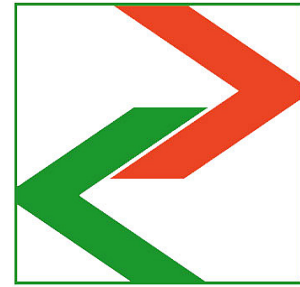


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Gronau, 30 November 2010

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Improving governance in programmes and projects

Dear Mr. Ahner,

In our meetings within the last month we already made recommendations for improving the future INTERREG A programmes.

This statement focuses on questions of governance in programmes and projects, taking into account the enhanced decentralisation of programmes expected by the European Commission.

In doing so, three fundamental fields have to be taken into consideration:

- In its regulation, the European Commission is primarily giving attention to the programme level and not to the project implementation level.
- Even national authorities are more familiar with the programme level and regulations and less with the project level. They approach problems mainly from a national point of view.
- Cross-border projects are always more difficult and expensive than national projects, as the partners act on assumption of different legal provisions and working methods.

1. Improved governance at programme level

In future EU regulations it should clearly be requested or defined:

- A more comprehensive and reviewable description of the project and the financial management (see also Barca-Report) in INTERREG A programmes.
- An obligatory distribution of tasks and responsibilities between the partners, even within programmes along a border with sub-programmes.
- A detailed definition of the processes, especially regarding deadlines which has to be met.
- A detailed description of the involvement of the partners on both sides of the border (programme development, project management, etc.).
- A clear definition of a cross-border project:
 - The partners cannot select several criteria.
 - That means that all four defined criteria have to apply, especially the joint financing, because this is precondition for a real cross-border project.
- A strong and proactive role of the joint secretariat that does not only takes over administrative tasks, but acts also as partner for the actors on both sides of the border (including applicants) and provides concrete support (good projects need forerun and advice).
- More detailed guidelines concerning the joint bank account and joint financing. It has to be excluded that EU-funds on a common bank account subsequently are again “split up nationally” (“This is my money for my national projects”).
- Corresponding to best-practice, in the next programme period (after 20 years) the co-financing of national/public authorities should be transferred to a joint bank account, like it is practised along the German-Dutch border. This enforces joint cross-border projects (see definition of projects).
- Limitation of costs for monitoring and audit (staff and financial).
 - The *monitoring* is not consistent with the common national systems, thus separate systems for INTERREG A are developed. A European-wide, uniform system limiting the current forms of monitoring, is of utmost importance.
 - In the *audit* clear deadlines for its realisation have to be introduced. In some countries the audit is centralised in a way (e.g. Greece, Poland, and Italy) that one body is responsible for all EU-programmes. INTERREG A administrates relatively small funds, so that their audit has least priority. As in INTERREG A funds are provided for this audit, it has to be ensured that special staff is giving attention to INTERREG A programmes in due time to guarantee the payment to the lead partner. More and more lead partners are not willing to take this role, if they have to wait month for their money.
- The EU should provide not minimum, but maximum standards for the implementation of programmes and projects. In cross-border programmes at least two national authorities with their different national habits, laws, etc are involved. The desirable decentralisation to the national level caused that the national ministries involved in INTERREG A programmes are trying to beat themselves in the interpretation of EU-regulations. The regulation is not interpreted in the sense of practicability.
- Because of national law and the anxiety of national authorities not to fulfil existing EU-regulations, things became even more complicated and bureaucratised up to a blockade.

General proposal for solution

Adaption of the EU-regulations according to these proposals, especially in the section “management and financing of programmes”. Even better would be the additional

requirement to conclude an INTERREG-agreement (e.g. according to the German-Dutch border and Upper Rhine since 1990), in which all these issues are determined. It has to be available up to approval of the programme.

2. Improved governance on project level

Either in the EU-regulation or in the framework of an INTERREG agreement per programme has to be defined:

- The lead partner principle has to be continued. A lead partner only knows about his own national system. But in cross-border projects minimum two different legal systems apply. This is affecting management, monitoring and audit of a project. In practice this means that separate financial audits take place on both sides of the border (causing corresponding costs), which subsequently are combined in a first-level control at the lead partner (result: duplicate activities).
- In INTERREG A, the legal relationship between lead partner and managing authority is subject to public law. But the legal relationship between lead partner and the other partners belongs to private law.
- There will be no call for proposals any more, as this results in an accumulation of applications and evaluations within the programme secretariat, insufficient support and problems to use the “N+2 rule”.

Proposals for solution:

- Due to the grant, only the lead partner is subject to a legal relationship under public law (between approving body and lead partner).
- The legal relationship between the lead partner and the other partners is subject to private law.
- There will be only one joint budget for costs, the one of the lead partner, where all costs the lead partner is responsible for, are included. The data on the other project partners have to be only indicative and optional.
- The project implementation belongs to private law, where no agreement being subject to public law or treaties apply.
- If the EU has defined maximum standards in its regulation, it has to be clear that everything else what is not compulsory, is also not audited. Different national interpretations have to be excluded.
- According to the example in the programme for the Euregio Meuse-Rhine, on programme level a common body for the audit should be determined, acting as knowledge centre for the financial audit and which is familiar with all procedures (the eligible things are defined afore in the INTERREG agreement). This will also facilitate a uniform programme implementation along a border.
- The lead partner gets only **one** grant for all EU- and national funds (if these funds, as proposed, are transferred to the joint bank account).
- The programme secretariat is not only contact point for the applicants, partners, etc., but provides also support to projects. Good projects need forerun and support in the preparatory phase.
- Determination of deadlines for the programme partners for approval and implementation of projects within a framework given by the EU.
- Projects can be submitted permanently (no Call for Proposals!).

- Continuation of so-called “people-to-people” or small-scale projects as best training for those programmes, which did not reach the requested degree of decentralisation. This allows the regional/local level to become familiar with the rules and duties within an INTERREG A programme.
- Obligatory INTERREG agreement:
 - for programmes along a border,
 - for sub-programmes,
 - under which conditions projects affecting the whole border, are going to be implemented,
 - how the sub-programmes participate,
 - how the respective decision- and cooperation procedures have to run.

Kind regards



Martín Guillermo-Ramírez
Secretary General



Jens Gabbe
Chairman of the Advisory Committee