

INTERACT Conference:

**European Territorial Cooperation Programmes 2007-2013:
Expectations, changes and challenges**

29 - 30 March 2007, Budapest

SUMMARY

This short summary will provide a general overview of the main issues discussed during the conference in the form of bullet points.

Please note that this is not intended to be an exhaustive and accurate report on the speakers' contributions and is therefore not necessarily comprehensive or complete.

29 March 2007

First part: Opening and Keynote Addresses

Moderator: Jutta Moll, INTERACT Managing Authority

What is European Territorial Cooperation about?

Bringing European regions closer, despite the different kinds of borders still existing (cultural, linguistic, geographical borders, etc.).

In order to succeed, European Territorial Cooperation Programmes should improve communication flows:

- Between different countries, with different cultural backgrounds and languages;
- Between different Programmes, in order to create synergies;
- Between different authorities within the same country, such as by increasing the links with mainstream Programme authorities and capitalising from each other.

Communication is also important with the general public, the regions, the politicians and the citizens.

We have to increase the visibility of results, and the impact and strategic dimension of the Programmes, in order to convince the citizens and the decision-makers of the added value of European Territorial Cooperation.

Gordon Bajnai, Government Commissioner in charge of Development Policy, National Development Agency, Hungary: The importance of Cooperation Programmes for countries, cities, citizens

- Building a "scar-less" Europe: bridges – roads to overcome past wounds and borders.
- Tangible and recognisable added value for citizens, avoiding too many administrative burdens.

Michele Pasca-Raymondo, Deputy Director-General, DG Regional Policy, European Commission

Programme managers need to exchange views and share knowledge. INTERACT is crucial in this regard.

- Territorial Cooperation has become an Objective in its own right with 15% increased budget;

- The European Commission together with the Member States has provided good framework arrangements;
- Support from DG Regional Policy to Programme authorities is crucial in the programming phase;
- Where do we stand? 15 Operational Programmes have been submitted so far: we are thus one year ahead compared to 2000!
- It is very important to find the link between European Territorial Cooperation and the other mainstream programmes, in order to increase the visibility of the Territorial Cooperation Programmes and transfer results and good practices.

Jan Olbrycht, Member of the European Parliament, Vice-Chair of the European Parliament's Committee on Regional Development

The continuity with INTERREG III is highly appreciated; as a matter of fact the same people are implementing most of the Programmes. The European Parliament would like to see the name INTERREG kept as well.

- The EU Parliament called for more funding for European Territorial Cooperation, because it is still a marginal Objective compared to Objectives 1 and 2. Nevertheless this is the only "European" Objective, as the others are more for national interests.
- In the future Objectives 1 and 2 will receive less funding, so regions will rely even more heavily on Objective 3.
- Importance of European Territorial Cooperation: Creating networks, creating Europe.
- The EGTC instrument is important as it is a Europe-wide legal instrument.
- It is crucial to find synergies with Objectives 1 and 2. Only in this way will "INTERREG IV" be visible and work. The principle of complementarity must be fulfilled, otherwise policy-makers will not see the added value and will not support the continuation of INTERREG.

Sir Albert Bore, President of the Committee of the Regions' Commission for Territorial Cohesion (COTER) and Member of Birmingham City Council

Another achievement of INTERREG III is that it has been upgraded from a Community Initiative to a Mainstream Objective:

- Stronger bottom-up approach, supported by the new scheme "Regions for Economic Change" and other platforms, aiming at an effective transfer of good practices and results.
- INTERACT should work more on the transfer of results and contents and not only on managerial issues.
- The leverage effect of Cohesion Policy should be enhanced.
- Political decision-makers need hard figures and success stories to be convinced and vote for INTERREG again.
- The Committee of the Regions (CoR) has launched different initiatives:
 - 1) Lisbon monitoring platform
 - 2) Policy recommendations
 - 3) EGTC expert group
- The link to Objectives 1 and 2 is very important.

Second part: Strategic role of cooperation and transfer of good practice

Chair: Rossella Rusca, Ministry of Economic Development, Italy

Colin Wolfe, European Commission, DG Regional Policy

Regions for Economic Change - transferring knowledge on regional development from URBACT II and Interregional Programme to Convergence and Competitiveness programmes.

- European Territorial Cooperation Policy fills the gaps in different fields: environment, spatial planning, enterprises, energy, etc.
- It reduces effects of borders in all of these fields. This is the added value, what makes it different to other kinds of programmes.
- The cooperation method is different: deep partnership means improved solutions.
- New INTERACT, INTERREG IVC, URBACT II and Regions for Economic Change are initiatives to enable:
 - capitalisation on past and current success stories,
 - more visibility,
 - a bridge to the mainstream programmes,
 - a “fast track” for some specific actions,
 - a link between the Interregional Programme (“INTERREG IVC”) and URBACT.

Michel Lamblin, INTERREG IIIC West

INTERREG IVC – How to reinforce the impact of interregional cooperation: taking stock of INTERREG IIIC; building on experience of Programme management; contributing to accelerated transfer.

- INTERREG IVC has new themes and focuses on networking, because this is the added value of this Europe-wide programme.
- The Programme aims at improving the transfer of good practice.
- Its strategic goal, together with the initiative Regions for Economic Change, is to increase growth and create jobs, also building on INTERREG IIIC experience and achievements.

Melody Houk, URBACT

URBACT II.

URBACT is in the mainstream of the URBAN programmes.

- Its main goal is to improve effectiveness of sustainable integrated development.
- Its framework is the European Cohesion Policy, as well as the Lisbon and Gothenburg agendas.

- The programme aims to exert an increased impact on local policies and capitalise on success stories under INTERREG III and IV.
- Under URBACT II, all EU cities are eligible.

Thiemo Eser, ESPON

Presentation of the new ESPON programme to focus on the transferability of results to INTERREG and new initiatives to build bridges between INTERREG and ESPON.

The programme intends to be:

- demand-driven
- user-friendly
- flexible in meeting user needs
- effective in providing continuity to past experience
- on time, according to emerging needs
- oriented towards enhancing transfer of knowledge
- a high-quality programme with a scientific approach.

Third part: Panel discussion: Improving the intensity and impact of co-operation

Chair: Claude Marcori, DIACT - Interministerial Delegation for Spatial Planning and Territorial Competitiveness, France.

Elisabeth Helander, Director, Directorate General for Regional Policy, European Commission

Improving the intensity and impact of co-operation

European Territorial Cooperation becomes an Objective in its own right (in addition to Convergence + Competitiveness and Employment):

- Increased funding;
- Improved legal framework;
- More strategic approach;
- New Programme geography;
- Necessary practical documents to be prepared as soon as the Programme has been submitted: call for project documents (Application form, Guidance for applicants), draft of project contracts (Subsidy contract, Partnership agreement), etc.
- In addition to the existing Managing Authority and Joint Technical Secretariat, new structures will appear: Certifying Authority (former Paying Authority) and Audit Authority. Another challenge for Cross-border Programmes is the application of the Lead Partner Principle.
- Timing: Most drafts of the Operational Programmes have already been discussed with the European Commission - Most final drafts are being approved by Member States and are expected to be submitted to the European Commission in March-June 2007 - Approval by the Commission even before the summer for the first Ops - First calls for project proposals are expected in autumn 2007.

Mechanics of Programme implementation

Panel:

- **Mr Stephan Brauckmann**, Head of Referat 36, INTERREG IIIA Managing Authority, Ministry of Economic Affairs and Employment of Saxony
- **Ms Iwona Brol**, Head of the INTERREG Unit, Polish Ministry of Economy and Labour
- **Ms Krista Kampus**, Deputy Head of the INTERREG Department, Estonian Ministry of Interior
- **Mr Wolf Huber**, Head of Department for Regional Policy and Spatial Planning, Austrian Federal Chancellery
- **Mr Petri Haapalainen**, Senior Officer, Department for Development of Regions and Public Administration, Finnish Ministry of Interior
- **Ms Magdalena Voinea**, Head of Unit, Directorate for European Territorial Cooperation with EU Member States, Romanian Ministry of European Integration
- **Vitor Nogueira**, Adviser, Office of the Secretary of State for Regional Development / Steering Group for European Territorial Cooperation 2007-2013 – Portugal

1) What are the main challenge/s and changes that Programmes will have to face for the period 2007-2013? How can INTERREG III good practices help us to face these challenges?

- Complexity of cooperation: different levels, different cultures are involved. Therefore communication is essential, both between the authorities concerned and to increase the visibility of the Programme and its results.
- Time constraints:
 - (N+2 or 3). On the other hand, we have to avoid the absorption of funds becoming the main concern. It is better to use smaller amounts efficiently than higher amounts inefficiently.
 - Too often we have spent too much time on the management of the Programme instead of focusing on achieving the strategic goals of the Cooperation Programmes.
- INTERACT can really support the Programmes, spreading knowledge and good practices.
- It is important to link the INTERREG IV Programmes with the mainstream – national policies.
- The strategic goals of cooperation are all the issues that may be more effectively addressed jointly than by a single country / region.

2) What are your main expectations, wishes and needs in respect of the new Programmes?

- Relevance of the partnership approach for increased results and impacts.
- We have to try to make things easier and avoid excessive administrative burdens.
- Know-how should be disseminated among Programmes and we should capitalise on the results achieved.
- Decision-makers should be convinced of the European added value of our Programmes.
- Transnational Programmes are to pursue more tangible projects and strategic goals.
- The bridge to Objectives 1 and 2 must be ensured.

3) What is the status of the new OPs? Any pitfalls/bottlenecks you have experienced or are experiencing in drafting the OPs? In particular, how have you tackled the strategy issue in the OPs and how do you intend to make these strategies operational?

- We should try to convince project applicants of the added value of cooperation.

- Communication is essential, including between different levels: Example of the TA issue (interpretation of Art. 46 of Regulation (EC) No. 1083/2006): Apparently the communication between Member States and the European Commission has not worked in this regard.
- Complementarity: It is very important to exploit the synergies with the national programmes and strategies.
- The results and good practices of strands A and B should be used on other levels too, as well as between the two strands.
- We have to apply a bottom-up approach and go to the regions – citizens to receive their feedback and check before our policies are approved.
- IVC can provide content (good practices and results) to Objective 1 and 2 Programmes.
- In some countries the members of Monitoring Committee could provide a link - coordination among Programmes and strands.

30 March 2007

First part

Plenary: Presentations on the main management changes - challenges for the new Programmes

Chair Paul Cozzi, INTERACT Secretariat

Anders Lindholm, Ministry of Industry, Employment and Communications, Sweden - Member of the Monitoring Committee of 3 INTERREG IIIA Programmes:

Management and control requirements for sound and efficient Programme/project management: an integrated approach.

- How to create a sound management and control system, which is efficient and not overly bureaucratic? It is difficult to achieve a good balance, whether for national or international Programmes - but the challenge is of course even greater when more than one Member State is involved.
- This leads to a second principle: the European Commission must be actively involved in discussions regarding management and control in European Territorial Cooperation Programmes.
- Thirdly, the solutions that a Programme chooses regarding management and control must be clear to project applicants. To be clear as a Programme you need to set up a clear division of responsibilities (“who does what”) in advance, it should not be something that is debated *ad hoc* when an issue arises.
- Last but not least, the question of proportionality: Sadly, these rather small programmes have the same demands when it comes to control as a programme with a budget of hundreds of millions of euros. This cannot be right and I would like to encourage you all here: in the future administration can and must be simplified and made more proportionate.

Christian Salletmaier, Head of Managing Authority for Alpine Space Programme, Office of the Salzburg Government, Department 15 – Economy and Tourism, Austria

Strategic project generation

How it all began:

- Lack of common view on what a strategic project is.

What we wanted to achieve:

- Increased visibility of the Programme
- Better coordination between projects
- Strategic focus of the Programme

How we developed the idea:

Three parallel approaches

- Strategy development
- Strategic project development
- Supporting processes

Call launched in autumn 2005 – two-step procedure:

- SC decision in spring 2006
- Systematic project development
- Two-step application procedure

What we got:

- A few very good projects
- Best practice processes
- A way to continue 2007-2013

Gianluca Spinaci, Policy Analysis Unit, Studies and Inter-institutional Legislative Planning, Committee of the Regions

Framework agreements and structures for a more coherent Programme setting (EGTC, MoU, and other framework agreements)

EGTC, a new Regulation:

- What progress so far? The Regulation is approved, but the Member States still have to make the necessary provisions to ensure its integration into national law.
- Who can establish an EGTC? Authorities involved in European Territorial Cooperation, but not only them.
- What is it for? Among other things, it can help manage Programmes more effectively.
- Where, how, when can the EGTC be established? Following approval of the implementing rules by the Member States, in any of the EU Member States.
- Why establish an EGTC? The legal personality of this new institution can solve many open issues from this period. A common management body with common rules means a clearer framework and division of responsibilities.
- What is the role of the Member State? The Member State is involved in the set-up, as it has to approve the EGTC.
- How many model EGTCs are there? There are 27 different models at least, according to the respective MS legislation. Any EGTCs in practice? There are only early-stage experiences so far. Member States' contributions are essential to foster the setting-up of new EGTCs. Contributions are expected from the Programme authorities themselves and the CoR, and political impulses and monitoring should also be provided. Sharing experiences: the CoR is to set up an EGTC Territorial Expert Group, an EGTC Register, information and debating activities.

Imre Csalagovits, Director of VÁTI INTERREG, Hungary

The external component of the European Territorial Cooperation Programmes: the 10% rules and cooperation under IPA

General introduction: past experiences and new improvements

- Co-operation with external countries is very important for all European countries.
- European and regional development along the EU external borders must be enhanced.

Past experiences:

- Co-operation with Phare (mainly Phare CBC) and Neighbourhood Programmes (co-operation with Cards, Tacis), where joint project selection took place, but separate contracting and implementation. Problems encountered:
 - different financial sources > different rules > difficulties with harmonisation > joint character of the Programmes hampered;
 - lack of operational single joint structures;
 - lack of genuine joint projects (joint implementation is not possible);
 - Neighbourhood Programmes: joint co-ordination and selection but still separate contracting and implementation;
 - important improvements but also new problems encountered;
 - Neighbourhood Programmes versus Neighbourhood Instrument.
- Present improvements:
 - possibility to apply the 10% rule
 - IPA co-operation with the accession countries

10% rule: New legal framework: ERDF Regulation

Advantages:

- fast and relatively simple solution (at least at Programme level);
- possible to apply in all new Programmes (but it seems to be mainly used in Transnational Programmes, according to experiences so far).

Possible risks

- implementation at project level can be complicated and risky due to the limited possibilities for controlling the activities in the non-Member States concerned;
- recovery is also a specific issue in this case.

Proposals for effective and secure management:

- limited eligibility rules;
- specific provisions for monitoring;
- role of the Lead Partner;
- responsibility for control lies with the MS.

New legal framework: the IPA Regulation - how it is used:

- Cross-border IPA Programmes – transnational South East Europe Programme
- integrated (European Territorial Cooperation model and rules) – transitional (External Aid rules for IPA countries – Structural Funds rules for MS), both models are possible, participating countries will decide.

Proposals for effective and secure management:

- preparation of the management model should start in parallel with the OP preparation in order to have a basis for serious decisions before submitting the OP;
- institutional requirements should be clarified at the very beginning, responsibilities regarding control, audit, national co-financing should be well defined;
- set-up of the new joint structures (or restructuring of the existing ones) should start pretty soon.

Workshops on legal framework, INTERREG III good practices / status of discussion

WS1: Financial management and control: An integrated approach

Based on a question-and-answer session, the workshop agenda covered the following topics: Lead Partner financial flows, eligibility of expenditure, control procedures and liability.
Facilitators: Matt Nichols, Katarzyna Pelc, INTERACT Office Viborg.

Main Issues:

- There is an urgent need for improved information, training and advice on INTERREG audit – resulting in realistic requirements;
- What is really meant by designation of first-level controllers, names, criteria? What needs to be in the “Article 71 description”?

Large number of updated / new procedures and financial documents. EC and INTERACT should provide assistance.

WS2: Strategic project generation and process monitoring of impacts in Cross-border and Transnational Programmes

The workshop focused on the strategic approach of Programmes, including the generation of strategic and quality projects, the strategic role of the Lead Partner, some communication issues and process monitoring of impacts. Examples from INTERREG III were provided.

Facilitators: Roger Hildebrandt, Mauro Novello, INTERACT Office Vienna

Speakers: Christian Sallettmaier, Colin Wolfe.

Main Issues:

- Cooperation (including communication) between local authorities, national and transnational bodies and the EU should be improved.
- The availability and visibility of strategic project results should be increased in order to enhance transfer.
- Programme authorities should be more proactive in project preparation and provide more guidance.

WS2/Transnational: The new Transnational Programmes and their strategic role

Sub-grouping for Transnational Programme stakeholders, focussing on the specific strategic role of these Programmes in European Territorial Cooperation.

Facilitators: Katerina Staneva, Britta Zeimann INTERACT Office Viborg, Juan Alcocer, INTERACT Office Valencia

Main Issues:

- Strategic, good quality projects: the budget is not a decisive factor in their definition, but rather partnership, cross-sectoral character;
- Procedures and structures for strategic project generation are already in place in many Transnational Programmes. It is therefore essential to transfer the good practices and discuss future development.

WS3: Framework requirements for Programme structures (including EGTC, bi- and multilateral agreements, Programme structures / JTS)

This workshop was presented in a panel format, allowing for discussions led by three panellists on three major subjects:

- Programme Management Structures: functions, relationships and responsibilities: Evelyne Petrat and Elisabeth Helander, DG Regional Policy, European Commission

- Participating Member States Partnership Agreement - Memorandum of Understanding: content, related procedures, sharing of experiences: Magdalena Maislinger, INTERREG IIIB Alpine Space.
 - The new European Grouping for Territorial Cooperation (EGTC): content of the Regulation, status, implementation: Gianluca Spinaci, Committee of the Regions.
- Facilitators: Manuel Gonzalez, Inma Arroyas, Marta Roca, INTERACT Office Valencia, Elise Blais, INTERACT Office Vienna.

Main Issues:

- Clearly defined roles and tasks, including clear separation of functions, will help avoid conflicts of interest;
- The Memorandum of Understanding should focus on elements which are not already stated in other Programme documents (OP, EC regulations, etc). The INTERACT template will be revised with the European Commission.
- There is a proposal to rename the EGTC to give more visibility to this instrument: EU Group is proposed.

WS4: The external component of the European Territorial Cooperation Programmes: the 10% rules and cooperation under IPA

The workshop was organised as a round table discussion forum for issues concerning the management structures, certification of external expenditure and need for cooperation with ENPI and IPA Programmes. The workshop opened with introductory notes from Imre Csalagovits from VATI and Susanne Scherrer from the Baltic Sea Region Programme. Moray Gilland from the European Commission Directorate for Regional Policy then commented, and the round tables were opened for questions and answers.

Facilitators: Ritta Ahdan, Satu Hietanen, INTERACT Office Turku.

Main Issues:

- Guidance is needed on the 10% rule and 20% rule for projects and Programmes;
- Control and management systems under IPA must integrate transitional approaches;
- Exchange forums for specialised topics like 10% rule and IPA management.

INTERACT II: What are the challenges ahead?

Ernst Holzinger, INTERACT Managing Authority:

INTERACT II

Core mission

INTERACT is about good governance:

- Providing support to increase the efficiency and effectiveness of European Territorial Cooperation Programme and
- Contributing to the quality and know-how in territorial cooperation

Scope of intervention

- Dissemination and promotion of good practices and interesting approaches in the field of Territorial Cooperation
- Encouraging target groups to take their own initiatives in developing new approaches, tools and instruments
- Development of own services and products

Product and service delivery

Learning events:

- Training sessions
- Workshops and e-workshops (online)
- Seminars
- Conferences at regional, national and European level
- Development and advisory services

Advisory services:

- Laboratory groups and pilot networks

Applied studies and surveys

Guides:

- Refinement and upgrading of tools developed under INTERACT I
- Development of new tools

Information services

- Internal and public databases
- General information services

INTERACT II - Implementing Strategy: Management System and Regional Networks

- Subsets of the overall network of target groups/contributors
- Assigned to one INTERACT Office which will focus the service delivery on “its” geographical area
- Target groups involved by a well-defined and user-friendly feedback system ensuring the relevance of the services offered
- Regional assignment and feedback system will be defined in the Multi-Annual Work Programme

The INTERACT Offices - Decentralised Implementing Units

- Valencia (ES) – Generalitat Valenciana
- Viborg (DK) – Viborg County Council
- Vienna (A) – City of Vienna
- Turku (FI) – Regional County of South-West Finland

Management principles

- Demand-driven and responsive to end-users’ needs;
- Close links to national stakeholders backing Territorial Cooperation Programmes;
- Safeguarding of a high service level through rigorous quality management.

Target groups/contributors

Managing Authorities, Joint Technical Secretariats, Monitoring Committees, National Contact Persons, Certifying Authorities, Audit Authorities of Programmes operating under the European Territorial Objective 2007-2013.