



**The assessment of partnerships and projects being developed under the Touristic Cross-Border Functional Area in the Lithuanian-Polish borderland and the Ełk Subregion, with regard to financing by the Interreg Lithuania-Poland Programme 2021–2027**

Written by Joanna Kurowska-Pysz  
July – 2023

**EUROPEAN COMMISSION**

Directorate-General for Regional and Urban Policy  
Directorate D - European Territorial Cooperation, Macro-regions, Interreg and Programmes Implementation  
The "Interreg, Cross-Border Cooperation, internal borders" Unit

*Contact:* REGIO-D2-CROSS-BORDER-COOPERATION@ec.europa.eu

*European Commission  
B-1049 Brussels*

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Manuscript completed in July 2023

1<sup>st</sup> edition

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## Table of Contents

<b>1. List of abbreviations</b> .....	<b>6</b>
<b>2. Executive summary</b> .....	<b>7</b>
<b>3. Introduction</b> .....	<b>12</b>
3.1. Background .....	12
3.2. Purpose and scope of the study, working approach .....	14
<b>4. Performance of the plan of the work</b> .....	<b>16</b>
<b>5. The assessment of cross-border cooperation within tourism concepts established under the TCBFA in 2021</b> .....	<b>18</b>
<b>6. Level of readiness of the existing and new partnerships to submit proposals to the Programme</b> .....	<b>21</b>
6.1. Assessment of partnerships and cross-border projects within the four tourism concepts in terms of their preparedness to submit proposals to the Programme .....	21
6.2. Identification of the risks jeopardising the implementation of the potential cross-border tourist projects .....	27
6.3. Other comments concerning the objectives of the study .....	29
<b>7. Identification of the potential OSI to be included in Appendix 3 of the Programme</b> .....	<b>30</b>
<b>8. Conclusions and recommendations</b> .....	<b>35</b>
8.1. Cross-border cooperation under the TCBFA .....	35
8.2. Level of preparation of the cross-border projects under the TCBFA touristic concepts to be submitted to the Programme .....	36
8.3. Risks and obstacles jeopardising the projects' implementation .....	38
8.4. Identifying cross-border projects matching the possible OSI to be defined under Appendix 3 of the Programme .....	39

## 1. List of abbreviations

Activity 2.2. – Activity 2.2. of the Interreg Lithuania-Poland Programme 2021–2027 (Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation)

Appendix 3 – An attachment to the Interreg Lithuania-Poland Programme 2021–2027, referring to the list of planned operations of strategic importance with a timetable pursuant to Article 17(3) of Interreg Regulation

CBTFA – The Touristic Cross-Border Functional Area on the Lithuanian – Polish borderland, established in 2021, under the agreement titled: “Agreement on the Creation of a Touristic Cross-Border Functional Area ‘Yotvingia – the Land of the Yotvingian Tribe’ on the Polish-Lithuanian border” by nine Polish self-government entities in the borders of the TCBFA (city of Sejny and communes: Sejny, Giby, Krasnopol, Puńsk, Jeleniewo, Rutka-Tartak, Szypliszki and Wizajny) and three Lithuanian local government units (Vilkaviškis, Kalvarija, and Lazdijai districts)

EGTC – European Group of Territorial Cooperation

JTS – Public Institution Joint Technical Secretariat of the Interreg Lithuania-Poland Programme 2021–2027, located in Vilnius, Lithuania

OSI – Operation of strategic importance according to Appendix 3 to the Interreg Lithuania-Poland Programme 2021–2027

Programme – Interreg VI A Lithuania-Poland Programme 2021–2027

Report – The document of 2021, prepared by the Experts commissioned by the European Commission, titled: “Identification of key elements for creating the Touristic Cross-Border Functional Area at the Lithuanian-Polish border” showing the boundaries and rules of coordination of cross-border cooperation under the Touristic Cross-Border Functional Area on the Lithuanian – Polish borderland and the four tourism concepts for the TCBFA together with related to them ideas of join actions and cross-border projects

SO4.6 – One of the specific objectives of the Interreg Lithuania-Poland Programme 2021–2027 titled: “Enhancing the role of culture and sustainable tourism in economic development, social inclusion, and social innovation”

TF – Task Force of the Interreg Lithuania-Poland Programme 2021–2027

## 2. Executive summary

### Background

The Lithuanian-Polish borderland, one of the least populated peripheral areas of the European Union, suffers from various deficits and numerous socio-economic challenges concerning, i.a., the use of one of the most distinguished assets of the area, which is tourism potential. Nowadays, numerous obstacles hinder the development of the area's attractive cross-border tourism offer.

In 2018, a grass-root initiative of Polish and Lithuanian local governments located along the border triggered the development of cross-border cooperation in the tourism sector. They created the TCBFA and designed four leading tourism concepts comprising existing and future tourism products that will be created through the TCBFA stakeholders' cooperation. In 2021, the partners prepared approx. fifty ideas for cross-border projects aligned with the tourism concepts and to be implemented in 2021–2027, partially with the Programme's financial support. Appendix 3 of the Programme refers explicitly to the TCBFA in terms of the conditions of identifying the OSI for tourism cross-border projects to be implemented in the TCBFA and the Ełk Subregion.

In 2021, most proposed projects were in the conceptual phase. They required continuation of the design, cost estimation, and inclusion in financial plans and development strategies on both sides of the border. The COVID-19 pandemic, the Russian invasion of Ukraine, and related factors hindered the development of cross-border cooperation under the TCBFA.

Due to the suspension of all NEXT programmes, involving Russia and Belarus, the budget allocation for the Programme increased. It requires adjusting the Programme's strategy and intervention logic to its new financial potential. It also impacts Appendix 3 of the Programme since the additional allocation could also be an opportunity to facilitate the implementation of cross-border tourism projects in the TCBFA and the Ełk Subregion and boost the development of the tourism offer in one or more of the identified tourism concepts in the area and beyond.

### Objective and approach

This study aims to provide advice on designing the possible OSI in the tourism sector addressing the TCBFA and the Ełk Subregion to be defined under Appendix 3 of the Programme and assessing their relevance and the level of readiness for implementation. An additional objective was to identify any potential specific opportunities for further development of cooperation between the partners from the TCBFA and new partners from the Ełk Subregion under the tourism concepts, as well as greater inclusion of other local target groups partners, e.g., tourism entrepreneurs, non-governmental organisations, universities, etc.

The study was conducted in four stages on 27.03.2023 – 31.07.2023 in the TCBFA area and, partially, in the Ełk Subregion, Poland. It involved the following research methods: desk research; workshops and online and onsite meetings with stakeholders; surveys (CATI/CAWI); interviews; visits on the spot and research walks.

The first and second stages concerned the assessment of the perspective for the development of the TCBFA tourism concepts in terms of the status of the cross-border partnerships established under the TCBFA in 2021 and new partnerships created in 2023.

In order to assess the projects' status, the Expert used an originally designed fiche template. The TCBFA and the Ełk Subregion partners prepared 15 fiches presenting ideas for cross-border projects matching one or more of the TCBFA tourism concepts and describing their preparedness level to submit project proposals for Activity 2.2. of the Programme. In the third stage, the Expert identified the risks jeopardising the implementation of the potential cross-border tourist projects in the TCBFA and the Ełk Subregion. Aiming to conduct the 4th stage of the study, the Expert analysed the fiches presenting the ideas of the cross-border projects and identified the potential touristic OSI based on the following criteria:

- number of projects focused on similar or complementary activities on both sides of the border, which can build the critical mass for boosting at least one TCBFA tourism concept;
- the possibility of extending the leading group of projects by inviting other partners from the TCBFA, the Ełk Subregion, and beyond to generate a scale effect (e.g., cross-border clusters);
- the synergetic impact of all these cross-border projects on tourism development in the TCBFA and the entire borderland, significantly contributing to the Programme's results and visible societal impact involving various social groups.

Afterwards, the Expert identified two clusters of cross-border projects based on the coherent tourist assets related to the concept of "Green retreat", which can be considered the possible OSI addressing the TCBFA and the Ełk Subregion to be defined under Appendix 3 of the Programme.

## Main findings

The partners cooperating under the TCBFA in 2021–2023 have not taken full advantage of the opportunities for developing tourism concepts and related cross-border projects. However, they established the EGTC, which proves the strengthening of institutional cross-border cooperation.

In 2023, most ideas for projects submitted under the TCBFA in 2021 are still preliminary. Regardless of the influence of the COVID-19 pandemic and the war in Ukraine on the level of preparedness of these projects, the other reasons may include asymmetry in the number of available Polish and Lithuanian partners, availability of the less-challenging sources of funds, decrease in tourist demand, limited budgetary resources for preparing the project documentation, and limited competencies to develop complex touristic cross-border projects, coherent with the Programme's guidelines.

Partners who could not develop complex infrastructure projects did not use opportunities to develop small projects as tools better adjusted to their capacities and experience in cross-border cooperation.

When assessing the four tourism concepts and related cross-border tourism projects in 2023, in the extended area (the TCBFA and the Ełk Subregion), more advanced partnerships were identified. However, there is still an asymmetry between the number of potential Polish and Lithuanian projects partners, mainly local authorities. There is a lack of non-governmental organisations. Companies eager to develop cross-border tourism offers are not eligible for the Programme. Thus, they look for other possibilities to find subsidies to develop tourism business beyond cross-border cooperation.

Most of the 15 fiches submitted in 2023 are related to the tourism concept of "Green retreat". Only one project concerns the concept of "Mysterious land of the Yotvingians", which was



recognised as the most attractive in the Report of 2021. In 2023, the projects were assessed according to the level of their readiness to submit the proposals to the following call for Activity 2.2. of the Programme and the dominant concept is “Green Retreat”, which, while probably less attractive than the “Mysterious Land of the Yotvingians”, is far more doable.

The ideas of cross-border projects presented in the fiches still demonstrate the preliminary readiness to be submitted for the Programme. They mainly comprise complex infrastructure-related touristic projects. Their preparation quality proves that some partners lack the competencies to develop cross-border projects and prepare proposals to be submitted to the Programme. However, no partner submitted a small project, far more appropriate for those who should only learn how to develop cross-border partnerships and build mutual trust.

The significant predominance of local governments within the TCBFA, low involvement of non-governmental organisations, and the lack of enterprises cause projects to be focused on the public tourism infrastructure. These projects do not directly influence the development of the commercial tourist infrastructure on both sides of the border. Thus, it does not provide positive multiplier effects regarding the borderland’s socio-economic growth. From a long-term perspective, there is a lack of a holistic, strategic vision of the area’s tourism sector development, providing the engagement of different stakeholders, particularly creating cross-border functional linkages in the tourism sector within the TCBFA area and beyond.

The further strengthening of cooperation within the Interreg Programme with other EU-funded programmes (national/regional/macro-regional) should be considered to avoid overlaps and competition of the projects, exploit complementarities and synergies, and stimulate tourist activity in the TCBFA and beyond.

The most significant risks jeopardising the future implementation of the touristic cross-border projects are related to the limitation of partners’ liquidity caused by, e.g., the underestimation of the project’s costs (inflation), the shortage of funds for the project’s financial input (economic crisis), and the model of project settlement (reimbursement). Another risk is related to the shortage of competencies in developing and settling cross-border projects under the Programme, which seems challenging for some partners. Risks beyond the partners’ control concern the military and migrant crises, uncertainty about the geopolitical situation in the area, decrease in demand in the tourism sector, etc. A significant obstacle to tourism development, particularly in the TCBFA, is low cross-border mobility and insufficient area accessibility for tourists.

Based on the criteria presented in Chapter 2 and the approach presented in Chapter 5, the tourism concept of “Green retreat” was recognised as the background for identifying the potential OSI in the area’s tourism sector. Within this concept, the Expert identified two bundles of cross-border projects fully or partially covering the development of the public infrastructure related to the bike and pedestrian paths and water tourism. These projects, created individually by local stakeholders, perfectly reflect a “place-based approach”, addressing the projects on the ground, local interconnections, and relationships in a place. They have been identified as two OSIs for the TCBFA and the Ełk Subregion.

Since OSIs should also ensure the engagement of non-governmental organisations and enterprises, mainly SMEs, the optimal solution is to base OSI on the clusters consisting of projects financed from the Programme (the cluster core) that might be extended by other projects enabling cooperation and development in the tourism sector (public, commercial, and social), involving all the mentioned target groups. It is required to expand multi-sectoral networks in the tourism sector in the borderland, based on the projects financially supported by different intertwining EU-related funds, creating complementarities and synergies.

Clustering seems the optimal way to create OSI in the TCBFA and the Ełk Subregion based on the projects submitted under the tourism concept of "Green retreat". It includes one cluster related to the cross-border pedestrian and cycle paths network offer and another to the cross-border water tourism network offer.

## Lessons learnt and recommendations

Creating the TCBFA is an example of a successful grass-roots initiative in the area struggling with various deficits partially related to its peripheral location in the borderlands, though still abounding with potential tourist assets related to valuable natural and cultural heritage.

Identification of the TCBFA tourism concepts based on cross-border projects created by local partners and matching a "place-based approach" efficiently boosted cross-border cooperation in this area, minimal previously, because it comprised the needs and capacities of stakeholders, addressing the projects on the ground and creating local interconnections and relationships in a place.

Although various negative factors impacted the development of the TCBFA in 2021–2023 (e.g., the COVID-19 pandemic, the Russian invasion of Ukraine, etc.), the partners successfully transformed the model of coordination of cross-border cooperation under the TCBFA into the EGTC, proving the better governance of the tourism development. The TCBFA has been distinguished in Appendix 3 of the Programme for creating a touristic OSI related to Activity 2.2. Until 2023, most partners still have not achieved a sufficient level of project readiness to be submitted to the Programme. It was due to the following factors typical for the less-developed area with slight traditions of cross-border cooperation:

- poor experience in cross-border cooperation of most partners, limited competencies to develop complex touristic cross-border projects according to the Programme's guidelines, and the lack of knowledge about the possibility of developing small projects as more relevant to capacities of partners less experienced in cross-border cooperation;
- insufficient coordination of cross-border cooperation under the TCBFA;
- asymmetry in the number of partners ready to develop cross-border cooperation under the Programme and beyond;
- the possibility to use alternative sources of funds that decrease the interest in the development of more challenging cross-border projects;
- limited budgetary resources for preparing the project (financial and human resources).

Identification of the potential touristic OSI was based on the following criteria:

- number of projects focused on similar or complementary activities on both sides of the border, which can build the critical mass for boosting at least one TCBFA tourism concept;
- the possibility of extending the leading group of projects by inviting other partners from the TCBFA and the Ełk Subregion and beyond to generate a scale effect (creating clusters of cross-border projects);

- the synergetic impact of all these cross-border projects on tourism development in the TCBFA and the whole borderland, significantly contributing to the Programme's results and visible societal impact involving various social groups.

In order to identify one tourism concept as a background for the future touristic OSI, there was analysed the potential of each tourism concept established under the TCBFA, reflected in the projects assigned to each of the concepts and their contents, and the partnerships' potential reflected in partners cooperating under each project and their contribution to the projects. After identifying this concept, two sets of cross-border projects were distinguished as cores of two clusters of projects identified as potential OSIs. Each cluster can comprise complex and small cross-border public projects supported by the Programme and optionally other projects enabling cooperation in the tourism sector (public, commercial, and social), extending multi-sectoral networks, financially supported by different intertwining EU-related funds, and creating complementarities and synergies, mainly based on the engagement of non-governmental organisations and SMEs.

The following recommendations for further activities of the TCBFA were made in the report:

- Comprehensive governance of developing tourism-related cross-border projects under the EGTC and simultaneous extension of relations with entrepreneurs, mainly SMEs and NGOs, academics and other local actors developing the cross-border tourism offer and providing closer collaboration with other EU-funded programmes (national/regional/macro-regional), including the SO4.6 of the Programme to avoid overlaps and competition, explore complementarities and synergies, and stimulate tourist activity in the area.
- Technical assistance for the TCBFA partners and related entities on how to build trustful cross-border partnerships and develop projects relevant to the partners' capacities and how to successfully apply for the Programme's funds and properly manage and settle cross-border projects.
- Dialogue with entrepreneurs and NGOs, providing complementarities and synergies of parallel implementation of public, business, and social tourism-related investments.
- Providing entrepreneurs with information on the possibilities of co-financing for tourist investments complementary to the tourist concepts of the TCBFA and beyond or creating a separate tool for entrepreneurs developing tourist projects in the area, devoted to boosting cross-border business cooperation.
- Designing a tourist strategy for the TCBFA and beyond, considering the "place-based approach", and providing a balanced involvement of all groups of local stakeholders to develop sustainable cross-border tourism offers in the long-term perspective.
- Providing Polish and Lithuanian partners applying for funds under the Programme with adequate financial liquidity to implement cross-border projects in the reimbursement model and mitigate other risks related to the financial issues and others.
- Increasing cross-border mobility and improving the TCBFA accessibility by including such investments in eligible activities under the Programme. It should comprise roads and walking and cycling routes or horse trails, ensuring sustainable transport and contributing to the development of sustainable active tourism under the TCBFA.

- Creating criteria relevant for selecting the projects within the OSI, including the relevance to the led tourism concept, network collaboration, cooperation with associated partners (NGOs, entrepreneurs, etc.), sustainable tourism development, the influence on the development of tourism in the TCBFA and beyond, providing a significant contribution to the Programme's results, and tangible societal impact involving various social groups.
- Providing partners from the TCBFA and the Ełk Subregion with appropriate circumstances to submit projects meeting OSI conditions, e.g., matching one or another cluster in the framework of a dedicated call on Activity 2.2. of the Programme.
- Promoting the cluster cooperation approach among the tourism-oriented public, commercial, and social entities, focusing on the territorial cohesion and relevance of the “place-based approach” in cross-border projects and other solutions tailored to the partners’ needs and capacities.

## 3. Introduction

### 3.1. Background

The Lithuanian- Polish borderland is one of the least populated peripheral areas of the European Union and cannot take multi-dimensional advantage of its resources and uniqueness. The region suffers from numerous socio-economic challenges caused by, e.g., low territorial competitiveness of that area, depopulation, crises (e.g., the COVID-19 pandemic, the war in Ukraine, and the energy crisis), and obstacles in developing cross-border cooperation. Many factors hamper cooperation, such as the incompatibility of institutional solutions in Poland and Lithuania and insufficient administrative capacity on both sides of the border.

Regardless of the lack of a holistic vision for developing cross-border cooperation in the Lithuanian-Polish borderland (including tourism development), in 2018 appeared a grass-root initiative triggered this process. Polish and Lithuanian local governments launched joint activities leading to the creation of the TCBFA as a future catalyst for developing tourism in the borderland. It was possible because of the engagement of the experts contracted by the European Commission, who supported partners in designing the boundaries of the cross-border functional area, creating the TCBFA governance coordination structure, identifying the most promising directions for the development of the cross-border tourism offer, and preparing the ideas on future cross-border joint actions and cross-border projects in the region.

The TCBFA was established formally in 2021. There are nine Polish self-government entities in the TCBFA borders (city of Sejny and communes: Sejny, Giby, Krasnopol, Puńsk, Jeleniewo, Rutka-Tartak, Szypliszki, and Wiżajny) and three Lithuanian local government units (Vilkaviškis, Kalvarija, and Lazdijai districts).

According to the Report of 2021, many distinctive values and resources conducive to developing cross-border tourism offer have been identified. The area's key strengths are its strategic, cross-border location and peripheral nature, which entails excellent opportunities for developing the “slow tourism” offer. The area is characterised by unique natural values, a low urbanisation rate and remarkable cultural qualities, including the heritage of the medieval Yotvingian tribe living in areas currently located within the TCBFA. The Yotvingians’ heritage distinguishes this area from the neighbouring tourist destinations.

Other cultural assets supporting the area uniqueness are related to the material and non-material heritage and values related to historical events, monuments, habits, and its self-identification.

Simultaneously, the weaknesses of the identified tourist offer include the poor quality of tourist infrastructure, insufficient professional qualifications in tourism management, and asymmetrical tourist information systems on both sides of the border. There is also a noticeable need for cross-border information and promotion activities, which encourages people to take advantage of the attractions on the other side of the border. A single cross-border touristic product/brand that would make this area immediately recognisable in the tourists' minds still needs to be included.

Four leading concepts for developing tourism within the TCBFA were identified as a result of assessing the tourist potential. The concepts consider tourism products already available on both sides of the border and future tourism products that will be created through the TCBFA stakeholders' cooperation. Three concepts are based on thematically coherent cultural values related to the complementary elements of the local tourist potential. The concept of "The Mysterious Land of the Yotvingian Tribe" has the most significant potential for developing cross-border tourist products and the future TCBFA tourist brand. It is already partially present in the local tourist offer and enjoys significant interest of tourists. Two other cultural and historical heritage concepts are "The Magical Borderland" and "Common Heritage". Both are also relatively distinguished. However, they have a smaller potential for developing cross-border tourist offer. The only concept related to the TCBFA natural potential is the concept of "Green Retreat – Slow Tourism and a Healthy Life". It is based on natural qualities highly valued by tourists and includes the development of the tourist base and complementary forms of leisure. It provides the necessary complement to the other three concepts.

Based on the mentioned concepts, Polish and Lithuanian stakeholders have prepared approx. fifty ideas for cross-border projects to support the development of existing TCBFA tourism offers and create new ones in line with the tourism concepts. In 2021, most proposed projects were in the conceptual design phase. They required continuation of the design, cost estimation works, and inclusion in financial plans and development strategies on both sides of the border.

The COVID-19 pandemic started soon after establishing the TCBFA and impacted very negatively the financial condition of local governments and entrepreneurs, including an extensive decline in tourist traffic. On the other hand, the pandemic has also increased interest in individual tourism and leisure in peripheral destinations, constituting a competitive advantage for the TCBFA. The negative impact of the COVID-19 pandemic also has implications for the partnerships established in the TCBFA in the context of preparations for projects and their readiness to apply for funds to the Programme. Additionally, the war in Ukraine, which started in 2022 caused a decrease in the tourism demand in the area and declined the interest in public- and business-related investment in the tourism sector.

The Programme (current ERDF allocation is EUR 45 M), under Appendix 3, refers explicitly to the TCBFA in terms of the conditions of identifying the OSI for tourism cross-border projects to be implemented within the TCBFA and the Ełk Subregion.

Due to the Russian invasion of Ukraine, all NEXT programmes involving Russia and Belorussia have been suspended. With a part of the released allocation, Poland and Lithuania decided to increase the Programme's budget with an additional amount of EUR 55 M (ERDF). Moreover, the Programme area has been changed, and it should follow extended efforts to include new partners into its area in cross-border cooperation, particularly extending cross-border linkages, e.g., within the tourism sector. It represented an enormous challenge in adjusting the Programme strategy and intervention logic to its

new financial potential in a very short time, to introduce the following calls at the beginning of 2024.

Therefore, the additional allocation to be available to the Programme could also be seen as a new opportunity to provide funding for small and medium infrastructure addressing various deficits in the cross-border area, allowing for better connectivity, ensuring the higher quality of the touristic offer, and leading to the region's economic development and un-hiding its touristic potential. Moreover, identifying the OSI within Activity 2.2. of the Programme can facilitate the implementation of cross-border tourism projects within the TCBFA and the Ełk Subregion and boost the development of the tourism offer in one or more of the identified tourism concepts.

It is also desirable to analyse small projects as tools to strengthen cross-border cooperation in the case of those partners who do not have vast experience in this field and advise on how they can support a "place-based approach" in the case of local communities concentrated around shared needs and goals, like in the TCBFA.

### 3.2. Purpose and scope of the study, working approach

According to Article 17(3)(g) of the Interreg Regulation, the relevant Programme partners referred to in Article 8 of Regulation (EU) 2021/1060 – including, e.g., representatives of national, regional, and local levels from Lithuania and Poland, representatives of regional and local institutions, and social and economic partners from both countries, i.e., potential stakeholders – should be involved in activities related to the preparation, implementation, monitoring, and evaluation of the Programme. The potential stakeholders group also includes public administration units that have created the TCBFA and their partners from outside this area, e.g., from the Ełk Subregion.

Considering the mentioned partnership principle, as well as the fact that the update of the Programme carried out in 2023 involves the amendment of Appendix 3 to the Programme, concerning OSI in the scope of Activity 2.2. of the Programme addressed the TCBFA and the Ełk Subregion, the process of amendment of the Programme should also provide the relevant contribution of the Polish and Lithuanian partners from that area. The study should indicate the possibilities of the further development of cooperation between partners from the TCBFA and new partners from the Ełk Subregion, as well as greater inclusion of partners from other sectors, e.g., tourism entrepreneurs, mainly SMEs, business and tourism chambers, and non-governmental organisations, universities, and media.

Bearing this in mind, this study aimed to provide advice on the possible OSI addressing the TCBFA and the Ełk Subregion to be defined under Appendix 3 of the Programme with view to assess their relevance and level of readiness for implementation (availability of the financial resources of partners, implementation schedules, risks, etc.). An additional objective was to identify any potential specific opportunities for funding hard infrastructure projects related to increasing the area's touristic competitiveness, e.g., improving connectivity and providing better access to the TCBFA.

The Expert was commissioned to complete the following scope of the study:

- assessment of the tourism concepts elaborated in the Report of 2021 in terms of the status of the partnerships and their willingness to continue the cooperation on the development of the cross-border projects aiming to update the list of the cross-border projects in progress;
- assessment of the existing partnerships and the cross-border projects regarding their preparedness to submit projects proposals for Activity 2.2. of the Programme;

- identifying the risks jeopardising implementing the potential cross-border tourist projects within the TCBFA and the Ełk Subregion;
- identifying the project proposals matching the possible OSI addressing the TCBFA and the Ełk Subregion to be defined under Appendix 3 of the Programme.

The working approach of this study comprised the following tasks:

- desk research, including an assessment of the current versions of the partnerships, local development strategies, investment plans, etc.;
- workshops with the representatives of the projects' stakeholders and the selected representatives of the projects' target groups;
- online and onsite meetings with the existing partnerships and other entities interested in developing cross-border projects within the four concepts of the TCBFA;
- surveys (CATI/CAWI) on existing/new partnerships within the four tourism concepts;
- in-depth interviews involving spot visits and exchanges with project stakeholders and the selected representatives of the project target group;
- phone interviews/online meetings.

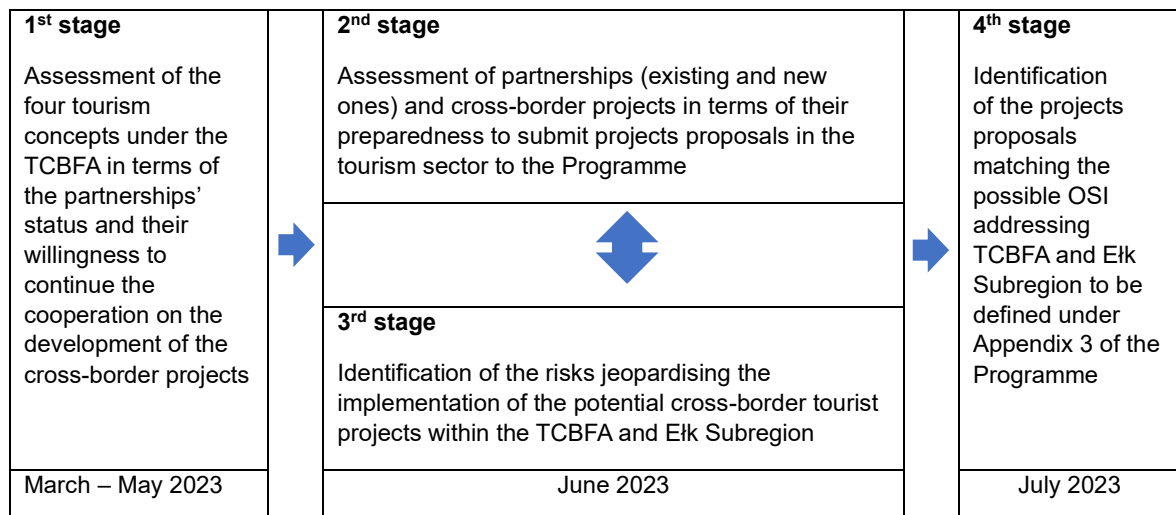
The study was conducted on 27.03.2023 – 31.07.2023 in the TCBFA area and, partially, in the Ełk Subregion, Poland.

To accomplish all tasks, the Expert cooperated with, e.g., JTS, TF, representatives of the External Contractor responsible for the Programme's amendment, representatives of the Polish and Lithuanian local governments participating in the TCBFA and other entities that established partnerships and designed projects under the TCBFA, representatives of the Ełk Subregion, and other Polish and Lithuanian organisations interested in developing cross-border projects within the four concepts under TCBFA, meeting the requirements of OSI as defined under Appendix 3 of the Programme.

## 4. Performance of the plan of the work

The Expert completed the objectives and tasks presented in Scheme 1.

**Scheme 1. The workflow and its relevance to the scope of the study**



Source: own elaboration

The Expert prepared an online survey to complete the 1st stage of the study. The questionnaire was divided into two parts. The first part assessed the effectiveness of cross-border cooperation developed within the TCBFA after 2021. The second part was devoted to assessing the current status of project proposals in terms of their readiness to apply for funds from the Programme. The Expert conducted survey research (CATI/CAWI) with partnerships that in 2021 declared an interest in cross-border cooperation under the TCBFA (37 project proposals were submitted by the Polish partners and 17 by the Lithuanian partners).

Additionally, the Expert organised four online meetings to strengthen cross-border linkages between Polish and Lithuanian partners under the TCBFA and provide a network approach to future collaboration. Each meeting was devoted to one tourism concept and organised together for Polish and Lithuanian partners who submitted their ideas on cross-border projects within such a concept. At each meeting, the Expert presented the assumptions of the particular concept and discussed with Polish and Lithuanian partners the ideas for cross-border projects submitted to that concept. The Expert encouraged partners to match complementary ideas for future cross-border projects that could be submitted to the Programme and meet the requirements of Appendix 3.

In response to a request to participate in project evaluation, the Expert added 45 completed questionnaires to the database, including 35 updated project proposals submitted by the Polish partners and 10 submitted by the Lithuanian partners. No response was provided to the Expert regarding the remaining 9 project proposals. The Expert reviewed 45 updated project proposals to assess the status of partnerships established under the TCBFA and their level of preparedness to submit proposals to the Programme. Afterwards, the Expert contacted Polish and Lithuanian partners, who had confirmed a willingness to continue working on the ideas of cross-border projects and discuss their progress in preparing the cross-border projects. The outputs for the 1st stage of the study were presented to TF, JTS, and the external contractor working on the amendment of the Programme. The results of this stage are presented in Chapter 3 of the study.



Following the assumptions of the 2nd stage of the study, the Expert prepared a template of the fiche of potential cross-border projects meeting the requirements of the tourism concepts and Appendix 3 of the Programme. It was a tool to assess the existing and new partnerships and the cross-border projects in terms of their preparedness to submit projects proposals to the Programme.

In cooperation with JTS, the information about the call for fiches was announced on the Programme website and social media. The Expert also conducted mailing to all recognised entities potentially interested in cross-border partnerships by sending them the fiche's template and encouraging them to develop cross-border projects matching the TCBFA concepts and meeting the requirements of the Programme, as well as OSIs according to Appendix 3. They were the following target groups:

- the partnerships established under the TCBFA, which declared the willingness to continue working on ideas of cross-border projects;
- the new partnerships that can be developed under the TCBFA due to the following calls on the Programme in 2024;
- entities from the Elk Subregion, mentioned in Appendix 3 to the Programme and eligible for Activity 2.2. of the Programme, interested in joining the partnerships within the TCBFA, both existing and new.

Additionally, in cooperation with JTS and regional authorities on both sides of the border, the Expert organised workshops (Elk, Sejny, Lazdijai) to present the TCBFA idea, the four tourism concepts, and the rules of applying for Activity 2.2. of the Programme. The additional goal was to extend cross-border linkages within the TCBFA and establish relations with the potential project partners from the Elk Subregion. The Expert then presented the assumptions of OSI and the fiche's content. After the workshops, individual consultations and visits on the spot were organised on both sides of the border.

The Expert received 15 completed fiches describing the following issues related to the ideas of cross-border projects: an aim; planned activities; an estimated budget; a project timeline; the implementation readiness level; project results; project impact, and relevance to achieving the objectives of the Programme, and to the development of the TCBFA tourism concepts; potential risks related to the specific stages of project submission and implementation. This information allowed the Expert to assess the level of readiness of the cross-border projects to be submitted to Activity 2.2. of the Programme. The results of this stage are presented in Chapter 4 of the study.

After obtaining the completed fiches, the Expert moved to the 3rd stage of the study. Based on the information included in the collected fiches, conclusions from the discussion during the workshops, and additional in-depth interviews with Polish and Lithuanian entities, the Expert identified the risks jeopardising the implementation of the potential cross-border tourist projects in the TCBFA and the Elk Subregion and obtained additional valuable insights of the Polish and Lithuanian entities enjoyable in the development of cross-border cooperation within the TCBFA, including companies and non-governmental organisations. The results of this stage are presented in Chapter 4 of the study.

Aiming to conduct the 4th stage of the study, the Expert evaluated the ideas of the cross-border projects and establish the following criteria to identify the potential OSI for the tourism sector:

- number of projects focused on similar or complementary activities on both sides of the border, which can build the critical mass for boosting at least one TCBFA tourism concept;

- the possibility of extending the leading group of projects by inviting other partners from the TCBFA and the Ełk Subregion and beyond to generate a scale effect (creating clusters of cross-border projects);
- the synergetic impact of all these cross-border projects on the development of tourism in the TCBFA and the whole borderland, providing a significant contribution to the Programme's results and visible societal impact involving various social groups.

The Expert presented the results of evaluating the ideas for the cross-border project in terms of identifying the potential OSI in Chapter 5 of the study.

## 5. The assessment of cross-border cooperation within tourism concepts established under the TCBFA in 2021

The creation of the TCBFA in 2021 was a grassroots initiative. Most partners had had minimal experience in cross-border cooperation and applying for the Programme, which also influenced the preparation of the ideas of cross-border projects, often very unbalanced, where activities on one or the other side of the border prevailed. However, in 2021, at the stage of implementing the pilot project "Identification of key elements for creating the Touristic Cross-Border Functional Area at the Lithuanian-Polish border", the most important goals were to establish cross-border cooperation under the TCBFA, create leading tourism concepts and initiate cross-border projects related to them.

In 2021, 54 ideas for cross-border projects were developed. The distribution of the projects among the tourism concepts was as follows:

- The Magical Borderland – 17 projects,
- The Mysterious Land of the Yotvingian Tribe – 8 projects,
- Green Retreat: Slow Tourism and a Healthy Life – 20 projects,
- Common Heritage – 9 projects.

Moreover, the partners created a vision of the future TCBFA tourism brand related to the tourist concept "The Mysterious Land of the Yotvingian Tribe", recognised in 2021 as the most attractive.

At the 1st stage of the study, all partners cooperating under the TCBFA since 2021 were asked to participate in the survey (CATI/CAWI) to make the self-assessment of cross-border cooperation and the progress in preparing the cross-border projects based on the tourism concepts of 2021.

Regarding the assessment of cross-border cooperation by the TCBFA partners, the Expert has collected the following information:

- Since 2021, there has been no significant progress in the cross-border cooperation of partners, and some partnerships have yet to be continued. Most Polish and Lithuanian partners maintained at least occasional institutional cross-border relations (two or three times a year). There were only a few cases on both sides of the border where

frequent or permanent contact with the TCBFA partners was declared. The partners who have maintained cross-border contact since the establishment of the TCBFA are satisfied with the partnership. Participation in the TCBFA is assessed much more positively on the Lithuanian side than on the Polish side.

- Most Polish and some Lithuanian partners declared that they worked on the ideas for cross-border projects independently, both in 2021, when they were created, and in 2023, when they were updated. They stated only minor involvement of partners from the other side of the border. Still, more than this cooperation was needed for the joint preparation of cross-border projects for calls for 2023. The result is, e.g., low contribution of entities cooperating under the TCBFA in the first call for proposals for Activity 2.2. (only a few TCBFA entities participated as partners in projects submitted in April 2023).
- There were only a few cases on the Polish side where it was declared that participation in the TCBFA had contributed to the acquisition of partners for other tourist projects in the borderland. On the Lithuanian side, all partners stated that Polish partners had been found to develop other tourist activities in the borderland. This asymmetry results from the significant difference in the number of Polish and Lithuanian entities involved in establishing TCBFA (9 Polish municipalities represented by various entities and three Lithuanian regions represented by local governments, a small number of non-governmental organisations and entrepreneurs on each side of the border).

The Expert identified the following factors that negatively affected cross-border partnerships under the TCBFA in 2021–2023:

- asymmetry in the number of available partners on both sides of the border (3 main partners on the Lithuanian side and 9 on the Polish side) and their diverse possibilities of involvement in cross-border projects, limited budgetary resources and organisational capacity;
- little sectoral differentiation (definite dominance of local governments, with very little interest from other entities, e.g., entrepreneurs);
- crises: the COVID-19 pandemic and war in Ukraine, and, consequently, a decrease in tourist demand, which also resulted in reduced interest in cross-border cooperation in tourism;
- limited budgetary resources of local governments for the preparation of project documentation for the project proposals submitted in 2021, which made it difficult to achieve progress in the development of cross-border cooperation in tourism.

Since 2021, the partners cooperating under the TCBFA have not significantly strengthened cross-border relations. They have not taken full advantage of the opportunities for the development cross-border linkages. When creating the TCBFA (2021), the tourist concepts identified and proposals submitted for cross-border projects were in the preliminary stage. Further intensification of cross-border cooperation within the TCBFA was expected, e.g., to prepare cross-border tourism projects for calls under the Programme. However, the results of the first call on Activity 2.2. of the Programme (April 2023) showed that the partners were not prepared well to submit proposals.

Despite the mentioned negative factors, the institutional level of cross-border cooperation is far more advanced than the operational level, which is responsible for such cross-border project development. The evidence is the agreement on the European Group of Territorial Cooperation entitled: "The Polish-Lithuanian Cross-Border Functional Area" approved by all Touristic Cross-Border Functional Area members, which will be formalised in 2023.

Regarding the assessment of the progress in preparing the cross-border projects based on the tourism concepts included in the Report, the Expert has collected the following information:

- At the end of April 2023, a willingness to continue the work on the development of cross-border projects based on tourism concepts was declared by 23 project proposals submitted by the Polish partners and 7 by the Lithuanian partners. 7 projects were abandoned on the Polish side and 1 on the Lithuanian side. For other reasons, work on the other cross-border projects' development has been stopped (implementation using other funds, cancellation of the projects, etc.). The distribution of interest in developing the project proposals related to tourism concepts is as follows:
  - The Magical Borderland – 10 projects,
  - The Mysterious Land of the Yotvingian Tribe – 5 projects,
  - Green Retreat: Slow Tourism and a Healthy Life – 9 projects,
  - Common Heritage – 2 projects,
- The degree of development of most projects based on tourism concepts was assessed as low. The partners did not describe cross-border cooperation in projects sufficiently. In only a few cases, the partners have the technical documentation or building permits necessary to develop new projects. Other obstacles to developing the projects were the lack of funds to prepare technical documentation, the lack of a cross-border partner, emphasis on other investments, the lack of time to deal with projects, and the need to involve other tasks, etc.
- Some partners, particularly those planning to develop cross-border projects related to the concept “The Mysterious Land of the Yotvingian Tribe”, declared to work on the cross-border projects. Still, they have not prepared feasibility studies to provide the archaeological exploration of the project area, which should be a baseline to create a cross-border tourism offer.

To sum up, most of the partners collaborating under the TCBFA still find the four tourism concepts as attractive directions for developing the cross-border tourism offer. They uphold their willingness to develop these ideas in cross-border partnerships and declare interest in applying for funds to the Programme in the following years. However, this has not been reflected in the degree of readiness of these projects to apply to the Programme. Most ideas of projects related to tourism concepts are still at the preliminary stage, so one can say that these partners did not have the know-how to develop them in cross-border cooperation. It is recognised through poorly prepared projects description, lack of technical documentation, or even lack of a cross-border partner.

The minimal progress in developing cross-border projects related to the tourism concepts within the TCBFA and a small number of successful partnerships may indicate:

- unexpected difficulties and delays related to the COVID-19 pandemic;
- the risk of uncertainty related to crises in the borderland, e.g., the war in Ukraine;
- changing development priorities in strategies and plans on both sides of the border;
- insufficient coordination of cross-border coordination within the TCBFA;

- difficulty in finding a partner under the TCBFA, e.g., due to a significant disproportion in the number of Polish and Lithuanian partners eligible for support under the Programme;
- exclusion of business-related entities from the partnerships on cross-border projects under the TCBFA, additionally limiting the number of available partners, e.g., due to the Programme eligibility rules;
- the lack of creativity in how to develop attractive cross-border tourism offers based on the cross-border projects implemented under the TCBFA;
- the lack of motivation to develop cross-border projects related to tourism concepts, e.g., due to the lack of know-how in establishing and developing cross-border cooperation;
- availability of alternative funds on the national or regional level;
- the lack of knowledge about the conditions for preparing cross-border projects under the rules of the Programme.

Regardless the mentioned factors that negatively influenced the process of developing cross-border projects, the Expert recognises that the level of complexity of the projects submitted in 2021 exceeded the capabilities of the partners and their knowledge of cross-border cooperation and the principles of preparing and implementing such complex projects. In 2021, partners mainly submitted projects covering infrastructural activities to significantly improve the tourist attractiveness of the TCBFA, but most of them have not had the abilities and competencies to develop such complex projects in cross-border partnerships. Simultaneously, these partners did take the opportunity to implement cross-border small projects better adapted to their capabilities and circumstances (e.g., the COVID-19 pandemic and the state of emergency at the border). Such activities were recommended in the Report of 2021, e.g., thematic working groups as a part of the model of coordination for cross-border cooperation in the TCBFA. Implementing small cross-border projects could have strengthened the partners' know-how in this field, but this opportunity was not used. As a result, in April 2023, some TCBFA partners withdrew their proposals for cross-border projects submitted to the Report of 2021. In the Expert's opinion, they could use some elements of those projects to develop small projects aligned with their needs and organisational and financial capabilities. The study shows that partners less experienced in cross-border cooperation were unaware of such possibilities or did not want to use such opportunities.

## 6. Level of readiness of the existing and new partnerships to submit proposals to the Programme

### 6.1. Assessment of partnerships and cross-border projects within the four tourism concepts in terms of their preparedness to submit proposals to the Programme

Regarding the call on fiches of potential cross-border projects to submit for Activity 2.2. to the Programme, the Expert received 15 completed ideas for cross-border projects

submitted by the cross-border partnerships representing the TCBFA and the Ełk Subregion. Most of them have been created after the meetings organised by the Expert in May 2023:

- 8 cross-border partnerships comprise the partners from TCBFA and the partners from Ełk Subregion, including 4 partnerships led by the partners from Ełk Subregion;
- 9 fiches present cross-border projects which were not included in the Report of 2021, including 4 cross-border projects initiated by the partners from the Ełk Subregion;
- The most active Polish partners from the TCBFA are: Puńsk commune and Sejny city; from the Lithuanian side – Lazdijai District Municipality Administration; the most active partners in Ełk Subregion are: Ełk city and Orzysz commune.

Most cross-border projects, which answered the Expert's call, demonstrate the preliminary level of preparedness for the submission for Activity 2.2. of the Programme.

The Partners have also presented planned cross-border projects' objectives, activities, and results. They have also shown the projects' impact, relevant to achieving the Programme's objectives. After making corrections and improvements requested by the Expert, they matched the assumptions of Activity 2.2., and generally met the Programme's requirements in the document's current version. However, the differences in the fiches preparation quality have been visible. Some have been prepared professionally, while others hardly moderately.

The Partners included in the fiches the information about the level of readiness of their cross-border projects for implementation. Although the project partners declared they estimated the costs and secured funds for the projects, most still have not signed the formal cross-cooperation agreements (Table 1). That reveals the limited development of projects in the cross-border cooperation model.

**Table 1. The overall assessment of all ideas for cross-border projects to submit for Activity 2.2. to the Programme**

No.	Criterion	The overall assessment of the current level of the preparedness of ideas for cross-border projects
1.	Formal agreement on cross-border cooperation within the project	Most partnerships have not signed the agreements (10), so partners cooperate under the agreement on the TCBFA signed in 2021 or without any agreement concerning designing and implementing joint projects, particularly when it comes to projects involving the partners from the Ełk Subregion
2.	Budget estimation	Most partnerships estimated their budgets fully or partially (9). However, when it comes to projects that include infrastructure works and require technical documentation, if it has not been ready yet, the budget can be considered preliminary only
3.	Providing financial resources	Most partnerships secured the funds for the projects fully or partially (13). However, when it comes to projects that include infrastructural works and require technical documentation, if it has not been ready yet, the total required funds will be known only after preparing professional budgets based on technical documentation. At this stage, providing financial resources for preparing the project means that partners have actually started the development project

Source: own elaboration based on the fiches review

Regarding assessing the feasibility conditions (Table 2), the technical documentation has not yet been prepared for most projects. It might be connected with the condition of the land ownership or the right to dispose of the land for investment since the technical documentation development is strongly associated with the investment's location. Moreover, obtaining the required permission for investment is also related to the disposal of the investment area, and it can be issued based on the technical documentation only. Therefore, in terms of investment, these three conditions are interconnected. Although the conditions of submitting the proposals to the Programme in 2023 did not require their fulfilment when applying, it is challenging to provide the investment area availability, develop technical documentation, and achieve necessary permissions after the selection of the projects in a limited time between this moment and signing an agreement on a project co-funded by the Programme.

**Table 2. The additional assessment of the ideas for cross-border projects, including investments, to submit for Activity 2.2. to the Programme**

No.	Criterion	The additional assessment of the current level of the preparedness of ideas for cross-border projects
1.	Technical documentation	Only in 5 partnerships technical documentation for the cross-border project has been prepared fully or partially. However, the infrastructural works have been planned in 12 projects. It reveals that preparing these projects is mostly at the initial stage
2.	Required permissions: permits from the monument conservator (objects entered in the register of monuments), water permit for investments in rivers and lakes, building permits, etc.	Obtaining the relevant permissions for infrastructural works is strongly connected with completing technical documentation, which has not happened in most projects. Only 4 partnerships have partially received the relevant permissions. It indicates that preparing technical documentation and obtaining permissions should be hastened in more complex projects. Otherwise, preparing the project for the next call for proposals for Activity 2.2. will be challenging
3.	Ownership of the land or the right to dispose of the land for the investment	All partnerships stated that at this stage of project development, they have full or partial ownership of the land related to these projects or at least the partial right to dispose of the land for the investment

Source: own elaboration based on the fiches review

The Expert evaluated most of ideas for cross-border projects (9) as fitting mostly the tourism concept of "Green retreat". The second most common tourism concept was "Common heritage". It has been identified in 4 ideas for projects. One idea for the project corresponds with the concept of "Magical borderland" and one with the concept of "Mysterious land of the Yotvingians".

The concept of "Green retreat" has been chosen by partners who planned cross-border activities to develop infrastructure supporting different forms of active tourism. It is in line with the conclusions of the Report of 2021. Then, the most significant number of ideas for cross-border projects was submitted to this concept (15). It corresponded to the potential of natural assets that are the most common, but not the most unique, elements of the area's tourist potential. They enable the development of many forms of recreation, land, and water tourism in the summer and winter seasons. In 2021, this tourism concept was recognised as the basis for three other concepts in the TCBFA, each related to the area's cultural and historical heritage. As part of the study conducted in 2023 in the extended zone (the TCBFA and the Ełk Subregion), Polish and Lithuanian partners declared that until the next call for Activity 2.2., they plan to submit 9 projects that fit into this concept, as those that they currently consider to be the best for tourism development in this area and can be prepared by them to apply for funds under the Programme in 2024. The list of ideas for projects submitted under the tourism concept of "Green retreat" is presented in Table 3.

**Table 3. The ideas for the cross-border projects submitted under the tourism concept of “Green retreat”**

No.	Title of the Project	Partnership	Scope of the Project
1.1.	Work-life balance in the Lithuania-Poland border area	Leader: Elk City Municipality P1: Lazdijai District Municipality Administration	water tourism; pedestrian paths; green zones
1.2.	Tribes' routes	Leader: The Great Masurian Lakes 2020 Association (Stowarzyszenie Wielkie Jeziora Mazurskie 2020) P1: Giżycko Commune P2: City of Giżycko P3: Węgorzewo Commune P4: Orzysz Commune P5: Biała Piska Commune P6: Vilkaviskis District Municipal Administration	bike and pedestrian paths; trail markings; bike repair points; rest areas for cyclists
1.3.	Slow and green cross-border life	Leader: Elk City Municipality P1: Vilkaviskis District Municipal Administration P2: Puńsk Commune P3: Orzysz Commune P4: Kalvaria District Municipal Administration	water tourism; beaches; tourism services (water sports, team sports); recreational and leisure infrastructure & zones; bike and pedestrian paths; green zones around lakes
1.4.	Tourism offices – as key for cross-border success	Leader: Sejny Commune P1: Lazdijai District Municipality Administration	water tourism; outdoor sports
1.5.	ST.HUB – the creation of a slow tourism hub on the Polish-Lithuanian borderland	Leader: City of Sejny P1: Lazdijai District Municipality Administration P2: Krasnopol Commune P3: Białystok University of Technology	sport and recreation; tourism infrastructure; accommodation and tourist facilities
1.6.	Connected by cross-border rivers	Leader: Kalvarija District Municipality Administration P1: Orzysz Commune P2: Lazdijai District Municipality Administration	water tourism; kayak route; campsites; a pilot water trip from Rūdelė (Rutka-Tartak) to Lakinskai dam; sailing base
1.7.	sPLoT – The green tourist borderlands of Eastern Europe	Leader: Białystok University of Technology P1: Podlaskie Regional Tourist Organisation P2: Lazdijai Cultural Centre P3: Kaunas Regional Development Agency	sport and recreation; a cross-border tourist centre, a set of cross-border tourist products based on local products; newly created tourist trails
1.8.	Connected by lakes	Leader: Lazdijai District Municipality Administration P1: Puńsk Commune P2: Vilkaviskis District Municipal Administration P3: Orzysz Commune	water tourism; recreational green areas by lakes; cross-border water tourism routes and swimming events; bicycle and pedestrian paths
1.9.	Preparation of tourism infrastructure on the Polish-Lithuanian border	Leader: Kalvarija District Municipality Administration P1: Puńsk Commune	bicycle and pedestrian paths; adaptation of some mountain areas for tourism; tourism infrastructure development

Source: own elaboration based on the fiches review

Considering the scope of ideas for cross-border projects, one can find out that some of them have been created in the spirit of network cross-border cooperation, understood as multilateral cooperation among Polish and Lithuanian partners who want to develop complementary offers related to active tourism (projects: 1.2., 1.3., 1.6., 1.8.). The ideas of cross-border projects cover the following: bike and pedestrian paths with related



infrastructure (5 projects), water tourism with related infrastructure (5 projects), green zones and other recreational and leisure infrastructure (7 projects). This group of cross-border projects presents the preliminary level of preparedness of proposals to be submitted to the Programme. Few projects can be considered more advanced.

The ideas of the cross-border projects, which reflected the tourism concept of “Common heritage”, have distinguished the shared legacy of the borderland, including intangible and tangible historical and cultural heritage, among others, monuments, museums, places and objects of religious worship, and events and places associated with famous figures, especially those who went down in the history of both nations. Most of them are based on the ideas of cross-border projects related to this concept and presented in the Report of 2021. However, they have been redesigned and adjusted to the current goals and needs of the partners. Additionally, partners from the Ełk Subregion joined some consortiums (Gołdap Municipality, City of Ełk, Orzysz Commune). Multilateral partnerships have prepared ideas for cross-border projects. They are presented in Table 4.

**Table 4. The ideas for the cross-border projects submitted under the tourism concept of “Common heritage”**

No.	Title of the Project	Partnership	Scope of the Project
2.1.	Increasing the tourist attractiveness of the cross-border area based on strengthening the potential of cultural institutions and developing the cultural offer in the communes of Gołdap, Puńsk, and Łazdijai	Leader: Gołdap Municipality P1: Punksk Commune P2: Łazdijai District Municipality Administration	development of tourist products based on historical, cultural, and natural resources; pilot travelling route: “Gołdap-Punksk-Rudamina – retreat for all of us”; modernisation of the cultural infrastructure and development of the cyclical event the Barn Theater Festival; reconstruction of Rudamina amateur centre
2.2.	Mobile outlets to promote the Tourist Cross-border Functional Area	Leader: City of Sejny P1: Krasnopol Commune P2: Łazdijai District Municipality Administration P3: Kalvarija District Municipality administration	purchase of mobile spherical tents and creating a set of cross-border exhibitions promoting the values of the borderland; creating hiking trails on the river Marycha; joint events promoting the borderland's culture and heritage
2.3.	Museum cross-border route for history, heritage, and adventures	Leader: Puńsk Commune P1: Łazdijai District Municipality Administration P2: City of Ełk (Historical Museum in Ełk) P3: Vilkaviskis District Municipality Administration P4: Kalvarija District Municipality administration P5: City of Sejny P6: Sejny Commune	activities in Museum "Stara Plebania"; activities in Joseph Vaina Ethnographic Museum; activities in Ethnographic Open-air Museum in Puńsk; Pranas Dzūkas homestead restoration for educational activities; Łazdijai Freedom fight museum – the expansion of the tourism route, creation of a virtual museum with open-air exposition; reconstruction of some interiors at Paezeriai manor; adaptation of Kalvarija horse post complex for tourism; preparation of open-air/mobile exhibitions; creation of an exhibition of handicrafts
2.4.	Lithuanian – Polish cross-border trail of book carriers	Leader: Puńsk Commune P1: Łazdijai District Municipality Administration P2: Kalvarija District Municipality administration P3: Orzysz Commune	creating an exhibition of Lithuanian historical books and periodicals in the new cultural-educational centre in Puńsk, purchasing green electric library buses, Juozas Kancleris house and surroundings adaptation for tourists, and tourism promotion activities

Source: own elaboration based on the fiches review

Two of the presented projects have promoted the routes of cultural attractions developed based on existing offers (museums, events, material and non-material heritage of the borderland) that will be developed to increase their attractiveness (2.1. and 2.3.). Another project (2.4.) will create a new cross-border cultural route based on the far-narrow topic: the book-carriers heritage. An innovative element of this set of projects is the idea of promoting the borderland's cultural and historical legacy through cross-border exhibitions and open events (2.3.). This group of projects has also been created in the spirit of network cross-border cooperation, particularly projects 2.2., 2.3. and 2.4., which have the potential to create a coherent, recognised, and attractive offer for tourists who want to explore borderland cultural assets. This group of cross-border projects also presents the preliminary level of preparedness of proposals to be submitted to the Programme. However, the technical documentation and permissions are not needed in many activities comprised by these projects.

Two other tourism concepts designed in 2021 noted a decrease in the interest of Polish and Lithuanian partners. The concept "Mysterious land of the Yotvingians" had been recognised as the most promising and unique tourism concept created under the TCBFA in 2021 and recommended as a fundamental for the future cross-border brand of the area. The concept's attractiveness is related to the historical identity of the borderland's crucial part, referring to the early medieval times when Yotvingian tribes used to live in the area. In 2021, 10 partners submitted ideas for activities to this concept. It was recognised as a comprehensive and interconnected offer. However, most partners focused on the activities on one side of the border. In 2023, only one refreshed idea of the cross-border project related to this concept has been submitted. It is presented in Table 5.

**Table 5. The idea for the cross-border project submitted under the tourism concept of "Mysterious land of the Yotvingians"**

No.	Title of the Project	Partnership	Scope of the Project
3.1.	Secrets of the Yotvingian Tribe	Leader: Vilkaviskis District Municipality Administration P1: Suwałki Regional Museum P2: Wizajny Commune P3: Puńsk Commune	construction of Pajevonys park; adaptation of the mounds of Kunigiskiai – Ragaisiai – Dabravole for tourists; events; archaeological research in Poland; conservation of found exhibits; workshops; exhibitions; conference; marking the trail to the gord (mountain Gulberek in Sudawskie); installation of information boards and several sculptures of Yotvingians; promotional materials; historical music workshop; video clip; Yotvingian fortified settlement models; workshops of Yotvingian clothing, jewellery, and woodcraft; survival camps, learning the ancient martial arts; the Yotvingian culinary festival, the Yotvingian trail on the Polish-Lithuanian castle mountains

Source: own elaboration based on the fiches review

Project 3.1. comprises only a few historical destinations related to the Yotvingian settlements in the borderland, and it is evident that infrastructural works have been significantly limited compared to the ideas of 2021. It is because of a realistic assessment of the feasibility of developing Yotvingian-related investment in the following years. Preparing projects based on historical heritage is challenging since the area still requires an archaeological exploration to prepare a historical background for such tourism offer. In case some of the projects included the infrastructure development, preparing the technical documentation and obtaining permissions (including permits from the historical heritage

conservator) is a long-perspective process. Partners have not yet prepared the technical documentation for this project, and some archaeological research is planned on the Polish side.

Another project (4.1.) is related to the concept of “Magical borderland” designed under the TCBFA in 2021 to distinguish the aura of mystery spreading over the area, including old Balto-Slavic beliefs, rituals, customs, as well as interesting places and objects related to legends, tales, fairy tales, and rich and diverse folk culture. In 2021, 11 projects were submitted to this concept. However, in 2023, some of them moved to the concept of “Common heritage” which was recognised as more relevant to them. Eventually, one idea of the project that represents this concept could also be moved to the concept of "Common heritage", but this should be a decision made by the partners preparing this project. At the current stage, this project is suitable for both concepts. It is presented in Table 6.

For this project, partners have not yet prepared the technical documentation, so it is in the preliminary stage of development. Regardless of the correlation with the TCBFA tourism concepts, this project has a specific potential to boost another culture-related cross-border project (2.3.) participated by both partners.

**Table 6. The idea for the cross-border project submitted under the tourism concept of “Magical borderland”**

No.	Title of the Project	Partnership	Scope of the Project
4.1.	Live history and culture of the Polish-Lithuanian borderland	Leader: Puńsk Commune Partner: Kalvaria District Municipal Administration	modernisation of the stage equipment of the Lithuanian Culture House in Puńsk to develop the cultural activities related to the project topic; preparation of the tourism products of both sides of the border: itineraries of theatrical tours of the towns

Source: own elaboration based on the fiche review

## 6.2. Identification of the risks jeopardising the implementation of the potential cross-border tourist projects

An essential part of assessing the ideas of cross-border projects to be submitted to the following call to the Programme was the analysis of the risks jeopardising their implementation. Based on the review of factors harming the projects’ development presented by partners, the Expert identified the following risks that can negatively impact the projects’ implementation:

- a possibility to limit the liquidity of the partners because of the reimbursement model of settlement of the projects, lack of advance payments, and limitation of the co-financing recourses;
- the increase in the costs that can be considered a possibility to underestimate the projects’ costs because of inflation and economic crisis, leading to the inability to select contractors and suppliers under the budget allocated for the projects’ implementation;

- insufficient competencies of the project management team and changes in the team that can be considered a possibility to jeopardise the cooperation and communication between the staff responsible for the projects' implementation on both sides of the border and cause failures and damages in the project's implementation process;
- the changes in the partners' priorities that can be considered a possibility to delay the projects' implementation by some partners or resigning from them;
- the delays in projects implementation that can be considered a possibility to lose financing from the Programme because of delays in selecting contractors or suppliers because of difficulties in public tender procedures;
- geopolitical issues that can be considered a possibility to cancel or delay the projects as a result of military threats on the tripoints of borders (Poland-Lithuania-Russia and Poland-Lithuania-Belarus) or the spread of the war in Ukraine to neighbouring countries;
- the decrease of the demand in the tourism sector that can be considered a possibility to limit the income of the tourism sector and its ability to invest in the further development of cross-border tourism products caused by the decrease in the tourists' purchasing power and other factors discouraging them from resting on the Polish-Lithuanian border (e.g., the migration crisis on the border with Belarus and the military crisis on the Suwałki Gap);
- the technical issues that can be considered a possibility to cancel or delay the projects as a result of difficulties in obtaining the required permits, probably because of the difficulties in landowners' identification and land acquisition;
- the mistakes and difficulties in project implementation that can be considered a possibility of wrong planning the activities in the project because of the lack of detailed technical documentation at the stage of applying to the Programme.

Although those risks have been identified in the study area, they can be considered risks affecting all cross-border projects that will be implemented in the entire Lithuanian-Polish borderland. Since the listed risks concern the projects planned to be implemented in the following years, assessing the probability of their materialisation is difficult considering the dynamic political and socio-economic environment. Only some risks can be partially managed by the partners (e.g., limit the liquidity). Others are beyond the partners' control (e.g., the crisis on the Polish-Lithuanian-Belarusian and Polish-Lithuanian-Russian borders). The fear of the consequences of these risks, e.g., a further decline in tourist traffic on the border, significantly inhibits interest in developing and implementing cross-border tourist projects. The identified risks limiting interest in implementing cross-border projects are essential for the pace and direction of development of cross-border cooperation under the TCBFA and cooperation with the partners from the Ełk Subregion.

The Expert identified additional obstacles limiting the interest in developing cross-border projects within the area. They include:

- focusing on current projects and tasks and a shortage of staff,
- the lack of know-how in establishing and developing cross-border cooperation,
- the lack of knowledge about the requirements for applying for funds from the Programme;

- difficulty in finding a partner under the TCBFA (there is a significant disproportion in the number of Polish and Lithuanian partners eligible for support under the Programme),
- language barrier limiting cross-border cooperation on a daily basis,
- changing development priorities in strategies and plans on both sides of the border,
- shortage of funds in the budgets to secure financial contributions to the cross-border project,
- less attractive model of financing in the Programme than in other sources of funds (e.g., national programmes),
- unpredictable changes regarding the trends in the tourist market,
- high level of uncertainty because of the geopolitical situation.

### 6.3. Other comments concerning the objectives of the study

Some partners cooperating under the TCBFA have insufficient competencies to develop cross-border projects under the Programme's guidelines. It was discernible in the quality of sent fiches presenting the ideas of cross-border projects, particularly in the description of cross-border cooperation within the projects. It was also revealed in the results of the 1<sup>st</sup> call on Activity 2.2. of the Programme regarding the limited activity of those partners in submitting the projects.

Considering that some partners have little experience in cross-border cooperation, it may be surprising that among the projects submitted to the Expert in 2023, there was not any cross-border project that would meet the conditions of the so-called small project. Cross-border cooperation in this formula is recommended for those partners who do not yet have high competence in this area and have not built a sufficient level of trust to develop complex infrastructural projects. Meanwhile, such a model to develop cross-border cooperation has not been recognised, particularly among partners in the TCBFA.

The study revealed a substitutive approach of partners to the use of regional, macro-regional, and national funds. The ease of obtaining funds for project implementation and an attractive financing model (low or no own contribution) were, in many cases, the main arguments for not applying for the Interreg Programme and obtaining funds for tourism projects from other sources, which makes it challenging to build a cross-border tourist offer, and use complementarity and synergy between the sources.

It should also be noted that at the moment, neither the TCBFA nor the Lithuanian-Polish borderland has a tourism development strategy. The concepts developed in 2021 can only contribute to its development. However, the project fiches submitted to the Expert in May 2023 concern almost exclusively tourism public investments eligible for financing from the Interreg Programme and do not comprise any business- and social-related undertakings. Meanwhile, developing a tourism strategy should engage different groups of stakeholders.

During the study timeline, some Polish and Lithuanian entrepreneurs active when the TCBFA was established in 2021 contacted the Expert and claimed the possibility of submitting their projects to the Programme as business-related investments that can be

developed parallel to the public projects funded by the Programme to provide the harmonic development of cross-border tourism offer on the Lithuanian-Polish borderlands. Since these entities are not eligible for the Programme, the Expert could not process their fiches. However, the expert has repeatedly emphasized the need to include this target group in cross-border cooperation within the TCBFA and beyond.

The TCBFA partners who participated in the meetings and Polish and Lithuanian entrepreneurs emphasized that the significant obstacle to developing tourism in the TCBFA area is low cross-border mobility and insufficient accessibility for tourists. They presented an example of the road Berżniki-Kapciamiestis, a strategic cross-border connection that degraded extensively.

## 7. Identification of the potential OSI to be included in Appendix 3 of the Programme

This process has been conducted based on the three criteria mentioned in Chapter 2. In order to identify the potential OSI to be included in Appendix 3 of the Programme, the Expert intended to select similar or complementary projects boosting at least one of the TCBFA tourism concepts, reflecting the potential to generate a scale effect by joining other partners from the TCBFA, the Ełk Subregion, and beyond, impacting the tourism development in the TCBFA and the whole borderland synergistically, and providing a significant contribution to the Programme and visible societal impact.

Considering:

- the current potential of each tourism concept established under the TCBFA, reflected in the projects assigned to each of the concepts and their contents,
- the current potential of the partnerships, reflected in partners cooperating under each project and their contribution to the projects,

the Expert identified the leading tourism concept of “Green retreat” as a background for the future OSI in the tourism sector. Such a choice was based on the assumption that projects proposed under this concept meet best the mentioned criteria designed by the Expert. The Expert assigned projects submitted under the concept of "Green retreat" to leading activities recognised individually as coherent within this concept. It is presented in Table 7.

To sum up, for this moment, the potential to develop a network of bike and pedestrian paths within the study area has been identified in five projects. The potential to develop water tourism offers has been identified also in five projects. Additionally, partners planned activities aiming at the development of green zones in four projects. Moreover, three projects partially cover all three leading activities in the concept of "Green retreat". These are projects: 1.1., 1.3., and 1.8. and they are most coherent with the entire concept.

**Table 7. The relevance of the projects submitted under the tourism concept of “Green retreat” to leading activities in this concept**

No.	Title of the Project	Partnership	Types of activities within the concept of “Green retreat”			
			bike and pedestrian paths	water tourism	green zones	others
1.1.	Work-life balance in the Lithuania-Poland border area	Elk City Municipality, Lazdijai District Municipality Administration	X	X	X	X
1.2.	Tribes routes	The Great Masurian Lakes 2020 Association, Giżycko Commune, City of Giżycko, Węgorzewo Commune, Orzysz Commune, Wilkaviskis District Municipal Administration, Biała Piska Commune	X			X
1.3.	Slow and green cross-border life	Elk City Municipality, Wilkaviskis District Municipal Administration, Puńsk Commune, Orzysz Commune, Kalvaria District Municipal Administration	X	X	X	X
1.4.	Tourism offices – as key for cross-border success	Sejny Commune, Lazdijai District Municipality Administration		X		X
1.5.	ST.HUB – the creation of a slow tourism hub on the Polish-Lithuanian borderland	City of Sejny, Krasnopol Commune, Lazdijai District Municipality Administration, Białystok University of Technology			X	X
1.6.	Connected by cross-border rivers	Kalvarija District Municipality Administration, Orzysz Commune, Lazdijai District Municipality Administration		X		X
1.7.	sPLoT – The green tourist borderlands of Eastern Europe	Białystok University of Technology, Podlaskie Regional Tourist Organisation, Lazdijai Cultural Centre, Kaunas Regional Development Agency				X
1.8.	Connected by lakes	Lazdijai District Municipality Administration, Puńsk Commune, Orzysz Commune, Wilkaviskis District Municipal Administration	X	X	X	X
1.9.	Preparation of tourism infrastructure on the Polish-Lithuanian border	Kalvarija District Municipality Administration, Puńsk Commune	X			X

Source: own elaboration

One can assume that bundles of projects aiming at developing bike and pedestrian paths and water tourism can provide critical masses to designing two OSIs for the area TCBFA and the Elk Subregion. It is because these projects are based on:

- sufficient tourist assets, particularly natural resources associated with this area (natural heritage, forests, lakes, rivers, etc.) and related to them infrastructure, partially developed,

- sufficient partnerships within the TCBFA and the Ełk Subregion (mostly network partnerships),
- ideas addressing the development of coherent cross-border tourism offers that can be further expanded in other related public and commercial, and social projects.

When it comes to creating green zones planned in four projects, the Expert finds this idea as insufficiently unique to provide expected distinguishing of the area's tourism offer. Thus, it was not considered a separate bundle of the cross-border projects.

Counteracting the existing, very narrow approach to cross-border cooperation demonstrated in the fiches as the involvement of the public sector exclusively, the OSIs should ensure the inclusion of the following target groups:

- non-governmental organisations that are less active in using the Programme funds,
- enterprises, mainly SMEs, that are not eligible for the Programme.

Including these groups in cross-border cooperation in the tourism sector will ensure multidimensional socioeconomic multiplier effects. They will be achieved by the cross-border tourist offer development under the tourism concept of "Green retreat" in the following ways:

- creating attractive, generally accessible cross-border tourist products based on projects financed from the Programme and other funds,
- developing complementary commercial tourist services on both sides of the border (accommodation, catering, sports, recreation facilities, and others),
- intensifying cross-border information and promotion activities and developing the intellectual capital of the area, carried out, for example, by non-governmental organisations and the media,
- including all actors operating in the TCBFA area and the Ełk Subregion in joint activities to develop active tourism.

The essence of cross-border cooperation is the establishment of new social and economic relations and the expansion of previous contact between borderland communities through actions that address common needs and solve common problems, i.a., in the tourism sector. The Programme's goal is to provide seed funds for creating long-term cross-border partnerships that can expand and transform bilateral relations into network relations, which attract business and social partners. It is the essence of clustering. Therefore, the cluster model of developing cross-border cooperation under the tourism concept of "Green retreat" has been considered by the Expert as the optimal way to create OSIs in the tourism sector in the TCBFA and the Ełk Subregion.











Considering the borderland specificity, a cluster can be defined as a geographic concentration (i.a., within the cross-border functional area and beyond) of interconnected public entities, businesses, social partners, and other entities operating in related sectors (i.a., tourism, leisure and recreation, culture, transportation, etc.) and associated competing or cooperating institutions.

The implementation of two future OSIs in the tourism sector within the TCBFA and the Ełk Subregion can be processed to develop clusters of projects financed from the Programme on further stages extended by the complementary projects in the tourism sector (public, commercial, and social), involving all the mentioned target groups and thus ensuring



a significant contribution to the Programme's results and visible societal impact involving various social groups. The suggestion concerning the clusters' structure is presented in Scheme 2.

**Scheme 2. The workflow and its relevance to the scope of the study**

THE TOURISM CONCEPT OF "GREEN RETREAT"	
1st cluster: cross-border pedestrian and cycle paths network offer	2nd cluster: cross-border water tourism network offer
<b>CLUSTER CORE:</b>	<b>CLUSTER CORE:</b>
<p> <b>bungle of cross-border public projects developing the infrastructure of cross-border pedestrian and cycle paths providing a critical mass for the development of cross-border tourism offer</b></p> <p>the projects no: 1.1, 1.2., 1.3., 1.8., 1.9. co-funded by the Programme developed by the network: Lazdijai District Municipality Administration, Vilkaviskis District Municipal Administration, Kalvaria District Municipal Administration, Ełk City Municipality, Giżycko Commune, City of Giżycko, Węgorzewo Commune, Orzysz Commune, Biała Piska Commune, Puńsk Commune, The Great Masurian Lakes 2020 Association</p>	<p> <b>bungle of cross-border public projects developing the infrastructure of water tourism providing a critical mass for the development of cross-border tourism offer</b></p> <p>the projects no: 1.1, 1.3., 1.4., 1.6., 1.8. co-funded by the Programme developed by the network: Lazdijai District Municipality Administration, Vilkaviskis District Municipal Administration, Kalvaria District Municipal Administration, Ełk City Municipality, Orzysz Commune, Puńsk Commune, Sejny Commune.</p>
<b>OTHER PROJECTS ENABLING CLUSTER COOPERATION &amp; DEVELOPMENT</b>	<b>OTHER PROJECTS ENABLING CLUSTER COOPERATION &amp; DEVELOPMENT</b>
<p> other similar or complementary public projects (cross-border and one-side projects)</p> <p>financially supported by public funds (national and international, including the Programme), focused on the development of pedestrian and cycle paths, implemented by the partners from the TCBFA, the Ełk Subregion, and beyond</p>	<p> other similar or complementary public projects (cross-border and one-side projects)</p> <p>financially supported by public funds (national and international, including the Programme), focused on the development of water tourism, implemented by the partners from the TCBFA, the Ełk Subregion, and beyond</p>
<p> complementary commercial projects implemented on both sides of the border</p> <p>focused on developing complementary tourism offer increasing the attractiveness of the network of pedestrian and cycle paths and enabling use it</p>	<p> complementary commercial projects implemented on both sides of the border</p> <p>focused on developing complementary tourism offer increasing the attractiveness of the water tourism and enabling use it</p>
<p> complementary social projects (cross-border and one-side projects)</p> <p>financially supported by public funds, including the EU funds (regional/macro regional/national/international, including the Programme), focused on intensification of cross-border information and promotion activities and development of the area's intellectual capital</p>	<p> complementary social projects (cross-border and one-side projects)</p> <p>financially supported by public funds, including the EU funds (regional/macro regional/national/international including the Programme), focused on intensification of cross-border information and promotion activities and development of the area's intellectual capital</p>
<p> other formal and informal undertakings supportive to the 1<sup>st</sup> cluster activities</p>	<p> other formal and informal undertakings supportive to the 1<sup>st</sup> cluster activities</p>

Source: own elaboration

Currently, the OSIs may cover bundles of cross-border projects supported by the Programme, which can create two most coherent and potentially well-recognised cross-border tourism offers: one for the pedestrian and cycle paths network and another for water tourism. To make the OSIs, it is required to provide the appropriate conditions under the Programme to submit such projects by partners from the TCBFA and the Ełk Subregion (dedicated call on Activity 2.2., proper criteria of the project selection, and technical support for the development of application forms). Other partners operating in the area may also be interested in joining these consortia. It was claimed to the Expert when the call on fiches finished. Another option is that the number of partnerships that will submit proposals matching any of the project bundles will be more significant than presented in the fiches. It means there is even higher interest in submitting these projects at the current stage than it was declared in fiches.

Due to this approach, designing future clusters of complementary cross-border projects enhances cross-border offers based on coherent tourist assets (e.g., walking/cycling roads and water tourism), and it can be considered a tool to develop a network and multi-sectoral cross-border cooperation in tourism, including collaboration with SMEs and NGOs.

The recommended model of cross-border cooperation based on clusters responds to the issues identified in the study and the weaknesses of the current state of cooperation between partners, which are typical for less-developed regions with various deficiencies.

The model is appropriate for these partners because of the following reasons:

- it is based on bottom-up projects reflecting the "place-based approach", addressing the issues, interconnections, and relationships in a place, particularly the objectives of the partners cooperating under the TCBFA and partners from the Ełk Subregion;
- it creates room for extending the inter-sectoral cooperation of public administration, business, non-governmental organisations, media, and the borderland's residents, far more balanced than the cooperation supported by the Interreg programmes, where not all types of partners are eligible to be financially supported;
- it creates conditions for the parallel development of cross-border cooperation at different speeds and involvement levels (e.g., small projects versus complex infrastructure projects in the tourism sector);
- it provides a critical mass to build distinguished and well-recognised cross-border tourism offers related exclusively to the TCBFA and the Ełk Subregion, for example, together with projects concerning the tourist concept of "Mysterious land of the Yotvingians";
- it complies with the principles of the Transformation Path for Tourism, e.g., on green transition and sustainability (particularly pedestrian and bike paths);
- it supports the coordination of the scope of cross-border projects to improve the quality of life for that community, provide better collaboration with other EU-funded programmes (national/regional/macro-regional), including the goal called SO4.6 (e.g., to ensure the financial sustainability of tourism-related investments and their correspondence with projects in neighbouring areas to avoid overlaps and competition and explore complementarities and synergies), and stimulate tourist activity in the area).

## 8. Conclusions and recommendations

### 8.1. Cross-border cooperation under the TCBFA

In 2021–2023, the partners cooperating under the TCBFA have not taken full advantage of the opportunities for developing the tourism concepts identified under the TCBFA and related cross-border projects.

When creating the TCBFA (2021), the ideas of cross-border projects within the four tourism concepts were in the initial stage. After two years, the number of ideas for cross-border projects created by the partners in the area who declare the willingness to continue their preparation for submission to the Programme decreased from 52 to 26. The results of the first call on Activity 2.2. of the Programme (April 2023) showed that the partners were not prepared enough to submit proposals. Some partnerships have not continued, and some entities still have not found cross-border partners for their ideas. In 2023, most projects that will be continued are still at the preliminary stage (the lack of technical documentation, detailed budgets, and formal cross-border partnerships for the projects).

The reasons behind insufficient progress in the development of the cross-border projects may include: asymmetry in the number of available Polish and Lithuanian partners, other sources of available funds, crises (the COVID-19 pandemic and the war in Ukraine) and related decrease in tourist demand, limited budgetary resources for preparing project documentation, the lack of coordination of cross-border cooperation under the TCBFA, and limited competencies to develop cross-border partnerships and projects, particularly under the Programme's guidelines.

The institutional level of cross-border cooperation (relations between Polish and Lithuanian local governments) is far more advanced than the operational level (joint development of cross-border projects). In 2022 the TCBFA members started establishing the European Group of Territorial Cooperation entitled: "The Polish-Lithuanian Cross-Border Functional Area", which will be formalised in 2023.

Likely, the complexity of the projects submitted in 2021 exceeded some partners' capabilities, their knowledge of cross-border cooperation, and the principles of preparing and implementing such complex projects. Unfortunately, those partners who could not develop infrastructure projects, did not use opportunities to develop small projects that could be the first step to start cross-border relations and learn how to develop partnerships. Such projects could better address their capabilities and circumstances of cooperation in crisis (e.g., the COVID-19 pandemic and the state of emergency at the border). Partners less experienced in cross-border cooperation were unaware of such possibilities or did not want to use such opportunities.

#### Recommendations

The following activities should be implemented for extending the touristic functional linkages in the TCBFA and possibly beyond:

- It is required to comprehensively govern the development of tourism-related cross-border projects in the TCBFA under the future EGTC, and simultaneously extend relations with entrepreneurs, mainly SMEs and NGOs, that are crucial players in developing the cross-border tourism offer.

- The partners less experienced in cross-border cooperation should be instructed on how to build mutual trust and learn cross-border cooperation using small projects as an instrument relevant to some activities required under the TCBFA (e.g., strengthening the relations with entrepreneurs and NGOs), having enormous stimulation for the area, and being recognised as added value for cross-border cooperation in the entire borderland.
- All tourism entrepreneurs and non-governmental organisations operating under the TCBFA related to the tourism sector should be informed about what cross-border public projects are being implemented in the tourism sector.
- Entrepreneurs should be facilitated in obtaining information on the possibilities of getting co-financing for tourist investments, which will be complementary primarily to the tourist concept of "Green retreat" and other concepts.

## 8.2. Level of preparation of the cross-border projects under the TCBFA touristic concepts to be submitted to the Programme

In 2023, according to Appendix 3 of the Programme, the area considered for developing the four tourism concepts established under the TCBFA and related cross-border tourism projects also comprises the Ełk Subregion.

Extending the cross-border cooperation area under the TCBFA tourist concepts boosted the partnerships, mostly networks, including partners from the Ełk Subregion. The analysis of the existing partnerships demonstrates that there is an asymmetry between the number of potential Polish and Lithuanian project partners. Another issue is the lack of non-governmental organisations as partners in cross-border projects and the low interest of entrepreneurs to be involved in cross-border cooperation since they are not eligible for the Programme. All these factors negatively influence the further extension of the partnerships.

In 2023, the partners from the TCBFA and the Ełk Subregion submitted 15 fiches presenting their ideas of cross-border projects to be submitted for Activity 2.2. of the Programme in the following call. Most of them (9) have been related to the concept of "Green retreat". These projects cover the following subjects: bike and pedestrian paths (5), water tourism (5), and green zones (4). Another common tourism concept was "Common heritage". 4 ideas for cross-border projects have been submitted under this concept. Only one project has been submitted under the tourism concept of "Mysterious land of the Yotvingians" and another under the "Magical borderland" concept. Currently, the dominant concept is "Green Retreat" which, while probably less attractive than the "Mysterious Land of the Yotvingians", is far more doable (technical documentation, etc.) when it comes to submitting the proposals to the following call for Activity 2.2. of the Programme.

The ideas of cross-border projects presented in the fiches demonstrate the preliminary readiness to be submitted for Activity 2.2. of the Programme (the lack of technical documentation and required permissions). The fiches preparation quality is different. Some have been prepared professionally, while others hardly moderately. It proves that some partners do not have sufficient competencies to create cross-border partnerships, develop cross-border projects, and prepare proposals to be submitted to the Programme.

Among projects submitted to the Expert in 2023, there was not any cross-border project that would meet the conditions of a small project. However, some partners still have insufficient competencies to develop complex infrastructural projects in the tourism sector

and start cross-border cooperation in a smaller scale could be a good solution for them to learn how to develop cross-border partnerships and build mutual trust.

Ideas of cross-border projects reflect the individual needs and objectives of the partners from the TCBFA and the Ełk Subregion. They comprise almost exclusively tourism public investments eligible for financing from the Interreg programme and do not comprise any business- and social-related undertakings. They do not reflect the holistic, strategic vision of the tourism development in the area, which should be developed based on the different stakeholders' engagement to provide a long-term perspective of creating an excellent cross-border tourist offer in the borderland.

Moreover, the significant predominance of Polish and Lithuanian local governments in the group of entities that actively cooperated under the TCBFA, the inability to apply for funds to the Programme by tourist entrepreneurs, and the relatively low involvement of non-governmental organisations in cross-border cooperation, are the reasons for the planned projects being directed mainly at public tourism infrastructure. It does not ensure a sufficient connection with the commercial tourist infrastructure in the TCBFA area (including accommodation and gastronomic services, agrotourism, recreation and sports facilities, and other leisure industry infrastructure). Thus, it is difficult to obtain positive multiplier effects regarding the socio-economic development of the borderland in the short term (e.g., an increase in the number of jobs in tourism). There is a clear lack of cross-border business links in tourism in the TCBFA area (e.g., bundling the offer, joint promotion, etc.).

The overall approach to applying for regional/macro-regional and national funds is related to the probability of obtaining funds for specific investments, including tourist investments. Thus, the proper coordination of possible collaboration of the Interreg Programme with other EU-funded programmes (national/regional/macro-regional) is necessary to provide the financial sustainability of tourism-related investments and their correspondence with projects in neighbouring areas to avoid overlaps and competition, explore complementarities and synergies, and stimulate tourist activity in the area.

## Recommendations

The following activities should be implemented for better progress in development of the cross-border tourism projects to achieve a readiness to submit the proposals to the following call for the Activity 2.2. of the Programme:

- Partnerships gathering partners from the TCBFA and the Ełk Subregion should be provided with special support in designing cross-border projects and applying for funds for Activity 2.2. using, for example, Technical Assistance funds in the Programme.
- Partnerships that are going to submit proposals under the tourism concept of "Green retreat" should estimate the optimal scale of cross-border cooperation under one project (multilateral partnerships and complex projects might be challenging to be managed under the Programme, bilateral partnerships and local projects might create an insufficient critical mass to achieve significant tourism products).
- Less-experienced entities that have the potential to develop cross-border projects locally should be strongly encouraged to learn how to establish cross-border partnerships, build mutual trust, and prepare and develop small cross-border projects.
- Regardless of the current interest in cross-border projects under the tourism concept of "Green retreat", in the long-term perspective, a set of cross-border projects and

business investments based on the Yotvingian concept could attract tourists and distinguish the TCBFA area far more than other concepts. Thus, one should continue to work on preparing such projects under the TCBFA and beyond (including the area's archaeological exploration to provide the historical background for the future cross-border tourism offer).

- Public investments and private businesses concerning complementary tourist offers should be developed parallelly. A separate instrument for entrepreneurs developing tourist projects in the area is required since it should be provided that commercial tourism grows parallel to the touristic public projects. Partnerships should look for functional connections with existing and future touristic commercial and social projects to achieve synergy based on the multi-sectoral and network cooperation under the TCBFA and beyond.
- Partners cooperating in the TCBFA and related partners (e.g., from the Ełk Subregion) should strive to create a strategy for developing the tourism sector and take this opportunity to re-think their approach to cross-border partnerships, mainly to engage partners from beyond the public sector (SMEs, tourism chambers, universities, non-governmental organisations, and the borderland's residents).
- Bodies responsible for the governance of the TCBFA (e.g., EGTC) and other entities responsible for the area's territorial development should provide closer collaboration with other EU-funded programmes (national/regional/macro-regional), including the SO4.6 of the Programme, to benefit their complementarities and synergies and to avoid overlaps and competition, explore complementarities and synergies, and stimulate tourist activity in the area.

### 8.3. Risks and obstacles jeopardising the projects' implementation

Nine types of risks jeopardising the future implementation of the touristic cross-border projects under Activity 2.2. of the Programme have been recognised, as well as 10 types of obstacles limiting the interest in the cross-border projects development in the area. These factors negatively impact the partnerships development and make the projects preparation more difficult.

The most significant risks are related to the financial issues and can be considered the limitation of the liquidity of the partners caused by the underestimation of the projects' costs, lack of advanced payment in the model of project settlement, and shortage of funds for the financial input to the projects.

Another significant group of risks is related to the shortage of competencies in the development, management, and settlement of cross-border projects under the Programme, which seems challenging for some partners, particularly those who do not yet have sufficient experience in this field.

Significant risks beyond the partners' control are related to: inflation, economic crisis, military crisis, migrant crisis, uncertainty about the geopolitical situation in the area, decrease in demand in the tourism sector, etc.

A significant obstacle to the tourism development, particularly in the TCBFA, is low cross-border mobility and insufficient area accessibility for tourists. It is necessary to expand cross-border routes, including walking and cycling routes or horse trails, ensuring

sustainable transport and contributing to the development of sustainable active tourism under the TCBFA.

## Recommendations

The following activities should be implemented to limit the influence of risks and obstacles jeopardising the projects' implementation:

- Cross-border project partners, particularly less-experienced ones, should be trained to correctly prepare and manage cross-border projects, mitigate possible risks, and limit the obstacles negatively influencing the projects.
- There should be seriously considered how to provide Polish and Lithuanian partners applying for funds under the Programme with adequate financial liquidity to implement cross-border projects in the reimbursement model.
- It is necessary to analyse cross-border links and identify those routes whose modernisation or development may contribute to an increase in cross-border mobility and improvement of accessibility to include such investments in eligible activities under the Programme. It should comprise roads and walking and cycling routes or horse trails, ensuring sustainable transport and contributing to the development of sustainable active tourism under the TCBFA.

## 8.4. Identifying cross-border projects matching the possible OSI to be defined under Appendix 3 of the Programme

The identification of the potential OSI included the selection of similar or complementary projects boosting at least one of the TCBFA tourism concepts, reflecting the potential to generate a scale effect by joining other partners from TCBFA, the Ełk Subregion, and beyond, impacting the tourism development in the TCBFA and the whole borderland synergistically, and providing a significant contribution to the Programme and visible societal impact.

Considering the current potential of the tourism concepts (number of projects submitted under the concept) and the partnerships (number of partners cooperating under the concept), the tourism concept of "Green retreat" was recognised as the leading one. It comprises 5 projects focused on developing bike and pedestrian paths, and another 5 projects focused on developing water tourism. Some projects cover both leading activities. These projects have been assessed as critical to designing two OSIs for the TCBFA and the Ełk Subregion. They include:

- 1<sup>st</sup> cluster related to the cross-border pedestrian and cycle paths network offer;
- 2<sup>nd</sup> cluster related to the cross-border water tourism network offer.

Currently, the groups of projects related to both clusters reflect a narrow approach to cross-border cooperation demonstrated as the involvement of the public sector exclusively. In contrast, OSIs should also ensure the inclusion of non-governmental organisations, which are less active in using the Programme funds and enterprises, mainly SMEs, that are not eligible for the Programme. Including these groups in cross-border cooperation in the tourism sector will ensure multidimensional socioeconomic multiplier effects.

Since the Programme's goal is to provide seed funds for creating long-term cross-border partnerships to expand and transform bilateral relations into multi-sectoral networks, including business and social partners, one can assume that this approach is based on clustering. Clustering can be the optimal way to create OSIs in the TCBFA and the Ełk Subregion based on the projects submitted under the tourism concept of "Green retreat".

Designing each OSI can be based on the clusters of projects financed from the Programme (the cluster core). In further stages, the clusters might be extended by other projects enabling cooperation and development in the tourism sector (public, commercial, and social), involving all the mentioned target groups, thus ensuring a significant contribution to the Programme's results and tangible societal impact involving various social groups.

The model of cross-border cooperation based on clusters can be a solution for enhancing cross-border cooperation in the tourism sector in struggling with socio-economic deficits but providing sufficient assets to develop valuable tourism offers based on the more extended engagement of public institutions, companies, academic and social partners, and the borderland's residents. It can be implemented into the TCBFA using specific governance tools (e.g., EGTC) and based on the projects financially supported by different intertwining EU-related funds, creating complementarities and synergies. It also reflects a "place-based approach", addressing the issues, interconnections, and relationships in a place, particularly the objectives of different stakeholders with a common interest in tourism development.

## Recommendations

The following activities should be implemented to introduce the OSIs to Appendix 3 of the Programme based on the cluster approach:

- Providing an appropriate amendment to the document of the Programme, including the Expert insights, conclusions, and recommendations presented in this study;
- Encouraging partnerships to rethink whether the current collaboration scale is optimal for them or whether smaller or larger partnerships should be more efficient;
- Creating criteria relevant for selecting the projects, including the relevance to the tourism concept of "Green retreat", network collaboration, cooperation with associated partners (NGOs, entrepreneurs, etc.), sustainable tourism development, the influence on the development of tourism in the TCBFA and beyond, providing a significant contribution to the Programme's results, and tangible societal impact involving various social groups;
- Providing partners from the TCBFA and the Ełk Subregion appropriate conditions to submit projects matching the 1st or the 2nd cluster in the framework of a dedicated call on Activity 2.2., including informational-promotional activities and training competencies to prepare the proposals under the Programme;
- Promoting the cluster approach among the tourism-oriented entities representing the public, commercial, and social sectors by presenting them the benefits coming from the development of cross-border cooperation based on this model, particularly in the context of territorial cohesion and relevance of the "place-based approach", as well as cross-border projects and other solutions tailored to the partners' needs and capacities.



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 Electronically signed on 17/08/2023 14:40 (UTC+02) in accordance with Article 11 of Commission Decision (EU) 2021/2121

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