "Governance and Institutional Capacity" with respect to the commitment to strengthen the service capacity of public administrations operating in the region, implementing the results of the TO11 and supporting other results of various TOs (ERDF and ESF, multi-fund);
- PON “Research and innovation” (ERDF and ESF, multi-fund);
- PON “Legality” (ERDF and ESF, multi-fund);
- PON "Metropolitan Cities", implementing the Urban Agenda for the 3 metropolitan cities Palermo, Catania and Messina (ERDF and ESF, multi-fund).

The approach by type of actions (system / pilot projects) that characterizes the NOPs therefore guarantees a priori that there are no risks of overlapping with what the Region intends to implement under the Regional Operational Program.

The Sicilian Region intends, in the logic of institutional collaboration, to work in close synergy with the competent Ministries for the implementation of the NOPs in order to identify common strategies that allow to improve the impacts of the individual Programs.

With reference to those NOPs that are most relevant to the issues dealt with in the OP, a more specific definition of the methods that will be implemented to strengthen complementarity and integration is provided below.

¹⁷⁹Not in Education, Employment or Training

PON FOR SCHOOL

The Region highlighted the need to concentrate on a limited number of priorities the resources and interventions that will be implemented with the implementation of a specific strategic project to combat early school leaving (see priority 10.i of Axis 3 of the OP). The priority issue, in the face of the regional data on dispersion, is, in fact, that of activating extraordinary measures in order to increase the percentage of young people in possession of a degree and / or a professional qualification. The Region intends in particular to finalize its interventions to combat dropout on the lower and upper secondary school system. Specifically, the interventions of the OP will concern the area of support for students characterized by particular weaknesses through the implementation of internship activities; orientation; support for the choices of training courses. Furthermore, considering the need to strengthen the integration of the Sicilian school system with the production system and in the enhancement of work organization as places of learning, the Region supports the commitment of the PON on the priority for all actions capable of connecting the training experience with work experience: choice orientation, school-work alternation, curricular internship experiences and internships also in geographic mobility.

PON INCLUSION

With respect to the thematic objective on Social Inclusion, it should be noted that the National Program will primarily finance the Experimentation of Support for Active Inclusion. The National Program also intends to dedicate a portion of resources to social innovation projects, pilot projects and system actions. For these types of intervention there is no risk of overlap, considering in fact that at the regional level the Operational Program intends to finance mainly interventions that directly respond to the needs of the target population most exposed to social exclusion.

PON SYSTEMS OF ACTIVE POLICIES FOR EMPLOYMENT

The PON “Systems of active employment policies” aims at the creation of functional systems for the implementation of interventions in the territories and experimental actions aimed at favoring the diffusion of devices for the implementation of some interventions. With regard to interventions on subjects, it will develop through the orientation of policies towards different

targets, with a view to expanding the audience of recipients, to channel further resources towards shared objectives .

PON GOVERNANCE AND INSTITUTIONAL CAPACITY

The commitment of the Institutional Capacity Axis in the ROP, on the other hand, is largely, although not exclusively, aimed at developing the skills of the public staff of local and regional authorities. On a methodological level, PON - PO coordination takes place primarily within the Steering Committee, set up at the national level in order to ensure maximum coordination and orientation to the results of the interventions to strengthen administrative capacity carried out in the context of Sectoral and regional OPs.

PON METRO

Through the integrated actions envisaged for the PON Metro, in the cities of Palermo, Catania and Messina we try to address the main issues relating to development and territorial cohesion starting from the creation and networking of tangible and intangible infrastructures aimed at activating the metropolitan urban community, introducing new models of social innovation based on the enhancement of common goods and collaboration between citizens and public administration. The priority interventions envisaged by the PON in reference are attributable to the two drivers envisaged by the Partnership Agreement, and more specifically smart city and social inclusion. In this context, environmental issues are integrated such as the best sustainable mobility, promotion of eco-districts, urban green infrastructures. The Sicilian Region, through the OP FSE intends to contribute, as established in the Reg (EU (1304/13), to support the transition to the green economy. This is a strategic orientation which, motivated by the awareness of the opportunities that a structural transition towards a green economy with low carbon content, can generate in terms of innovation in all sectors and the creation of high quality environmentally friendly jobs, the Sicilian Region assumes consistently with the indications on the subject proposed by the Communication of the EU Commission "Green Employment Initiative". This is an area of commitment to the creation of "green jobs" which involves, in terms of the application of the EU Quality Framework in anticipation of changes and restructuring, support for professional transitions and to the mobility of workers which also includes the strengthening of entrepreneurship and the consolidation and development of social enterprises.

Priority axis / OT	Fund	Union support (in EUR)	Proportion of total support Union to the operational program	Thematic objective / investment priority / specific objective
8- EMPLOYMENT	ESF	249.698.474	40.6%	<p>8 - PROMOTE QUALITY AND SUSTAINABLE EMPLOYMENT AND SUPPORT THE MOBILITY OF WORKERS</p> <ul style="list-style-type: none"> - Promote job placement and employment for the long-term unemployed and those with greater difficulty in entering work, as well as support for people at risk of long-term unemployment - Increase the employment of young people - Increase female employment - Improve the efficiency and quality of labor services
9 - SOCIAL INCLUSION AND THE FIGHT AGAINST POVERTY	ESF	126,089,826	20.5%	<p>9 - PROMOTE SOCIAL INCLUSION, FIGHT POVERTY AND ANY FORM OF DISCRIMINATION</p> <ul style="list-style-type: none"> - Reduction of poverty, social exclusion and promotion of social innovation - Increase the employability and participation in the labor market of the most vulnerable people - Strengthening the social economy - Increase / consolidation / qualification of socio-educational services and infrastructures for children and care services for people with limited autonomy and strengthening and supply of local health and socio-sanitary services
10 - EDUCATION AND TRAINING	ESF	193,153,597	31.4%	<p>10 - INVESTING IN EDUCATION, TRAINING AND VOCATIONAL TRAINING, FOR SKILLS AND PERMANENT LEARNING</p> <ul style="list-style-type: none"> - Reduction of early educational failure and dropout from school and training - Improvement of pupils' key competences - Raising levels of skills, participation and educational

				success in university education and / or equivalent - Raising the educational level of the adult population - Increasing the skills of the workforce and facilitating mobility, job placement / reintegration - Qualification of the offer of technical and vocational education and training
11 - INSTITUTIONAL AND ADMINISTRATIVE CAPACITY	ESF	24,602,893	4%	11- STRENGTHEN THE INSTITUTIONAL CAPACITY OF PUBLIC AUTHORITIES AND INTERESTED PARTIES AND PROMOTE AN EFFICIENT PUBLIC ADMINISTRATION -Improvement of the efficiency and quality of the performance of the judicial system -Improvement of multilevel governance and of the administrative and technical capacity of public administrations in public investment programs
12 - TECHNICAL ASSISTANCE	ESF	21,527,531	3.5%	- Strengthen the processes of planning, implementation, management, monitoring, control and surveillance of the interventions envisaged by the Operational Program - Strengthen the evaluation system from the Operational Program - Strengthen the communication and information system of the Operational Program

Consistently with the principle of thematic concentration referred to in Regulation (EU) no. 1304/2013

relating to the European Social Fund in art. 4 “Coherence and thematic concentration”, for the Sicilian Region on

67.50% of the ESF budget ¹⁸⁰, focuses on the following five investment priorities:

- under Thematic Objective 8, "Access to employment for job seekers and inactive people, including the long-term unemployed and people on the margins of the labor

¹⁸⁰net of the contribution from technical assistance

- market, including through local initiatives for employment and support for professional mobility ”on which 17.62% of the OP's resources are concentrated;
- under Thematic Objective 8, "Sustainable integration into the labor market of young people, in particular those who do not carry out work activities, do not follow studies or training, including young people at risk of social exclusion and young people from marginalized communities, also through the implementation of the Youth Guarantee ”, with 12.35% of resources
 - under Thematic Objective 9, “active inclusion, also to promote equal opportunities and active participation, and improve employability”, with 14.42%.
 - under Thematic Objective 10, "Reducing and preventing early school leaving and promoting equal access to good quality pre-school, primary and secondary education, including formal, non-formal and informal learning pathways, which make it possible to resume education and training ”on which 10.36% of resources are concentrated
 - under Thematic Objective 10 "Strengthen equal access to lifelong learning, for all age groups in formal, non-formal and informal contexts, by updating the knowledge, skills and competences of the workforce and promoting flexible learning paths also through the orientation of the professional path and the recognition of the skills acquired "with a commitment of resources equal to 12.75% of the total available.

With respect to the investment priorities assumed by the Region, as well as with respect to the other priorities consistent with Article 3 of Regulation (EU) 1304/13, the NOPs indicated above also intervene in the regional territory with a financial commitment currently estimated only in relation to the NOP Youth Employment Initiative (€ 178,821,388.00 for the two-year period 2014-2015, investment priority Thematic Objective 8) and to the PON For the School (€ 674.8 million, included in national co-financing, for the seven-year period 2014-2020, Thematic Objectives 10 and 11). For the other NOPs of interest to the ESF (by name NOP systems of active employment policies; NOP Inclusion, NOP Governance and Institutional Capacity, NOP for Research and Innovation, NOP Legality and NOP Metropolitan Cities), a certain financial breakdown is not available at the moment. on a territorial basis.

However, considering the size of the Sicilian population and the levels of need that the island expresses in terms of employment needs and social inclusion, it can probably be expected that these will be huge resources able to partially compensate for the lower endowment of the OP. ESF Sicily compared to what was available in the previous programming.

