



Request for pilot action in phase 2

IMPORTANT: Before completing the template, the lead partner should first check the idea of a pilot action with their Policy Officer in the Joint Secretariat.

Pilot actions are implementation-related activities dedicated to testing a new approach. This usually refers to the transfer of existing practices between partner regions. But it can also relate to a new initiative jointly designed by the partner regions during phase 1 and jointly implemented in phase 2. As reflected in the present form, pilot actions are possible under Interreg Europe under strict conditions only, and the description provided in the form should be as detailed and as clear as possible.

A request for a pilot action must be submitted to the programme as soon as it is ready and by the end of phase 1 at the latest. It will then be assessed by the Joint Secretariat which may require further clarifications. In case the pilot action meets the programme’s requirements, the Joint Secretariat will recommend it for approval to the Monitoring Committee. If approved, the application form will be updated through a ‘request for change’ procedure. Further information can be found in section “4.2.2 Phase 2 – monitoring of the action plan implementation” in the programme manual.

Project Acronym:	Delta Lady
Project Index (PGI):	PGI04939
Title of the pilot action	Web app for Policy-Enhanced Sustainable Cost Benefit Analysis
Policy instrument(s) addressed:	Regional Innovation Strategy for Smart Specialisation (RIS3) North Netherlands 2021-2027
Partner(s) concerned:	Province of Fryslân (NL)
Country (countries):	The Netherlands
Date of request:	31 May 2021

Pilot action summary (information to be published in case of approval):

Please summarise in one sentence the pilot action requested.

The pilot action is dedicated to developing and testing a web-based and easy-to-use application that enables regional policy makers and project owners to assess the impact of their projects and policy initiatives on the policy frameworks of eco-system services, sustainable development goals and broad well-being, based on the scientific method of policy-enhanced sustainable cost-benefit analysis.



A. Relevance of the request

A.1 Nature of the pilot action

Please describe what will be tested in the region? What is the precise nature of the activities envisaged?

The Delta Lady project focuses on the potential of delta regions to develop innovative policies and activities that utilise the ecosystem services available in river deltas to strengthen their regional economy.

In this context it is important to know whether and how new activities contribute to sustainability and broad well-being. The evaluation method "Sustainable Cost Benefit Analysis (SCBA¹)" is aimed at this. SCBA combines monetary and economic cost benefit analysis with standardised non-monetary measurements for impacts like ecosystem services, biodiversity and health. The method is increasingly applied by public institutions for evaluating 'value for money' of investments in nature (e.g., the Dutch Ministry of Infrastructure for the evaluation of its wildlife crossings programme).

The implementation of a full SCBA is a complex and time-consuming exercise that typically requires the involvement of an external (scientific) evaluator. Therefore, it cannot be readily and quickly applied by policymakers in their day-to-day work. In this Delta Lady pilot, we aim to give policy makers access to the benefits of the scientific SCBA approach.

We will develop and test an easy applicable evaluation tool based on a condensed version of the SCBA approach. We call this shorter and easier to use evaluation: 'Policy-Enhanced SCBA'. It is policy enhanced because it explicitly assesses the performance of project on international established policy frameworks:

- Ecosystem Services (two times 3 broad categories and 90 sub-services, EU Environmental Agency)
- Sustainable Development Goals (the 17 main goals and the 170 sub-goals, United Nations)
- Broader well-being (as developed by the OECD)

In phase 1 of Delta Lady, we pre-tested Policy-Enhanced SCBA with the Dutch partners on 3 projects:

- Investment in a fish-migration river at the Afsluitdijk (the dike between the salt Wadden Sea and the fresh water IJssel lake)
- Investment in the Silence of the Bees-project, raising awareness of the key role of bees in the landscape.
- Investment in Frysian Sweater, developing a value chain around crops to use as a renewable resource for sweaters, like hemp, flax, reed, including a traditional cultural heritage design.

The easy SCBA answers the questions: which ecosystem services (ESS) are impacted by the project? Which SDGs does it contribute to? Which part of human well-being? Analysis of the results demonstrated that all of the projects are very broad in what and how they influence economy, society and nature.

¹ Also called Multi-Criteria Cost-Benefit Analysis (MCCBA)



These first evaluations were made with a distinctive combination of video guidance and spreadsheets, with active support of our stakeholder Groningen University (NL). Through this combination the relatively complex task of identifying project impacts was simplified and manageable for project owners: project owners made pre-selections for different ESS, SDG and Broad Well-being categories while they were watching a video which led them with ease into the longer spreadsheet lists.

In this pilot, we aim to further adapt this approach by creating a web application that enables policy makers and project owners to independently and quickly run a Policy-Enhanced SCBA of their (planned) activities.

- We will develop a web-based app which can streamline this video-spreadsheet process, while also providing a web-environment to showcase different evaluation studies and offer a learning and inspiration environment.
- We will test the application on several projects in the province of Fryslân. These include the 3 projects assessed in the initial pre-testing in phase 1 and several new projects. This iterative testing process allows us to gradually improve and fine-tune the application.

In this process, we will also collect the feedback of the other Delta Lady partners. Reflecting on the use of Policy-Enhanced SCBA in an international context is essential to validate the approach based on different policy and societal settings. It will enhance the quality of the assessment tool and user interface. Policy-Enhanced SCBA assesses initiatives on the basis of universal frameworks (SDG, eco-system services, broad wellbeing) that require a common language. This peer-review by our international partners will also increase the potential for other EU regions to benefit from this tool.

- We will introduce the application as a tool at the regional level in Fryslân province and Noord-Nederland region to assess whether new projects and initiatives contribute to the mission of the RIS3 strategy.

Who will be the main beneficiaries of the pilot action?

Fryslân

- Regional policy makers in the North Netherlands will be able to steer their policy initiatives to be in line with the joint mission of the RIS3 and to evaluate (ex post) policies on their contribution to the mission and to the SDG/ESS/broad wellbeing criteria. They can also use the tool to assess and select requests and applications for various forms or regional (financial) support.
- The Managing Authority of the regional ERDF programme can use the tool to assess applications for the regional Operational Programme on their contribution to the RIS3 strategy.
- Stakeholders in the regional innovation ecosystem / 4-helix can use the application to assess and adapt their initiatives to the regional missions. The tool will also give them a common language in the transition to mission-oriented working.



Other Delta Lady partners

- The partner regions will be able to closely follow and provide input to the application development. This will allow them to better understand and apply the methodology of Policy-Enhanced SCBA. The partners and their regional stakeholders can use the application to assess and develop their projects and policies in line with the universal policy frameworks of eco-system services, SGDs and broad wellbeing.

Other regional policy makers

- The web application for Policy-Enhanced Sustainable Cost Benefit Analysis will be available to all interested regional policy actors in Europe. Our interregional development process ensures the pan-European relevance of the tool. We will gladly share and disseminate the tool via the Interreg Europe Policy Platform and other channels.

A.2 Compliance with the programme requirements

Please explain further how the pilot action complies with the programme's requirements in terms of:

A.2.1 Policy relevance and durability

How will the pilot action contribute to improving the policy instrument addressed in the concerned region(s)? What are the measures envisaged to ensure its durability and/or generalisation in case of success? These actions should also be reflected in the work plan (section B).

Policy Relevance

The pilot aims to improve the implementation of the Regional Innovation Strategy for Smart Specialisation RIS3 2021-2027 (Province of Fryslân, NL). The RIS3 2021-2027 is the mission-oriented innovation strategy for the north of The Netherlands. The overall mission defined in the strategy is to achieve '*specialisation through transition, leading to a circular, happy and inclusive North Netherlands*'. This overall mission is based on the concept of *broad prosperity* which implies that true prosperity is only achieved when economic development goes hand-in-hand with better welfare, health, inclusiveness, natural and socio-cultural qualities. The UN Sustainable Development Goals (SDGs) are an important reference for this strategy.

The overall mission is divided into several 'transition tasks'; sub-missions that contribute to broad prosperity. The sub-missions include several areas where eco-system services of the river delta can contribute to the mission, notably in the areas of bio-based materials, water and spatial and natural quality. More specifically:

- The large-scale application of natural materials from the delta like reeds, crops (hemp, elephant grass) and agricultural residuals in bio-composites and other bio-based construction materials.
- Closing the water cycle and providing clean and safe (drinking) water are essential for climate adaptation in the low-lying delta area, for the agri-food sector and for energy-generation from water.
- Spatial and natural quality, the availability of space and the favourable location in what is called the 'Blue Delta' by the Wadden Sea are recognised as assets that contribute to broad prosperity and attractiveness of the region for residents and visitors.

The mission-oriented approach puts innovation at the service of societal challenges. This calls for a new way of working for regional policy makers and other actors in the 4-helix. It also requires new tools that enable these actors to assess plans and initiatives on their contribution to the mission. Going beyond economic criteria, an objective and comparative assessment of the contribution to SDGs, the activation of ecosystem services and the impact on broader societal well-being is needed.

The first tests with Policy-Enhanced Sustainable Cost Benefit Analysis in phase 1 of Delta Lady showed the value of this approach.

The web-based application of the Policy-Enhanced SCBA that we develop and test in this pilot, will put the tool within reach of all policy makers and other regional project owners in our region. As such it will be an essential tool for the implementation of our RIS3 strategy. It will allow both the Province of Fryslân and the other regional policy actors committed to the achievement of the RIS3 mission to identify and assess new initiatives on the basis of their actual contribution to our regional mission.

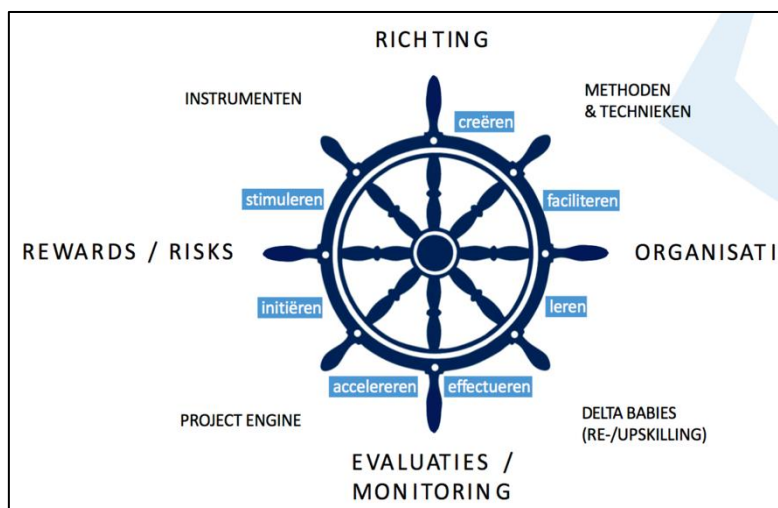
Durability

The province of Fryslân will integrate the Policy-Enhanced Sustainable Cost Benefit Analysis application in its regular work processes. In particular it will ensure that the application is used as a tool for:

- Assessment of new policy initiatives on their contribution to the RIS3 mission and provincial missions in line with the policy frameworks of eco-system services, SDGs and broad wellbeing.
- Evaluation of provincial policies
- Assessment and selection of funding applications for provincial grants and subsidy schemes.

Concretely, this means that the province will introduce the application as a tool of its institutional steering framework ROER (which means steering wheel and is also a Dutch abbreviation for Direction, Organisation, Evaluation & monitoring, Rewards & risks – see figure).

The ROER framework has been introduced by the province in parallel to the development of the RIS3 to identify and align all elements of the provincial organisation in function of the achievement of the regional mission of broad prosperity. The Policy-Enhanced SCBA application will be an instrument for the Evaluation and monitoring spoke of the wheel.





We will also introduce this application as a tool in the assessment and selection process of applications in the regional ERDF Operational Programme North Netherlands (OP Noord), in cooperation with the Managing Authority Samenwerkingsverband Noord Nederland (SNN, North Netherlands Cooperation Agency). The draft OP targets the Policy Objectives Smart Europe (PO1) and Green Europe (PO2) with a mission-based approach as laid down in the RIS3. For both priority areas, the application can be used to assess the contribution of projects to the overall regional mission.

As one of the 3 provinces in the North of the Netherlands, Fryslân is a formal managing body of the OP with a direct influence on the implementation and governance of the programme.

The OP is currently in the final stages of the approval process. The first calls for proposals can be expected early 2022. This means that an intermediate version of the application can already be used to assess applications. By the end of the pilot, we will make arrangements with the SNN to integrate the application in the toolkit for applicants (to support mission-oriented project development) and make it a formal instrument of the project assessment process.

The province will also disseminate the tool and promote its use among regional stakeholders in the innovation ecosystem / 4-helix. The application will enable them to assess and adapt their initiatives to the RIS3 mission and it will increase the momentum for the regional transition to mission-oriented working.

A.2.2 Interregionality and link to the learning process

How does this pilot relate to knowledge/practices learnt from other project partners and/or local stakeholder group?

The inspiration for our work on methods to quantify and assess the value of eco-system services and of investments in nature comes from our Italian partners at Po Delta Park and ART-ER Emilia Romagna, and our partners Cork County Council (CCC) and University College Cork (UCC) in Ireland. During phase 1 these partners shared their early experiences with valorisation of eco-system services based on the possibility of Payments for Ecosystem Services (PES) as a mechanism to increase biodiversity. CCC introduced us to their good practice BRIDE, which offers farmers financial compensation for their contributions to habitat conservation. UCC is involved in a first academic effort to put monetary value to each individual ecosystem service. The Italian partners presented several examples of PES schemes that enable valorisation and accountability through physical and economic quantification of eco-system services. However, these schemes were all limited to specific sub-sets of eco-system services (e.g., related to food provisioning services, or tourism

This exchange of experience in the partnership led to the conclusion that more comprehensive methods to determine and assess the value of eco-system services are needed. Based on this challenging insight, the province of Fryslân reached out to the University of Groningen where the Sustainable Cost Benefit Analysis was developed to see how this could be applied to the context of ecosystem services in Delta Lady. This resulted in the initial tests with Policy-Enhanced SCBA (see A1).



In this pilot we will deepen this approach by developing the web-based application for Policy-Enhanced SCBA. Interregional cooperation is an essential part of the actual pilot. By involving our partners in the development of the application to collect their feedback and input, we are able to validate the tool in an international context. The resulting web application will have pan-European relevance.

A.2.3 Additionality

Why can the pilot action not be financed by the policy instrument addressed or by other local / regional / national funds?

The pilot cannot be financed from the policy instrument addressed, the Regional Innovation Strategy for Smart Specialisation RIS3 2021-2027. The RIS3 sets a mission-oriented strategic framework for the region, but it does not provide financial means. Financial resources to deliver on this mission are mainly provided by the ERDF programme OP Noord 2021-2027. However, this programme is not yet operational. The pilot action also cannot be taken over by other relevant local, regional or national funds.

Finally, the pilot builds on the exchange of experience with our international Delta Lady partners and requires their input and feedback to optimise and validate the application based on views from different policy and societal settings. This makes the Interreg Europe programme the most appropriate source of external funding to enable this interregional pilot.



B. Planned activities

Please precisely describe the different activities to be implemented for the pilot action during each semester of phase 2.

PHASE 2
Semester 1
<i>June – November 2021</i>
1. Initial development of the web-based application for Policy-Enhanced SCBA
Duration: approx. 6 months [Jun – Nov 2021]
<ul style="list-style-type: none">• Complete the design specifications of the application. [Fryslân, University of Groningen (UG)]. The ‘application’ will be a combination of a so-called progressive web-app (PWA²) for evaluating a project or initiative and a regular website in which different SCBA evaluated cases are gathered and highlighted.• Key specifications of this combined application include:<ul style="list-style-type: none">- User-oriented app design that enables easy and independent use and can be applied by an international audience.- A step-by-step guide to navigate through the policy-enhanced SCBA assessment for the three methods: eco-system services, sustainable development goals, broad well-being.- The tool will present case-studies of previously evaluated projects for context.- Users can create an account and save several assessments, with the option to pause and return and invite collaborators.- Users can share, export, and download assessment results to facilitate communication about initiatives and their contribution to eco-system services, SDGs and broad well-being.- Short videos for each of the frameworks (ESS, SDG, Well-being), assist the user to recognise and select relevant goals and criteria for their specific initiative. This translates into a tailor-made assessment survey. Results are graphically presented.- Different cases are presented as fact-sheet stories on the SCBA website to foster collective learning about effective investments related to sustainable development, ecosystem services and broad well-being. The website also provides map-based information as to where the projects invest and where impacts can be seen.• Build the application (version 1). Fryslân will contract an external provider to build the app according to the design specifications. Fryslân and UG will work closely with the builder to ensure the app meets all requirements.• Produce content: short videos, assessment survey questions, case studies and images. This takes place in parallel to the technical development of the app and feed into the first version [Fryslân, UG].• Engagement of future users of the application to collect input, organise their participation the test phase and prepare uptake of the app: internal provincial departments and regional stakeholder group [Fryslân].

² I.e. an increasingly popular form of mobile apps that do not require a separate installation via App or Play stores.



- Collect and process feedback from all Delta Lady partners: During the partner meeting in Fryslân (September 2021, part of planned activities in phase 2) we present the app (under construction) to the partners to collect their input on structure, content and interface. This feedback will be used to complete version 1 of the app.

Main outputs

- First version of web-based application for Policy-Enhanced SCBA
- Conclusions and recommendations from the partner feedback session.
- 2 User engagement meetings (1 internal and 1 with regional stakeholder group)



Semester 2

December 2021 – May 2022

2. Test phase

Duration: approx. 4 months [Dec 2021 – Mar 2022]

- Test of the application on several projects in Fryslân province, to validate all functionalities of the app and collect user feedback. We will use the app to make an assessment of the 3 projects already involved in the pre-test (phase 1) and of 3 additional initiatives from various stakeholders / project owners in the region. While the tests during phase 1 were more of a technical nature, here we will monitor and evaluate the added value of using the tool in terms of (potential) insight, (potential) project development and (potential) policy steering. How does the process of using the Policy Enhanced SCBA affect the project owners and policy makers? We will assess this by doing interviews and focus groups in which the results of the Policy Enhanced SCBA for different projects are central. UG will perform the tests and analyse the results. UG and Fryslân will agree on the necessary improvements based on these findings.
- Collect and process feedback from all Delta Lady partners: During the partner meeting (location tbd. early 2022, part of planned activities in phase 2) we present the first complete version of the app and the results of the test run to the partners to collect their input on structure, content and interface. This feedback will be used for the final development of the app.
- Meetings with future users of the application to reflect on the results of the test phase and prepare uptake of the app: internal provincial departments and regional stakeholder group [Fryslân].

3. Final development of the application

Duration: approx. 6 months [Starts after completion of the test phase, approx. April 2022]

- Improve and fine-tune the application based on the findings from the test phase and the partner feedback. In this stage we will also add new case studies to the app content, representing projects assessed in the test phase. Fryslân and UG will work closely with the app builder in this final development stage.

4. Integration in regional policy governance

Duration: approx. 6 months [Starts after completion of the test phase, approx. May 2022]

- Fryslân will introduce the web-based application for policy-enhanced SCBA as an instrument of the evaluation and monitoring spoke of their institutional steering framework ROER (see A2.1 Durability). This involves briefing provincial staff on the use of the app in their work process.
- Fryslân will also work with the Managing Authority of the ERDF OP North Netherlands to make the necessary arrangements to make the application available to applicants as a self-assessment tool to support mission-oriented project development. And to introduce it as an instrument in the formal project assessment process.



Main outputs
<ul style="list-style-type: none">- Test analysis report and specifications for the final version of the app- Conclusions and recommendations from the partner feedback session- 2 User engagement meetings (1 internal and 1 with regional stakeholder group)

Semester 3

June 2022 – November 2022
3. Final development of the application (continued) <ul style="list-style-type: none">• Improvement and fine-tuning of the application are completed in this semester. The final version of the web-based application will be available in Dutch and English.
4. Integration in regional policy governance (continued) <ul style="list-style-type: none">• Meetings with future users of the application coordinate the uptake of the app: internal provincial departments and regional stakeholder group [Fryslân].• Introduction of their web-based app in the provincial organisation and in the context of the regional ERDF OP are completed in this semester.
5. Dissemination <p>We will present and disseminate the web-based application at our final Delta Lady conference [date and place to be confirmed]. We also plan to share it with interested regional policy actors in Europe via other channels, like the Interreg Europe Platform.</p>

Main outputs

<ul style="list-style-type: none">- 2 User engagement meetings (1 internal and 1 with regional stakeholder group)- Final version of the web-based application for Policy-Enhanced SCBA- Application introduced in provincial evaluation and monitoring methodology and in the ERDF OP structure.- Presentation of the application at the final conference – dissemination of the pilot result
--

Semester 4

<i>No content related activities should take place in this semester. The last months of the project should be entirely dedicated to the project closure.</i>
--



C. State Aid

Funds used to implement pilot actions have to comply with state aid rules, in line with article 107 of the TFEU. Therefore, the JS has to assess if the pilot activities proposed by the project can be considered as state aid relevant. The activity carried out within the pilot could be state aid relevant if it has a commercial nature, is market related, it grants an economic benefit to the beneficiary that the beneficiary would not have received without the pilot and is thus able to distort the competition within the EU. If the proposed pilot action falls under state aid rules, the aid will be granted under the de minimis regulation³. According to this regulation, an organisation cannot receive more than EUR 200,000 of de minimis aid in the last 3 fiscal years. This means that, if the pilot action is state aid relevant and the project partner will receive de minimis aid, there will be specific procedures to follow. If the pilot benefits directly the project partner, a self-declaration will have to be provided by the project partner. In cases where third parties receive benefits from the pilot, they will be considered as the recipient of state aid/de minimis and projects partners bear the responsibility to ensure that state aid /de minimis rules are respected by the third parties, by collecting such self-declarations from them. Further information on state aid can also be found in section “2.7.5 State aid” in the programme manual. In order to allow the JS to assess whether the proposed pilot is state aid relevant, we kindly ask you to reply to the questions below.

- Can any of the pilot activities be considered as an economic activity, i.e. market relevant, profit oriented or likely to improve the financial situation of the partner? Please justify as much as possible your answer, and if applicable, please explain how the pilot action could improve the financial situation of the project partner.

The pilot activities should not be considered as an economic activity in the sense of the state aid rules.

The pilot - to develop and test a web-based application to perform a policy-enhanced Sustainable Cost Benefit Assessment - is intended to make it easier for regional authorities to assess and improve the contribution mission-oriented regional development strategies.

The pilot will take place in Fryslân region and the resulting application will be embedded in the regional policy framework of this province. However, the materials and outputs that result from this pilot will be freely available to all interested regions without restrictions. We intend to publicly share and disseminate this material, for example via our final Delta Lady conference and the Interreg Europe Platform. As such, the pilot will not lead to a financial advantage or profit for any of the participating partners.

- Will there be a specific third party organisation or a selected group of third party organisations (other than the external experts sub-contracted in compliance with public procurement rules) involved in the pilot that could benefit from market related, or profit oriented activities, likely to improve their financial situation? If yes, please define the activities they will participate in and explain why you consider that they are market related and how they could bring an economic benefit to the third party.

The pilot involves the University of Groningen (UG) as an external knowledge provider, and an external web developer to build the app. We will ensure that all contracts are based on the applicable national and regional procurement rules.

We will work with various regional stakeholders to test the first version of the app on their project initiatives. This will help us to improve the app, and give these stakeholders a better insight in the contribution of their initiatives to the eco-systems services, SDG and broad well-being frameworks. However, this will not present these actors with a specific (economic) advantage, since the app – once completed – will be freely available to all interested stakeholders – in the region and elsewhere.

³ 'Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid'



D. Partnership

Which partner(s) of the project will be in charge of the implementation of the pilot action?

Partner name:	Country:	Role in the pilot:
Fryslân (PP2)	NL	<ol style="list-style-type: none">1. Initial development of the web-based application for Policy-Enhanced SCBA2. Testing the web-based application3. Developing the final version of the web-based application4. Integrating the application in regional policy governance5. Dissemination of the final outputs of the pilot
All other partners		Provide feedback on the structure, content and interface of the application and on the findings in the test phase of the pilot.

If the pilot action requires the introduction of new partners in the partnership, please specify (*)

Partner name:	Country:	Role in the pilot:

(*) *In order to confirm the eligibility of the new partner(s) please fill in Annex 1 – Part B Partnership for each of the new partners joining the existing partnership.*

Please explain whether other stakeholders will be involved in the implementation of the pilot action

University of Groningen (NL) will play an important role in the pilot. The evaluation method Sustainable Cost Benefit Analysis was originally developed by the University of Groningen. They were also involved in the initial pre-testing of the Policy Enhanced SCBA in phase 1. The University will be involved in shaping the content of the web application and performing the tests run on projects in Fryslân.



E. Budget (*)

Partner	Staff costs	Office and administration	Travel and accommodation	External expertise and services	Equipment	Total partner budget
Province of Fryslân	€ 30.000	€ 4.500		€ 44.960		€ 79.460
Total	€ 30.000	€ 4.500		€ 44.960		€ 79.460

(*) In addition to section E, please fill in the Excel file "Pilot Actions request template – section E budget"

F. Questions for the Joint Secretariat



Part to be completed by the Interreg Europe Joint Secretariat

1. JS clarifications

--

2. JS final recommendations

State aid relevance		Yes	No
1/ Does the pilot action represent a service which allows to make profit and for which a market exists (i.e. is it considered as an economic activity in the meaning of the Commission notice on the notion of State Aid (n° 2016/C 262/01)?			X
2/ Could the financial situation of the concerned partner(s) improve as a result of the pilot (i.e. could the pilot action potentially distort the competition)?			X
3/ Will there be any economic benefit to third parties? (indirect state aid relevance)			X
Conclusion	Not state aid relevant		

	Yes	No
Additional funding requested?	X	

Fulfilment of criteria?		Yes	No
1/ Relevance		X	
2/ Additionality		X	
3/ Interregionality		X	
4/ Feasibility (including finance)		X	
Final recommendation	Recommended for approval		