

**INSTITUTIONAL ASPECTS OF CROSS-BORDER
COOPERATION**

March 1999

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1. INTRODUCTION

Purpose and focus

The purpose of this document is twofold:

- to review the experience to date with cross-border structures and especially to examine the experience of Interreg IIA concerning institutional arrangements for programme development and management; and
- to draw lessons from the above for the new initiative Interreg III, especially strand A concerning local¹ cross-border cooperation between contiguous areas, for discussion and further development as part of the preparations for Interreg IIIA.

„*Cross-border cooperation* involves direct neighbourly cooperation in all areas of life between regional and local authorities along the border and involving all actors“². The subject of cross-border cooperation is consequently vast covering issues which range from every day problems of a local nature to points of international law, and from bottom-up initiatives and strategies for regional development through cross-border cooperation to EU initiatives and funding programmes.

This document focuses exclusively on institutional aspects of cross-border cooperation, and specifically on how to achieve common structures and procedures for the development and management of implementation of local and regional cross-border programmes. The document covers both technical and financial aspects of the management of implementation and considers particular issues concerning internal and external EU borders.

Timetable and sources of information

The study period for the preparation of this document was from June to September 1998. The main sources of information were:

- the information held or published by the AEBR and LACE-TAP measure including info-sheets and practical guide;
- the documentation of Interreg and other programmes;
- specific evaluation studies and supplementary research conducted mainly through the LACE network.

A horizontal EU-wide analysis of institutional issues faces considerable information constraints, arising from inconsistencies (and language differences) in programme documentation, the multitude of legal and administrative differences that exist across national

¹ i.e. sub-divisions of the border area between two countries. The term „regional/local“ is used in this document as in some cases these sub-divisions will correspond to regions rather than localities.

² „Cross-border cooperation“ must be distinguished from „trans-national cooperation“ and „inter-regional cooperation“. For definitions and key characteristics see AEBR-LACE Working Paper on the EU Initiative Interreg and Future Developments, July 1997, pp 2-3

borders and the different ways that cross-border institutional arrangements have been achieved. An important constraint is that most Operational Programmes (OPs) do not provide detailed information concerning implementation and there is no up-to-date information regarding the practical implementation of programme management arrangement, since the approval of the OPs by the European Commission.

The practical implication of this situation is that the depth of understanding of institutional issues and the detail of information available are much greater for some borders and programmes than for others. Accordingly, this document has aimed to achieve a higher degree of consistency than previously possible in the horizontal analysis of EU-wide experience (*section 3*), and has sought to analyse in greater depth a smaller number of representative cases (*section 4*).

Structure

The document is in four main sections.

Section 2 presents the evolution of cross-border cooperation since the end of the 1950's including the developments arising from the introduction and operation of EU initiatives and programmes, and a typology of cross-border cooperation structures.

Section 3 considers the institutional aspects of cross-border cooperation under Interreg IIA including financial management aspects. It presents the main functions of cross-border structures in programme development and management, an overview of structures and procedures in the 59 operational programmes of Interreg IIA including tables, and a discussion of the main issues arising.

Section 4 identifies the main institutional models in use in Interreg IIA and describes a number of examples representing these models, including charts of structures and procedures.

Section 5 brings the main points of the previous sections into a series of conclusions concerning appropriate institutional arrangements for programme development and management under Interreg IIIA, together with practical recommendations concerning preparatory actions for Interreg IIIA.

2. OVERVIEW OF CROSS-BORDER COOPERATION STRUCTURES

2.1 Lessons from the history and evolution of cross-border structures

Since the end of the 1950's, pioneering groups of border regions, mainly on the Scandinavian, Dutch/German and French/German/Swiss borders, have initiated and developed cross-border cooperation in an organised way, in order to overcome historical barriers, redress imbalances and problems of peripherality caused by the barrier effect of national borders, and deal with large numbers of misguided investments and everyday absurdities resulting from uncoordinated activities of national authorities.

As cross-border cooperation develops, it requires continuous support by cross-border structures as the motor for effective cooperation, and thus some form of institutionalisation becomes necessary. Cross-border community associations on specific areas of common concern were the earliest form of cross-border structures. These have led to the subsequent formation of permanent and multi-purpose umbrella organisations of various types. However, this has been a slow process, largely due to the many obstacles encountered:

- national administrative systems differ considerably, and this is particularly marked in the case of the powers [jurisdiction, competencies], resources (finance and personnel), and decision-making traditions of local and regional government authorities;
- the *loi unique* principle which applies to legal forms governed by both public and private law and, in practical terms, means that legal personality can derive only from one body of law;
- constraints applying in many cases to local/regional authorities as to the right to transfer competencies or liabilities to cross-border bodies (or generally other bodies), with or without the approval of the national authorities.

The bottom-up efforts of border regions to institutionalise cross-border cooperation have been facilitated by some international and national initiatives. The European Spatial Planning Ministerial Conference (CEMAT), an advisory body to the Council of Europe founded in 1970, issued the „European Regional Planning Strategy“, which represented the first concise strategy for cross-border cooperation in Europe and was to be developed further until the 1980s. The Nordic Council Agreement on Cross-border Cooperation between municipalities was signed in 1977 (ref in Practical Guide, Chapter A3). The Madrid Outline Convention on Transfrontier Cooperation promoted by the Council of Europe in 1980 (and subsequent protocols) sought to provide model inter-state agreements. Although it has been signed by more than 20 countries it has proved of value only when put into effect through specific inter-state treaties. Such international treaties laying general foundations for cross-border cooperation between local/regional authorities have been signed since 1989 and come into effect in the 1990's in the following cases:

- BENELUX Convention (signed in 1986, came into effect 1991);
- German-Dutch Cross-Border Treaty (signed in 1991, came into effect in 1993);

- Vienna Agreement between Italy and Austria (signed in January 1993, came into effect 1995) and Rome Agreement (signed in November 1993 came into effect 1994)
- Karlsruhe Accord covering cross-border cooperation between France, Germany, Luxembourg and Switzerland (signed in 1996, came into effect in 1997).
- Treaty of Bayonne between France and Spain (signed in 1995, came into effect in 1997).

For project level cooperation there is an appropriate EU legal instrument applicable in all Member States, namely, the European Economic Interest Grouping (EEIG). It is primarily aimed at economic cooperation (ie between enterprises) and it is open to both private and public law bodies. It has been used for cross-border (and generally inter-regional) cooperation at project level but has not been suitable for use by public authorities for cross-border cooperation at programme level. This is because (in most countries) public authorities are not normally allowed to transfer their competencies and liabilities to a body with such legal status, and also because the objectives of an EEIG need to be fixed at the beginning and therefore it is not possible to deal with new issues arising over a long period of on-going cross-border cooperation.

An example is the EEIG which has been established by the District of Bayonne-Anglet-Biarritz (F) and the Diputacion Foral de Giupuzcoa in San Sebastian (E). The purpose of the EEIG Bayonne / San Sebastian is to initiate, promote and coordinate cross-border actions which improve the infrastructure, facilities and services in the cross-border region. The two members have adopted a formal statute, which defines the nature, objectives, members' rights, organisation and management of the EEIG. Actions focus on technological co-operation, urban and environment management, infrastructure, information networks and planning of industrial parks.

In reality much of the institutionalisation of cross-border cooperation has been happening since the 1950's by active border regions finding practical solutions under private and/or public law. The EUREGIO, on the Dutch/German border, was the first genuinely cross-border structure to be established in 1958. On the same border the Euregios Rhein-Waal, Maas-Rhein, Rhein Maas-Nord and Ems-Dollart were formally established in the 1970's. In Scandinavia the Oeresund Council was established in 1964 and supplemented by the Oeresund Contact in 1974. Both bodies merged into the Oeresund Committee in 1993, established under the Nordic Council Agreement. The Working Communities³ ARGE-ALP (D/I/A/CH), Alpen-Adria (I/A/D/H/SLO), COTRAO (F/I/CH), Pyrénées (F/E) and Jura (F/CH) were established in 1972, 1978, 1982, 1984 and 1985 respectively.

The processes of cross-border cooperation, including institutionalisation, have greatly accelerated since the late 1980's with:

³ These working communities represent a wide form of interregional cooperation, which includes bilateral cross-border cooperation in some cases (with the exception of the Jura which is a pure form of cross-border cooperation).

- internal changes in the EU especially the completion of the Single Market, further enlargement and Economic and Monetary Union;
- political changes in Central and Eastern Europe;
- and EU initiatives and funding programmes in support of cross-border cooperation, in particular Interreg.

Institutionalisation, has continued to rely more on a pragmatic approach by regional/local partners and practical solutions, using all legal and administrative means available. Nevertheless, the benefit of recently effected international treaties has started to be felt, and some of the existing cross-border bodies have been reconstituted or are in the process of doing so. This is the case of the three euroregions on the NL/D border - Rhein-Waal, Ems-Dollart and EUREGIO - under the German-Dutch Treaty.

This lengthy process of expanding and deepening cooperation across national borders in Europe has taken place at different speeds on different borders but overall, it has led to two general lessons.⁴

First, the *general principles* for establishing appropriate structures have emerged from the experience of many years, as follows:

- cross-border cooperation structures should be created only to meet the needs of expanding and deepening cooperation activities, and should not be regarded as a preliminary step in cross-border cooperation;
- in cross-border structures with decision-making competencies, there should be parity between the two sides of the border;
- diversity in structures and jurisdictions throughout Europe presents the most frequently encountered challenge to cross-border structures and practical solutions should be found for each cross-border situation;
- cross-border structures are not aimed at creating a new cross-border level of administration but a cross-border interface or exchange which enhances the effectiveness of local, regional and local bodies on each side of the border.

Second, *appropriate structures* are needed according to stage of cooperation:

- initial familiarisation between partners, is an essential stage in cooperation involving the creation of cross-border networks, forums, and similar mechanisms for contact exchange of information;
- cross-border concepts and strategies, require mechanisms for joint working (cross-border analyses and planning), such as commissions or councils, working groups and secretariats - preferably of a permanent nature to provide continuity and support the strategic process;
- development and management of cross-border projects may require informal structures in the case of projects involving parallel implementation, or common structures of a „joint venture“ structures (eg EEIG) for integrated operations;

- the most advanced form of cross-border structures deals with all cross-border issues, including the development and management of cross-border programmes, and requires structures with technical/administrative, financial and decision-making capacities.

2.2 Developments flowing from EU initiatives and programmes

The introduction of substantial EU funding programmes, beginning with Interreg I in 1990, accelerated developments in cross-border cooperation, created new needs for institutional arrangements capable of handling the development and management of implementation of cross-border programmes.

Interreg I comprised 31 Operational Programmes in the period 1990-93. These represented a diverse package in terms of size and institutional arrangements, falling broadly into two categories.

The first category represented a bottom-up approach. The programmes built on many years of experience and existing cross-border structures such as the Euroregions on the Dutch/German border. Accordingly, in this and similar borders, the development and management of the implementation of the programmes was done by the Euroregions in partnership with the member state authorities, and the programmes were of a regional/local scale reflecting the geographical scope of these structures. In some other cases, the new Community Initiative led to the creation of new structures specifically for the purposes of Interreg (eg PAMINA on the French/German border).

The second category represented a top-down approach, with programmes compiled by national authorities without the involvement of cross-border structures, in the few cases that such structures existed (eg Pyrénées for E/F). The creation of cross-border structures was envisaged in the Interreg guidelines, and new cross-border structures at regional level have been established with assistance from LACE, including the Working Communities of Galicia/Norte, and Extremadura/Alentejo, and Centro/Extremadura on the Portuguese/Spanish border. However, the management of the implementation of these programmes was carried out by the national authorities concerned, in some cases with limited cross-border co-ordination (eg Portugal/Spain) and in others with greater co-ordination and substantial involvement of regional/local authorities (eg Kent/Nord Pas de Calais, UK/F).

Interreg IIA covers the period 1994-99 and represents a considerable expansion by comparison with Interreg I in terms of number of programmes (59 OPs) and geographical coverage, largely due to the inclusion of eligible regions in the three new member states and the former East Germany, but also due to the inclusion of more internal maritime borders. As a result of which:

⁴ LACE Practical Guide to Cross-Border Cooperation, 2nd edition, 1997, Chapter B1.

- there is a large group of programmes concerning external borders (24);
- there is a large group of maritime programmes concerning internal or external borders (16 OPs).

In the Guidelines for Interreg IIA the Commission strongly encouraged Member States and regions to submit integrated programmes and to establish „shared institutional structures“. Although not all Member States developed really integrated cross-border programmes, these guidelines have contributed at least to better co-ordination in programme submission and management. Together with the experience gained from Interreg I and the experience brought into the EU from the pre-accession cooperation in the Nordic countries, this trend led to a strengthening of the cross-border institutional arrangements in many cases, especially concerning internal land borders⁵.

In terms of programme size, extreme variations still prevail. Out of the total EU contribution of 2,565 MECU the largest programmes for Spain/Portugal and Greece External Borders receive 552 MECU and 310 MECU, respectively, whilst 6 other OPs receive less than 5 MECU each. However, in terms of geographical scope, there has been a trend towards smaller geographical areas, and programmes of a regional/local level are the norm. The only purely „national“ programmes are those for the Spanish/Portuguese and Spanish/French borders. The programme Greece External Borders contains separate sections for the Greek/Bulgarian and Greek/Albanian borders, and *de facto* for the Greek/FYROM border (for each of which there is also a separate Phare CBC programme and JPMC - see below), as well as for cooperation with Cyprus.

A major new development concerning external EU borders was the establishment of the **Phare CBC** (Cross-Border Cooperation) programme in 1994, concerning the border regions of Central European Countries (CECs) with EU Member States. Phare CBC now has the same time horizon as Interreg (ie 1994 to 1999) and covers 15 national borders (through 17 programmes). The total allocation of EU funds to the Phare CBC programmes exceeds 1,000 MECU (652 MECU actual allocation for 1994-97 and 360 MECU indicative allocation for 1998-99). This compares with a total of 740 MECU of EU funds contributed to the counterpart Interreg IIA programmes.⁶

In terms of institutional arrangements Phare CBC has introduced an important development, namely the establishment of Joint Programming and Monitoring Committees (JPMC) for

⁵ In 1994 a new Community Initiative with a cross-border character was introduced, specifically for Northern Ireland and the border counties of Ireland, the Special Support Programme for Peace and Reconciliation (**Peace Programme**), which includes a sub-programme for cross-border development. The Programme is receiving an EU contribution of 400 MECU. Highly decentralised methods have been adopted for its implementation, including European Commission agreements with eight „intermediary funding bodies“ to manage 30% of the programme funds.

⁶ LACE Vade Mecum on Cross-border and Inter-regional Cooperation on External Borders of the European Union, September 1997.

each of the borders, comprising representatives from the countries concerned and with active involvement of the services of the Commission responsible for Interreg and for Phare CBC. This development was significant in many respects:

- the JPMCs have become established and fully functioning on all borders;
- they cover both programming and implementation aspects; and
- include regional-level representatives (eg euroregions).

Cross-border structures for each national border (multi-lateral in the case of the Baltic Sea countries) have evolved in various ways and in many cases now involve elaborate cross-border structures with the JPMC at their apex, and various other components below (eg sectoral working groups in HU/A, and euroregions in PL/D). As part of these arrangements CEC representatives attend as observers the meetings of Monitoring Committees of counterpart Interreg Programmes (eg Hungarian representatives attend the Austrian Interreg Committee meetings). Nevertheless, this advancement in cross-border institutional matters has not yet resulted in common programmes with integrated content and homogeneous timing of implementation.

Since 1996, a new Tacis Regulation and a separate budget line introduced by the European Parliament have allowed the establishment of a *Tacis CBC* programme, which covers *inter alia* the border regions of Russia with Finland. The programme is operated under normal Tacis procedures and there are no institutional arrangements of a cross-border nature.

2.3 Typology of cross-border structures

There are now many cross-border structures in existence, representing a considerable diversity in purpose, competencies and capacities (including involvement in Interreg and related programme or projects). The following typology summarises the main characteristics of structures with a multi-purpose orientation, and actual (or potential) capacity for programme-level functions.

Euroregions and similar bodies

A number of cross-border bodies are known as „euroregions“ (or „euregios“). Although they are not identical in legal form or organisation they share many common characteristics, and especially they:

- are permanent;
- have a separate identity from their members;
- have their own administrative, technical and financial resources;
- have their own internal decision making.

The geographical area of a euroregion is typically determined by the extent of socio-economic integration and not only by administrative units. The cross-border euroregion

bodies are not a new tier of local or regional government but an interchange point for existing public and private sector bodies. Although they are the main body for all regional/local activities of a cross-border nature, the implementation of most of the actions included in cross-border plans and programmes is done by the competent authorities and other organisations according to national procedures. A more detailed list of characteristics of the euroregions is in **Table 2.1**.

Practically all euroregions within the EU have been accorded an important role in Interreg on both internal and external EU borders. Their geographical area has been designated as the eligible area for Interreg IIA purposes, and their organisation performs all or some of the functions required for the management of the implementation of the corresponding operational programme.

Most euroregions or similar bodies are established on the borders of Germany with the Netherlands, Belgium, Switzerland, Austria, Poland, Czech Republic, France and Denmark. There are also euroregions on the Belgian/Dutch border (Euregio Scheldemond), Italian/Austrian border (Euregio Tyrol), Greek/Bulgarian border (Euroregion Nestos/Mesta) and the French/Spanish border (Euroregion Midi-Pyrénées, Languedoc-Roussillon, Catalunya) (see **Table 2.2a**). There is also a growing number of structures created on similar lines and using the term „euroregion“, in Central and Eastern European countries.

Moreover, the regional cross-border structures in the Nordic countries have considerable similarities with the euroregions, especially in terms of identity, capacity, and role in Interreg IIA. There are eight such structures (see **Table 2.2b**):

They are associations of local authorities constituted under the Nordic Agreement, permanent and multi-purpose in nature, and with own resources derived from members subscription. The main difference from the German/Dutch euroregions tend to be the much larger size of the geographical area covered by some of the Nordic structures (eg North Calotte, N/S/SF).⁷

In terms of the necessary steps for establishing a euroregion-type structure can be summarised as follows (if there is no international cross-border cooperation treaty covering a particular border):

- associations of regional/local authorities (municipalities, counties, etc) are formed specifically for cross-border purposes on both sides of the border under national (public or private) law;
- the associations then enter into an agreement on cross-border cooperation (typically under private law), covering at least the following:
 - * equal representation on the governing body (council, committee);
 - * financial contributions of the associations to a common budget;

⁷ In Scandinavia specific Interreg Structures and spatial areas were created through the integration of areas which had specific and historic traditions of co-operation. For example „North-Calotte“ comprises five border

* common secretariat.

- if the above agreement is under public law allowing the participating public authorities to transfer responsibilities and liabilities but not constitutional rights to the cross-border body, the above agreement can also cover the management of Interreg programmes and projects; otherwise, a separate Interreg agreement will be required with the competent member state authorities being party to it.

Working communities and other bodies

In a large number of cases regional or local authorities, or other organisations have agreed to cooperate, eg by signing a protocol of cooperation or a legally non-binding agreement, and have created some sort of structure, typically without its own legal personality.

The commonest term used for such structures is „working community“ (*communauté de travail*) and the commonest type of membership is that involving regional authorities. Examples include: Jura (F/CH), Pyrenées (E/F) and Extremadura/Alentejo (E/P).

Another type is the *Regionalrat* (regional council) which brings together elected politicians from participating regional authorities from either side of the border (eg A/H established in 1993 which comprises the counties of Győr-Moson-Sopron and Vas, the cities of Győr, Sopron and Szombathely (H) and the Land of Burgenland (A). The *Regionalrat* is supported by thematic working groups. The cooperation between Austria and Hungary has the objective to create a euroregion. The *Regionalrat* is a first step in this direction.

A variety of other names are also in use. For instance in the case of Ireland/UK(Northern Ireland) there are three cross-border „clusters“ (informal associations) of local authorities (district councils from NI, and counties from Ireland), called: EBRC (East Border Regions Committee); ICBAN (Irish Central Border Network); and NWRCBG (North West Region Cross Border Group).

The main common features of such structures can be summarised as follows:

- they are permanent;
- they sometimes have a separate identity (eg ICBAN in IRL/NI) but they often retain the identity of their members (eg Working Community of Galicia and Norte in E/P);
- they rarely have separate capacity from the members, normally relying on a revolving chairmanship and secretariat; and committees/working groups of officials representing the members and meeting from time to time, and are without substantial financial and personnel resources of their own;
- they rarely have separate decision making from their members, maintaining an inter-organisational form of decision-making, ie participants in the committees, working groups etc of the cross-border structure acting as representatives of their own authority.

regions. In a similar fashion and MittSkandia and Kvarken were combined.

Typically these structures have focused on strategic planning activities (such as studies), and/or development of specific projects, and to date they have not been accorded a major role in Interreg. An example, of limited involvement in Interreg I was that of the establishment of a technical assistance bureau on the Spanish/Portuguese border - the Gabinete de Iniciativas Transfronterizas, GIT) by the Working Community of Extremadura/Alentejo. There is however, a tendency for the geographically smaller and more focused ones to play increasingly a role in Interreg IIA for specific projects and functions, eg the three IRL/NI „clusters“ and the Working Community of Galicia/Norte/Galicia (P/E).

Some of the structures represent very large groupings in terms on numbers of members and geographical area covered, eg COTRAO, ARGE ALP, Alpen-Adria, Working Community of the Pyrennes. As such they have not been easy to fit in with the scope Interreg IIA (although they might have been closer to IIC), and anyway their members tend to participate in other capacities in Interreg structures.

There are also cross-border bodies which are non-governmental organisations belonging to the private or voluntary sectors. An example is Cooperation Ireland in IRL/NI, which was established in 1979 by a number of leading individuals in business, trade unions, professional and academic life, and has developed and implemented a large number of projects promoting cross-border understanding and cooperation in the economic, social and cultural fields.

Structures specific to Interreg or other EU programmes

The final category is that of structures created specifically for the purposes of Interreg. Such structures exist in one form or another for all internal borders, with at least a programme monitoring committee and secretariat. Similarly, for all external borders with CECs, there are JPMCs.

Although the initial *raison d' être* of such structures is the management of the implementation of Interreg programmes, there are signs of consolidation and transformation into a permanent cross-border structure for other cross-border cooperation activities. A good example is that of PAMINA on the French-German border. An important development in this context has been the establishment of the „Information and Advice Office for Cross-Border Issues“ in January 1991. The office provides information and analysis services for the public and private sector. It is jointly financed by the German Länder Rheinland-Pfalz and Baden Württemberg on the German side and the region of Alsace and the Department of Bas Rhin on the French side.

Table 2.1 Euroregion criteria - Association of European Border Regions / LACE⁸

Organisation

- amalgamation of regional and local authorities from both sides of the national border, sometimes with a parliamentary assembly;
- cross-border organisations with a permanent secretariat and experts and administrative staff;
- according to private law based on national associations or foundations from both sides of the border according to the respective public law;
- according to public law based on international treaties which also regulate the membership of regional authorities.

Method of working

- development and strategic-oriented cooperation, no measures based on individual cases;
- always cross-border-oriented, not as national border region
- no new administrative level;
- hub for cross-border relations; citizens, politicians, institutions, economy, social partners, organisers of cultural events etc.;
- balancing between different structures and powers on both sides of the border and with regard to psychological issues;
- partnership cooperation, vertically (European, governmental, regional, local) as well as horizontally beyond the border;
- implementation of cross-border decisions at national level and according to procedures applicable on both sides of the border (avoidance of competence and structural power conflicts);
- cross-border participation of citizens, institutions and social partners in programmes, projects and decision-making processes;
- direct initiatives and the use of own resources as preconditions for help and support of third parties.

Content of cross-border cooperation

- definition of fields of action according to joint interests (e.g. infrastructure, economy, culture);
- cooperation in all areas of life: living, work, leisure time, culture etc.;
- equal emphasis on social-cultural cooperation as on economic-infrastructureal cooperation;
- implementation of treaties and agreements and concluded at European level between countries to achieve cross-border practice;
- advice, assistance and coordination of cross-border cooperation, particularly in the following fields:
 - economic development;
 - transport and traffic;
 - regional development;
 - environmental protection and nature conservation;
 - culture and sports;
 - health affairs;
 - energy;
 - waste disposal;
 - tourism and leisure;
 - agricultural development;
 - innovation and technology transfer
 - schools and education;
 - social cooperation;
 - emergency services and disaster prevention;
 - communications;
 - public security.

⁸ AEBR-LACE Working Paper on the EU Initiative Interreg and future developments, July 1997, p 36.

Table 2.2a Euroregions in the European Union

Name	Date of Establishment⁹	Border
EUREGIO	1958	D/NL
Rhein-Waal	1973	D/NL
Maas Rhein	1976	D/NL
Elms-Dollart	1977	D/NL
Rhein Maas Nord	1978	D/NL
Benelux-Middegebied	1984	B/NL
Scheldemond	1989	B/F/NL
Saar-Lorlux	1989	D/F/LUX
Euroregion Neisse/Nisa/Nysa	1991	D/PL/CZ
Elbe/Labe	1992	D/CZ
Erzgebirge	1992	D/CZ
Euregio Pro Europa Viadrina	1992	D/PL
Egrensis	1993	D/CZ
Spree-Neisse-Bober	1993	D/PL
Inn-Salzach	1994	D/A
Euregio Pomerania	1994	D/PL
Euregio Bayerischer Wald/ Böhmerwald	1994	A/D/CZ
Regio TriRhena	1995	D/F/CH
Salzburg-Berchtesgadener Land-Traunstein	1995	D/A
„via Salina“	1997	D/A
Nestos-Mesta	1997	GR/BUL
Sonderjylland-Slesvig	1997	DK/D
Zugspitze-Wetterstein- Karwendel	1998	D/A
Midi-Pyrénées, Languedoc- Rousillon, Catalunya	1998	E/P

⁹ In most cases, informal operation started earlier

Table 2.2b Euroregion-type structures in Scandinavia¹⁰

Oeresund Council	1964	DK/S
Oeresund Committee	1994	
North-Calotte Council	1971	S/SF/N
Kvarken Council	1972	SF/S
Mittnorden Kommittee	1977	SF/S/N
Storstroms Amt / Kreis Ostholstein	1977	DK/D
Islands/Archipelago Cooperation	1978	S/SF
Arko Cooperation	1978	S/N
Bornholm-Southeastern Skåne	1980	DK/S
Oestfold/Bohuslän	1980	S/N
Tornedalsrådet	1987	S/SF
Baltic Euroregion	1997	DK/LAT/LIT/PL/RUS/S

¹⁰ Other cross-border cooperation bodies are MittSkandia and Barents Council. They are not associations of local/regional authorities under the Nordic Council Agreement. However, they have a secretariat and are to some degree involved in Interreg management. A new cross-border structure is being developed in North Karelia-Russia.

3. INSTITUTIONAL ASPECTS OF CROSS-BORDER COOPERATION UNDER INTERREG IIA

3.1 Main functions of cross-border structures in Interreg IIA

A number of „generic“ requirements concerning structures and procedures connected with Interreg can be identified for all Operational Programmes. They arise from:

- the requirements of the Structural Funds regulations (eg concerning programme preparation, monitoring and evaluation);
- the nature of the programmes (eg the need for project selection and for contracting with project managers, and for transferring of programme funds);
- the observation of good practice in cross-border cooperation through LACE-TAP generally, and the further research carried out specifically for this paper.

These requirements can be used as a checklist for analysing the way in which these are performed in different OPs - in an integrated cross-border manner, or more separately by each side, with varying degrees of coordination. Such an analysis is presented in Sub-section 3.2 for different types of border. The same approach is used in the analysis and presentation of specific examples in Section 4.

Programme preparation

The principal EU requirement is that Member States should submit a single operational programme in the case of internal borders. Other requirements flow from the general EU principles of partnership and subsidiarity and from good practice in the field of cross-border cooperation programmes. Overall the following checklist¹¹ (with an indication of typical variations in brackets) will be appropriate:

- preparatory work (cross-border studies and concepts/strategies, SWOT analyses etc or lack of them);
- development of draft programme including financial plan (in common, or compilation of separate components prepared separately by each side and degree of integration eg non-cross-border measures in some OPs, involvement of social partners etc);
- ex ante evaluation;
- submission of draft programme to the Commission, and Commission approval with/without amendments;
- preparation of agreement concerning the management of the implementation of the programme (prior to the programme coming into operation, or lack of such an agreement).

¹¹ Although derived from internal borders, this is a generic checklist and can be used for external borders, without implying the same standards of good practice in all cases.

Programme implementation

Functions

Although little is prescribed by the EU and consequently there are very substantial variations between Member States and programmes, one can identify a number of essential steps which apply generally.

Information and advisory support to beneficiaries on project development

These functions are not necessarily performed in all programmes. When performed they may be assigned to different structures (eg secretariat, development officers, technical assistance bureaux) operating on a cross-border basis or on one side of the border.

Submission of project applications

Project proposals are submitted either in response to (open or restricted) calls for proposals or in accordance with closed/internal procedures.

In the case of calls for proposals, there can be variations in terms of:

- function („postbox“ or linked to information/advice);
- location (a single or several locations in the eligible area) where applications can be submitted; and
- timing (identical or different deadlines for either side of the border, for all measures or some of them).

Project appraisal (assessment of project applications)

There can be considerable variations:

- by whom? Is it done entirely in common or separately on each side of the border (eg by member state authorities) or a combination of the two?
- using what criteria? At programme/measure/project level (already stated in the approved OP)? Other „normal national“ criteria?
- is a pre-selection carried out? All projects are taken forward (or only pre-selected projects are taken forward/recommended and some projects can be rejected at an early stage)?

Project selection

Final selection or confirmation of pre-selection is normally done jointly by a cross-border body (common structure or joint committee), but in practice there can be exceptions (for non-cross-border measures in the case of some Objective 1 programmes, eg E/P).

Final project assessment, project selection and possibly by formal project approval might be

combined and be carried out in one step by the same cross-border structure.

Approval and contracting

Formal approval is given either by the single cross-border body which carries out the selection and/or by the competent member state authorities, separately. This includes the allocation of EU and national funds.

Notification of approval and contract may be issued by the same or different authorities. A fundamental variation exists as to whether there is a single contract per approved project (issued to a managing partner who then makes payments to other partners on the other side of the border) or separate contracts to each partner on each side of the border.

Financial management

This covers several functions, such as: payments; control; and financial responsibilities.

There can be variations depending on use of special arrangements for the Interreg programme (eg common bank account for EU contributions, and possibly also for national contributions) or use of normal national systems (which are likely to differ).

Monitoring

Monitoring will normally be linked to both technical and financial management of the programme. Thus, there can be common or split arrangements (raising issues of co-ordination).

„Joint Management Structures“

The requirements of the Structural Funds regulations¹² give rise to some basic „joint management“ structures, to be found in all programmes, namely: a programme Monitoring Committee and a programme or committee Secretariat.

Monitoring Committee

The ***Monitoring Committee*** is always „joint“ in nature comprising representatives of the Members States concerned and the Commission. The main variations are two:

- the nature of its membership, in terms firstly of regional/local-level representatives and secondly of representatives of non-state bodies (social partners, private/voluntary sectors);
- the range of responsibilities assumed by the Committee:
 - * either restricted to the minimum specified in the regulations, ie general overseeing

¹² Art 4 of Council Regulation (EEC) No 2081/93, amending Regulation (EEC) No 2052/88

of implementation at programme level (with the Monitoring Committee often part of a dual committee system, together with a Steering or Management Committee which deals with programme management including final responsibility for project selection);

- * or broadened for guiding all aspects of the implementation of the programme, including in many cases final responsibility for project selection.

Secretariat

Similarly, the Secretariat is always supposed to be „joint“, at least in the sense that responsibility for the secretariat function is assumed jointly by the Member States concerned. There are several variations in terms of the nature of the body assuming or hosting the secretariat and the geographical location of the secretariat.

In terms of *nature* of the body, it can be:

- a permanent cross-border organisation, eg euroregion or similar organisation;
- a joint structure created by the competent authorities for the purpose of Interreg, eg PAMINA;
- no common or joint structure but its functions are performed by the competent authorities of the Member States.

In terms of *location* the secretariat can be:

- on one site within the eligible cross-border region serving the whole of it;
- on two sites on each side of the border, serving different parts of the border region;
- outside the eligible region(s), eg in the capital cities of the Member States concerned (like Athens).

All *other structures* needed to perform the functions described above are not standardised but are arranged in different ways by the competent member state authorities. They may include technical assistance bureaux or officers, technical groups or project assessors, programme managers, steering committees etc. Typical variations involve the setting up of joint structures by the member state authorities concerned or assigning these functions to the common structures of a euroregion or similar body (see examples in Section 4).

Programme evaluation and review

This is normally carried out as a common activity in the framework of partnership between the Commission and the Member States concerned (including regional/local authorities as appropriate¹³) and covers:

¹³ In the case of the Dutch-German border, the Euregios carry out the evaluation themselves and this is checked by independent consultants

- ex ante, mid-term, ex-post evaluation;
- programme review and possibly modification.

External borders

The above generic checklist can be used also for programmes on the external borders of the EU. However, the scope for identifying common institutional arrangements follows in descending order the different types of external borders and programmes, as follows:

- a) borders with EFTA/EEA countries (Switzerland and Norway) which are both highly developed and have a long history of cooperation with neighbouring Member States of the EU;
- b) borders with Central European Countries (CECs), covered by Phare CBC;
- c) borders with the Russian Federation, covered by Tacis CBC;
- d) borders with other third countries, eg Morocco.

Institutional arrangements for cross-border cooperation programmes on the EU borders with CECs merit particular attention for several reasons: they represent the largest group of programmes on external borders; they are covered by homogeneous EU rules concerning programmes on the CEC side (under Phare CBC); and they concern applicant countries¹⁴ for EU membership (ie potentially internal borders in the future).

The general intention at the time of the introduction of Phare CBC was to mirror the Interreg programmes in all respects. Although this has been achieved in terms of eligibility rules, key differences have persisted in procedures mainly due to: the different regulations applicable; considerable differences in the administrative practices of the Commission between Structural Funds and external aid programmes; and incompatibilities in the timing of approval of programmes under Interreg and Phare which has not allowed the preparation of common programmes. In practical terms, these differences have meant that on the CEC side the Commission plays a major role in project specific approvals, there are annual financial cycles for the commitment of EU funds, and the management of implementation is always centralised through national-level Programme Management Units (PMU).

This situation has made the cross-border integration on external borders more difficult than on internal borders. It has also stimulated two developments seeking to achieve a degree of decentralisation to regional/local level. First, the establishment of Small Projects Funds (SPF) in most CECs (from Poland to FYROM) has in many cases transferred decision-making to regional/local level (eg to the euroregions on the Polish/German/Czech border) for a small proportion of programme funds. Second, the creation of regional antennae offices of the national PMUs in the border regions (eg in Hungary) has brought some of the programme management aspects much closer to the beneficiaries (programme information, support for project development, submission of applications, etc).

¹⁴ With the exception of Albania and FYROM.

3.2 Assessment of institutional aspects of Interreg IIA Operational Programmes

An assessment of all 59 OPs of Interreg IIA was carried out as part of this study and the main findings are presented in *Tables 3.1, 3.2* and *3.3* below. Tables 3.1 and 3.2 consist of the OPs for the internal EU borders (24 OPs for land and 11 OPs for sea borders)¹⁵. Table 3.3 comprises the 24 OPs for the external EU borders.

The assessment and the presentation in the tables follows the checklist of Sub-section 3.1. A number of key characteristics have been selected for use in the tables, in order to overcome the constraints imposed by the considerable diversity in institutional arrangements applying to different types of border and OP, and be able to present the main findings in a systematic and comparable way, and moreover be able to carry out an Interreg IIA-wide analysis and draw conclusions.

The first set of characteristics concerns „*programme development*“, and covers three elements of joint cross-border working:

- the preparation by regional/local partners of a cross-border concept or strategy;
- the preparation wholly or mainly by regional/local partners of a draft cross-border OP; and
- the preparation of a cross-border OP by member state authorities in close consultation, or with a considerable input from regional/local partners.

The second set concerns „*technical management*“ and comprises four stages in the project development/approval process which may be carried out on a cross-border basis:

- project development, including the provision of information and technical assistance to project promoters;
- submission of project applications;
- assessment of project applications (project appraisal);
- project selection and approval.

The third set covers „*financial management*“ with two possibilities:

- the use of a common bank account for the EU contributions; and
- the use of a common bank account for national contributions.

The fourth set of characteristics is about „*cross-border structures*“ and covers the following possibilities where cross-border structures already exist:

¹⁵ OPs for internal borders have been split into two tables for land and sea borders, to enable the analysis to take into account the significant geographical differences and the inclusion of a large number of new maritime programmes in Interreg IIA. Institutional aspects of OPs for external borders depend more on the nature of

- they have no responsibility for, or involvement in the management of Interreg IIA OP;
- they have some involvement in Interreg IIA, eg project development and implementation and possibly responsibility for the implementation of certain measures and/or participation in monitoring and steering committees;
- they are fully responsible for Interreg IIA management, eg the Dutch-German Euregios.

counterpart programmes to Interreg (see Sub-section 3.1).

TABLE 3.1 Institutional aspects of Interreg IIA Programmes for internal land borders

INTERREG IIA AND OP NUMBER	PROGRAMME DEVELOPMENT	TECHNICAL MANAGEMENT	FINANCIAL MANAGEMENT	CROSS-BORDER STRUCTURES
	<p>Common development of:</p> <ul style="list-style-type: none"> concept/strategy by regional partners: CS programme by regional partners: OP devel't by state, in consultation with regional partners: (OP) 	<p>Project</p> <ul style="list-style-type: none"> development/TA: DTA submission: SU appraisal: AP selection/approval: SA <p>c: common procedure</p>	<p>Common bank account</p> <ul style="list-style-type: none"> for EU contribution: EU for national contribution: MS 	<ul style="list-style-type: none"> existing but not involved Interreg: ES involved in / partially responsible for Interreg IIA: IN responsible for Interreg IIA: IIA
1 Maas-Rhein B/D/NL	CS OP	cDTA (Euregio-TA, regional project managers) cSU (Euregio) cAP (Euregio-board) cSA (Steering Committee)	EU (ING Bank) MS	II A (Euregio)
2 West Flanders B/F	CS OP	DTA (assistance of Secretariat) SU (regions) cAP (Technical Committee) cSA (Steering Committee)	--	II A (Euroregio) ES (COPIT=crossborder cooperation on spatial planning; permanent commission for the external relations between the departement du Nord and the province of West Flanders)
3 PACTE B/F	OP (in the framework of Interreg I)	cDTA cSU (both cross-border technical teams) cAP (technical teams and technical monitoring group) cSA (monitoring group)	--	ES (COPIT= crossborder cooperation on spatial planning;
4 Ardennes B/F	OP (mixed commission)	cDTA cSU (2 technical Interreg teams) AP (regions) SA (Partnership Committee and monitoring committee)	--	--

5 PED B/F/L	CS OP	cDTA SU (regions) cAP (technical Group) cSA (monitoring committee)	--	--
6 Scheldemond B/NL	CS OP	cDTA cSU (Euregio-Council) cAP (Technical Cross- border Working Group) cSA (Monitoring Committee)	EU (Gemeentekrediet van België)	II A (Euregio Scheldemond) ES (chambers of commerce; sick-funds; International Schelde faculty; permanent consultation between East Zeeuws-Vlaanderen and Waasland; Flemish-Dutch cross- broder cooperation)
7 Middengebied B/NL	CS OP	DTA (separatly) cSU + cAP (Secretariat) cSA (monitoring committee)	EU (Gemeentekrediet van België)	IIA Middengebied
8 Sønderjylland/ Schleswig DK/D	OP	cDTA (project partners) cAP + cSU (Secretariat) cSA (Steering Committee)	EU (administered by county of Sonderjylland)	ES (Region Sonderjylland-Slesvig)
13 Saar-Lor- Westpfalz D/F	OP	DTA (consultation) SU (regions) cAP (Secretariat) cSA (Monitoring Committee)	EU (Saarländische Investitionskreditbank)	ES (Regional Commission Saar-Lor-Lux-Westpfalz; summit meetings Lux/Rh-pf; local cooperations; Euregio SaarLorLux; cooperation SaarLorLuxRhein)
14 PAMINA D/F	OP (Pamina-office in the framewok of Interreg 1)	cDTA cSU (Secretariat) cAP (Working Group) cSA (Monitoring Committee)	EU (departement du Bas-Rhin)	II A (Pamina-Council)
15 Oberrhein -Mitte-Süd D/F/CH	CS (OP)	cDTA cSU (Common Secretariat) cAP (Working Group) cSA (Monitoring Committee)	EU for F/D (Landesbank Baden- Württemberg)	ES (Oberrhein Conference; TriRhena)
16 Alpenrhein/ Bodensee/ Hochrhein D/A/CH	(OP)	cDTA (consultation) cSU (Secretariat) cAP (working group) cSA (monitoring committee)	--	ES (Regio Bodensee, Bodensee Council; International Bodensee Conference; Commission of Parliamentary Presidents; Commission of Parliamentarians)
17 Germany/ Luxembourg D/L	(OP) (Saarland, Rh-Pf and spatial planning ministry in Lux)	DTA (consultation) SU (regions) AP (regional-national authorities and Secretariat) cSA (Steering Committee)	EU (Landesbank Rheinland-Pfalz)	ES (Regional Commission Saar-Lor-Lux-; summit meetings Lux/Rh-pf; local cooperations; Euregio SaarLorLu;)
18 Ems-Dollart	CS	cDTA (Euregio Secretariat)	EU	II A (Ems Dollart Region: fully responsible)

D/NL	OP	cSU (Euregio Secretariat) cAP (Euregio Secretariat) cSA (Steering Committee)	MS (Norddeutsche Landesbank)	
19 EUREGIO D/NL	CS OP	cDTA (Euregio Secretariat) cSU (Euregio Secretariat) cAP (Euregio Secretariat) cSA (Steering Committee)	EU MS (Investitionsbank Nordrhein-Westfalen)	II A (EUREGIO: fully responsible)
20 Rhein Waal D/NL	CS OP	cDTA (Euregio Secretariat) cSU (Euregio Secretariat) cAP (Euregio Secretariat) cSA (Steering Committee)	EU MS (Investitionsbank Nordrhein-Westfalen)	II A (Euregio Rhein-Waal: fully responsible)
21 Rhein-Maas- Nord D/NL	CS OP	cDTA (Euregio Secretariat) cSU (Euregio Secretariat) cAP (Euregio Secretariat) cSA (Steering Committee)	EU MS (Investitionsbank Nordrhein-Westfalen)	II A (Euregio Rhein-Maas Nord)
22 Bavaria/Austria D/A	(OP)	DTA (separately) SU (regional authorities) AP + SA (regional authorities) SA (Steering Committee after AP by regional authorities)	--	IN (Euregio Bayerischer Wald/Böhmerwald; Inn-Salzach Euregio; Euregio Salzburg/Berchtesgardener Land- Traunstein) ES (Euregio Allgäu; Euregio Zugspitze; AG Unterer Bayerischer Wald; mixed commission Upper Austria- Böhmen)
29 Pyrenées E/F	CS (several at regional level)	cDTA (necessarily) cSU (to one or both regions) cAP (cross-border working groups; cross-border working groups; Steering Committee) cSA (Steering Committee)	(MS have established a joint fund for projects of programme: Euskardi-Navarre- Aquitane)	IN (Comité de Travail des Pyrenees) ES (Euregio between Catalonia, Languedoc-Roussillon and Midi-Pyrenees; tripartite cooperation agreement between Euskardi, Navarre and Aquitaine)
30 Spain/Portugal E/P	CS (several at regional level)	cDTA (GIT joint project appraisal/selection for some cross-border measure) DTA (for other measures, eg transport, by regional authorities) SU (regional departments of national ministries) AP + SA (Steering Committee)	--	IN (Working Committees: Galicia /Norte, Centro/Extremadura, Extremadura/Alentejo, Castilia y Leon Centro/Norte) ES (in preparation: Andalusia/Algarve)
32 Alpes F/I	CS (OP)	DTA (separately) SU + AP (regions) cSA (Monitoring Committee)	--	ES (cooperation for the management of skislopes)

39 Ireland/Northern Ireland IRL/UK	CS (by each association) (OP)	cDTA (c except infrastructure projects) cSU (to both Interreg-Secretariats) cAP + cSA (measure working groups)	--	IN (Co-operation North and three associations:, ICBAN, NWRCBG, EBRC)
41 Italy/Austria I/A	OP	DTA SU (ministries of regions) cAP + cSA Steering Committee	--	IN (Interreg-Council) ES (Euregio Tirol and Working Group Westtirol., Engadin and Vinschgau)
52 North Calotte SF/S/N	CS (OP) (North Calotte Council; participation of local authorities and social partners)	DTA – c for SF/S SU (secretariat) AP (4 advisory working groups) SA (management committee)	EU (Swedish Central Bank)	II A (North Calotte Council)

TABLE 3.2 Institutional Aspects of Interreg IIA Programmes for internal maritime borders

INTERREG IIA AND OP NUMBER	PROGRAMME DEVELOPMENT	TECHNICAL MANAGEMENT	FINANCIAL MANAGEMENT	CROSS-BORDER STRUCTURES
	<p>Common development of:</p> <ul style="list-style-type: none"> concept/strategy by regional partners: CS programme by regional partners: OP devel't by state, in consultation with regional partners: (OP) 	<p>Project</p> <ul style="list-style-type: none"> development/TA: DTA submission: SU appraisal: AP selection/approval: SA <p>c: common procedure</p>	<p>Common bank account</p> <ul style="list-style-type: none"> for EU contribution: EU for national contribution: MS 	<ul style="list-style-type: none"> existing but not responsible for Interreg: ES involved in / partially responsible for Interreg IIA: IN responsible for Interreg IIA: IIA
9 Fyn/K.E.R.N DK/D	CS OP	cDTA (project partners) cSU (secretariats) cAP (Secretariat) cSA (Steering Committee)	EU (administered by the county of Fynen)	
10 Storstrøm/Ostholstein DK/D	CS (first time 1992/3) OP	cDTA (project partners) cSU (secretariats) cAP (Secretariat) cSA (Steering Committee)	EU (Storstroms Amt; account at Den Dansk Bank, Nykobing F.)	IIA Danish/German Committee
11 Oeresund DK/S	CS OP (Oeresund Committee)	DTA cSU +cAP (Secretariat) cSA (Interreg working group for projects up to 68,000 ECU , Steering Committee for projects beyond 68,000 ECU)	--	II A (Oeresund Committee)
27 Greece/Italy GR/I	--	--	--	--
33 Corsica/Sardinia F/I	--	SA Monitoring Committee	--	--
34 Corsica/Tuscany F/I	--	SA Monitoring Committee	--	--
35 Nord-Pas-de-Calais/	CS OP	cDTA (common brochures and publicity)	--	IN (Euroregion: NDPC-Kent-Flanders-Wallonia-Brussels)

Kent F/UK		SU (national authorities) cAP and cSA (joint technical group and monitoring committee)		ES (ARC MANCHE; BDTE=cross-border support structure for SMEs; town partnerships; cooperation treaty between NPDC and Kent CC 1988)
36 Rives-Manche F/UK	CS OP (technical group: joint national/regional level)	cDTA (common brochues + publicity) SU (national authorities AP (national programming committees) cSA (joint technical committee)	--	ES (ARC MANCHE)
40 Ireland/Wales IRL/UK	CS	cDTA (occasionally) (assistance by local coordinating teams) cSU (Secretariat) cAP+ cSA (for soft projects by joint working groups) AP+SA (for transport projects by national authorities)	--	ES (Irish Sea Partnership)
50 Islands SF/S	CS OP (Islands Cooperation)	cDTA SU (secretariat) AP (secretariat) SA (monitoring committee)	EU (bank account by Ålands authority)	II A (Islands Cooperation)
51 Kvarken/ MittSkandia SF/S	CS (OP)	DTA - c for SF/F SU + AP (secretariat) SA (monitoring committee)	EU (administered by county of Västerbotten in Ulmea)	II A (Kvarken Council)

TABLE 3.3 Institutional Aspects of Interreg IIA Programmes for external borders

INTERREG IIA AND OP NUMBER	PROGRAMME DEVELOPMENT	TECHNICAL MANAGEMENT	FINANCIAL MANAGEMENT	CROSS-BORDER STRUCTURES
	<p>Common development of:</p> <ul style="list-style-type: none"> concept/strategy by regional partners: CS programme by regional partners OP devel't by state, in consultation with regional partners: (OP) 	<p>Project</p> <ul style="list-style-type: none"> development/TA: DTA submission: SU appraisal: AP selection/approval: SA <p>c: common procedure</p>	<p>Common bank account</p> <ul style="list-style-type: none"> for EU contribution: EU for national contribution: MS 	<ul style="list-style-type: none"> existing but not involved Interreg: ES involved in / partially responsible for Interreg IIA: IN responsible for Interreg IIA: IIA
12 Bornholm DK/Baltic	OP	cDTA (consultation) cSU + cAP (Secretariat) cSA (Steering Committee)	--	ES (B7, Four Corner Cooperation, Euregio Baltyk)
23 POMERANIA D/PL	CS (OP)	cDTA (rarely) SU (Euregio) AP (steering committee) SA (project committee)	--	IN(Euroregio Pomerania) ES (deutsch-polnische Gesellschaft; deutsch-polnische Wirtschaftsförderungsgesellschaft)
24 Brandenburg D/PL	CS (consultation with Poland) (OP)	cDTA (rarely) SU (Euroregions) AP (Euroregions and ministry) SA (steering committee)	--	IN (Euroregio Spree-Neiße Bober; Euroregio Pro Europa Viadrina)
25 Saxony D/PL/CZ	(OP)	cDTA (rarely) SU + AP (Euroregions) SA (steering committee)	--	IN (Euroregio Elbe-Labe; Euregio Egrensis; Euroregio Erzgebirge, Euroregio Neisse-Nisa-Nysa))
26 Bavaria/Czech Republic D/CZ	CS (several strategies) (OP)	DTA (separately) SU + AP (Bavarian authorities) SA (steering committee)	--	IN (Euregio Egrensis; Euregio Bayerischer Wald/Böhmischer Wald)
28 Greece External Borders GR/BG/FYROM/AL	--	3 JPMC with regional representatives and GR representatives in FYROM/SPF	--	ES (Euroregio Nestos-Mesta)
31 Spain /Morocco E/MOR	--	--	--	--

37 Jura F/CH	CS (OP)	DTA (project partners) SU (Dep de Belfort; CTJ) AP (technical committee) SA (monitoring committee)	--	IN (Communauté de Travail de Jura) ES (network of towns; agreement of cooperation between CTJ and Belfort)
38 Rhône-Alpes F/CH	CS (Interreg I-experience and studies), OP (technical group)	cDTA cSU (regions on both sides with same text) cAP (mixed working group) cSA (monitoring committee)	--	ES (franco-geneva regional committee; Euregio Lac Lemman, Lake Geneva-Council; Communauté de Travail des Alpes Occidentales)
42 Italy/Switzerland I/CH	OP (involvement of 5 regions and 3 cantons)	Every Italian region with own structure; e.g. Valle d'Aosta: cDTA cSU (regions on both sides with same text) cSA (mixed working group)	--	ES (Conseil Vallé-Valle d'Aosta; Euregio Insubrica: Tessin-Lonbardy;; Mont Blanc-territory; Communauté de Travail Alpes Occidentales)
43 Italy/Slovenia I/SLO	OP	DTA (project partners) SU (Italian regional authority) AP + SA (working groups of Interreg-Council)	--	ES Euregio Italy/Slovenia in preparation
44 Italy/Albania I/AL	--	--	--	--
45 Gibraltar UK/MRC	--	--	--	--
46 Austria/Czech Republic A/CZ	CS (trilateral spatial planning concept) (OP)	DTA (project partners) SU (regional authorities) AP + SA (Interreg-Council)	--	ES Euregio Bayerischer Wald/Böhmerwald/Mühlviertel, Euregio Weinviertel-Südmähren/Westslovakei (1998); Euregio Waldviertel/Südschechien)
47 Austria/Hungary A/H	CS (OP)	DTA (project partners) SU (Austrian regional authority) AP + SA (cross-border coordination committee)	--	ES (Regional Council; in preparation Euregio Burgenland; Austrian-Hungarian Commission on spatial planning)
48 Austria/Slovakia A/SK	CS (OP)	DTA (project partners) SU (Austrian regional authority) AP + SA (working groups of Interreg-Council)	--	ES (Euregio Weinviertel-Südmähren-Westslovakei, Euregio in preparation Győr, Bratislava)
49 Austria/Slovenia +A/SLO	CS (OP)	DTA (project partners) SU (Austrian regional authority)	--	(Euroregio in preparation)

		AP + SA (working groups of Interreg-Council)		
53 Barents SF/S/N/RUS	(OP) (national government and provinces)	CDTA SU (secretariat) - c for SF/S AP (secretariat) - c for SF/S SA (partly: monitoring committee) - c for SF/F	EU for SF/S (Regional Council of Lapland)	II A (BEAR=Barents European Arctic Council) ES (Barents Council; 1992 bilateral agreement on cross-border cooperation between Finland and Russia)
54 Karelia SF/RUS	CS OP (3 regional associations, Finnish authorities and Russia)	DTA (consultation) SU + AP (secretariat - at regional associations) SA (management committee)	--	II A (Regional Council North Karelia together with Republic of Karelia in TACIS) ES (Euregio Karelia in debate)
55 St. Petersburg SF/RUS	CS OP (3 regional associations, St. Petersburg, Leningrad Oblast and Finnish social partners)	DTA - c occasionally SU (secretariat - at regional associations) AP (management committee) SA (working group)	--	II A (Regional Council South Karelia)
56 Finland/Estonia SF/EST	CS (OP)	DTA SU (regional associations) AP (Interregional programme management committee) SA (monitoring committee)	--	II A (South Finnish Regional Associations and regions is Northern Estonia)
57 Ett Gränslöst Samarbete S/N	CS, (OP)	cDTA SU (secretariat) AP (programme management committee) SA (monitoring committee)	--	ES (Border Committee Östefold-Boslein)
58 Inre Scandinavia S/N	(OP)	cDTA SU (secretariats) AP (programme management committee) SA (secretariat for projects: <30000 ECU) SA (monitoring committee)	--	ES (ARKO cooperation)
59 Nordens Gröna Bälte S/N	CS (OP)	cDTA SU + AP (secretariat) SA (management cttee)	--	ES (Mittnorden Committee)

3.3 Assessment conclusions

The tables presented above allow a number of conclusions to be drawn concerning institutional aspects of programme development and management under Interreg IIA. General conclusions and specific conclusions for different types of border are presented below, following the main headings used in the tables.

Programme development

A large majority (over two-thirds) of internal land border areas have cross-border concepts/strategies and programmes developed in common by (mainly) regional/local partners. The same applies to a similarly large proportion of internal maritime programmes. In the case of external borders cross-border concepts/strategies exist for nearly two-thirds of the areas, but the involvement of regional/local bodies in programme preparation has been mainly in a consultative capacity.

Technical management

Similarly in a large majority (some two-thirds) of internal land border areas all four key management functions are performed jointly through common activities and structures. This is the case in just under a half of the internal maritime programmes. In the case of external border areas, common information and advice functions are performed in just under a half of all programmes, but only in a very small number of areas other functions, such as common project selection, are performed in common.

Financial management

There is a significant degree of integration in financial management in internal land border programmes with just over a half of the OPs having a common bank account for the EU contributions. This applies in one-third of internal maritime programmes.

Cross-border structures

There are regional/local level cross-border structures, to a large extent, in practically all border areas: internal (land and sea borders) and external borders, but they vary in nature and capacity. The main gaps are in large parts of the Greek external borders, in smaller parts of the Spanish/Portuguese and several internal maritime borders.

In terms of capacity and experience the structures on the internal land borders are by far the most advanced. In two-thirds of the internal land border areas regional/local cross-border structures play a significant role in cross-border concept/strategy and programme development as well as in the management of Interreg IIA OPs. This happens in about a half of the internal maritime programmes, and to a much smaller extent in external borders.

Overall conclusion

The overall conclusions concerning the existing situation under Interreg IIA and the general capacity-building needs for Interreg IIIA¹⁶ are summarised below.

The programmes on internal land borders are much more advanced in terms of cross-border institutional development than generally recognised. The vast majority of programmes have regional/local cross-border structures managing the OPs or playing an important role, in partnership with national authorities. The greatest capacity-building needs on internal land borders in preparation for Interreg IIIA are in the Spanish-Portuguese and Spanish-French borders. A second priority is the Ireland/UK (NI) border, where considerable progress has been achieved during the implementation of Interreg IIA and the Peace Programme, providing a sound basis for Interreg IIIA.

In the internal maritime programmes three quite distinct situations prevail. At the one extreme, the Nordic programmes are for all practical purposes as advanced as the „best“ of the land borders or they can easily attain that status. At the other extreme, the Southern European programmes (Corsica/Sardinia, Corsica/Tuscany, Greece/Italy) are totally undeveloped in terms of cross-border institutional arrangements, and there are no signs of any major bottom-up initiatives to create permanent regional/local level structures. An intermediate category is represented by the remaining maritime programmes (eg IRL/Wales, Kent/NPC) where a very good level of cross-border coordination has been achieved, involving both national and regional/local bodies. In most of these cases the conditions exist for regional/local level cross-border structures to be put in place within the timescale of the preparation of Interreg IIIA. These programme areas will represent the main priority for capacity building amongst maritime programmes.

The situation on external borders is complex, as it must be assessed not only in terms of the existing situation under Interreg IIA but in terms of the conditions that apply in non-EU countries, at present and in the future (the latter depending in part on EU decisions concerning counterpart programmes). Using the typology presented in Sub-section 3.1, the main conclusions are:

- a) the border areas with Norway and Switzerland do not require any particular capacity-building support given the high degree of development of these border areas, although it should be noted that further progress will be needed in some parts of the Swiss border in order to achieve integrated programme management on the lines of the internal EU borders;
- b) the large number of programme areas on the borders with CECs show a substantial and rapidly developing institutional infrastructure, which is already capable in many cases

¹⁶ Specific capacity-building needs of individual areas and structures should be assessed against the conclusions and recommendations concerning institutional arrangements for Interreg IIIA (see Section 5).

(especially on the German-Polish-Czech border) of playing a major role in programme management. However, the capacity-building needs of many areas are substantial, if they were to reach institutional capacities similar to those on internal EU borders, and moreover, these needs are much greater on the CEC side (ie outside the remit of Interreg and within that of Phare CBC). The priorities for capacity building will be, in descending order, as follows:

- Greece external borders;
- Italy/Slovenia;
- Austria external borders;
- Germany/ Czech Republic.

- c) Substantial progress has been made on many parts of the Finnish/Russian border under Interreg IIA, but capacity-building needs remain fairly high (mainly on the Russian side of the border, ie within the remit of Tacis CBC).
- d) The total lack of regional/local cross-border structures on the borders with the remaining third countries (eg Morocco), and the lack of any prospect for such structures to emerge in the foreseeable future, suggest that it is most unlikely that any capacity-building activity will be feasible within the timescale of the introduction of Interreg IIIA.

4. MAIN INSTITUTIONAL MODELS IN INTERREG IIA

4.1 Existing models and examples

The analysis of the existing institutional arrangements for programme development and management under Interreg IIA, show two predominant models of particular relevance to Interreg IIIA. Each model comes with many variations.

The first of these can be described as an „*integrated programme management*“ model. The most advanced form is represented by the Euregios on the Dutch-German and Dutch-Belgian-German borders, where both technical and financial aspects of programme management are fully integrated and carried out in common.

Highly integrated cases also exist in the Nordic countries, based on similar structures to euroregions. In all cases technical programme management is fully integrated but the degree of integration of financial aspects of programme management ranges from integration (common account for EU contribution, Islands Region, S/SF) to separate financial management (Oeresund, DK/S). Most Nordic cases have at least partial financial integration through a common bank account for the EU contribution. The Euregios and Nordic examples rely mainly on the management capacities of the euroregion body.

Integrated programme management has also been achieved in other cases. Key examples are PAMINA (F/D) and similar procedures on the German/French/Swiss, French/Belgian/Dutch/Luxembourg and Belgian/Dutch borders where integrated programme management exist through an agreement between the relevant authorities. Another example of potential relevance to Interreg IIIA comes from the decentralised management arrangements established for cross-border measures of the Peace Programme (IRL/NI). The full integration of the technical aspects and a high degree of integration of the financial aspects of the measure have been achieved through global grant agreements between the Commission and an intermediary (Cooperation Ireland).

The second model can be described as „*co-ordinated programme management*“. There are many examples with varying degrees of co-ordination and elements of integration, notably on the IRL/UK, France/UK and E/P borders. Essentially in all these cases financial management is carried out separately by the Member States concerned, but there is co-ordination in publicity, parts of project appraisal process and final project selection. In some cases, regional/local authorities play a strong role (eg Kent/Nord Pas de Calais, UK/F, and Galicia/Norte, E/P) and parts of the implementation of the programme have been delegated to a regional/local cross-border structure (eg GIT in Alentejo/Extremadura. P/E)

It must be pointed out that the examples used for a more detailed analysis in the following subsections of this section, have been chosen from the internal EU borders to illustrate advanced forms of cooperation, in the context of each model.

<i>Model</i>	<i>Examples</i>	<i>Remarks</i>	<i>Sub-section</i>
Integrated			
Full integration using permanent structure	Dutch-German Euregios	Permanent euroregion structure; fully integrated technical and financial management	4.2
	Islands Region (SF/S)	As above (but without a common bank account for national contributions)	4.3
Full integration for programme purpose	PAMINA F/D	Structure created for management of Interreg programme, through agreement between Member State authorities	4.4
	Peace Programme IRL/UK (NI) (Cross-border measure on Business & Cultural Cooperation)	Structure created for management of Peace measure, through agreement between the Commission and intermediary. Structure uses capacity of intermediary	4.5
Partly Integrated	Oeresund DK/S	Integrated technical management, using permanent euroregion structure; separate financial management	4.6
Coordinated	UK/F maritime programmes	Elements of integration of technical aspects	4.7

4.2 Euregios on Dutch-German border

This example covers the four Euregios on the Dutch-German border, namely: EUREGIO; Rhein-Maas-Nord; Rhein-Waal; and Ems-Dollart. The development and management of the Interreg programmes concerning these Euregios follows the same approach. One formal agreement established the specific institutional arrangements for the first three of the Euregios for Interreg I and a similar agreement has done the same for Interreg IIA. Similar arrangements have been made for Ems-Dollart.

The eligible area and approximate budget of each of the four Operational Programmes under Interreg IIA are as follows:

EUREGIO:

- the eligible area comprises the following administrative units: parts of the German Länder of Niedersachsen and Nordrhein-Westfalen and Dutch provinces of Drenthe, Gelderland and Overijssel;
- total budget: 53.6 MECU (22 MECU EU contribution, 31.6 MECU non-EU contributions of which 13.2 from national and 18.4 from regional sources).

Rhein-Maas-Nord :

- the eligible area comprises the following administrative units: parts of the German district of Krefeld and parts of the Dutch province of Limburg;
- total budget : 12.76 MECU (6.38 MECU EU contribution, 6.38 non-EU contribution).

Rhein-Waal :

- the eligible area comprises the following administrative units: the German districts of Kleve, Wesel and the city of Duisburg and parts of the provinces Gelderland, Noord-Brabant and Limburg in the Netherlands;
- total budget: 23.06 MECU (11.53 MECU EU contribution, 11.53 non-EU contribution)

Ems-Dollart :

- the eligible area comprises the following administrative units: the German district of Weser-Ems and parts of the Dutch provinces of Groningen and Drenthe;
- total budget: 62.72 MECU (22.47 MECU EU contribution, 40.25 MECU non-EU contributions).

In the presentation of this example, below, specific references are made for illustrative purposes, to the EUREGIO.

Programme preparation

Programme development and drafting

Operational Programmes for both Interreg I and IIA have been prepared by the Euregios. The

development of the Interreg IIA programmes, was based on systematic cross-border planning, typically including: SWOT analysis and action programme; spatial planning strategy; and a large number of sectoral studies establishing a long-term strategy and defining specific projects for the sector concerned. All social partners were extensively involved in the preparation of the programmes, including formal consultations with socio-economic interests. A special financing rule was integrated in the programmes which stipulates on both sides of the border a maximum of 50% EU contributions, a maximum of 30% national contributions and a minimum of 20% regional contributions.

Submission to the Commission

The draft programme was submitted on behalf of both Germany and the Netherlands by one of the partners (in the case of the EUREGIO, by the Land of Nordrhein Westfalen).

Agreement on management of implementation

An agreement was signed on 9.12.1991 for Interreg I and a similar agreement on 24.7.1995 for Interreg IIA. In both cases the agreements were concluded prior to the submission and approval of the OP by the Commission. Both agreements cover three Euregios and corresponding OPs: EUREGIO; Rhein-Maas-Nord; and Rhein-Waal.

They are in two parts. Part I is an agreement between the Interreg partners: the Government and the relevant Provinces of the Netherlands; the relevant Länder of the Federal Republic of Germany; and the three Euregios. Part II is between the Interreg partners and the Investitions-Bank NRW.

Part I concerns the agreement on the overall programme and financial management including:

- common objectives;
- common principles;
- common eligibility;
- common decision making arrangements (including powers and composition of a Steering Committee for each OP);
- common application and approval procedure.

Part II designates the Investitions-Bank NRW as the operational financial management body for the three OPs, acting on behalf of the Interreg partners. The agreement covers *inter alia* payments and audits procedures, financial responsibilities, and the remuneration of the Bank (namely 200,000 ECU).¹⁷

¹⁷ The choice of a public sector bank for the role of the financial management body was not dictated by any legal requirements on either side of the border but was decided on the basis of expertise, capacity and costs.

Programme implementation

„Joint Management Structure“

In general the „joint management structure“ is as in the agreement - see above, and illustration based on the EUREGIO in *Charts 4.2 a and b*.

The only parts of the structure specifically set up for the purposes of Interreg are: the Monitoring Committee and the Steering Committee. All other implementation functions have been assigned to the existing structures of the Euregios (Council, Board, Thematic Working Groups and Secretariat) and the Investments-Bank NRW. The Euregio secretariat, acts as the Programme Secretariat, and services the Steering and Monitoring Committees.

The *Steering Committee* comprises representatives of: the Dutch Economics Ministry; the relevant Dutch Provinces; the Economics Ministries of the relevant German Länder (including the relevant German Counties (*Bezirke*)); and the relevant Euregio (which also nominates the chairmanship of the Committee). Its main functions are the overall guidance of the implementation of the programme, including guidance on projects and their co-financing, and the final approval of projects. The Committee normally meets every three months.

The *Monitoring Committee* comprises all the members of the Steering Committee, plus one representative of the European Commission and one representative of the German Federal Ministry of Economy. Its functions are as in the Structural Funds regulations. It normally meets every six months.

Main implementation functions

Information and advisory support to applicants

Extensive publicity includes regular information includes regular publications by the Euregios.

Advice to beneficiaries is provided by the Secretariats of the Euregios and especially by their thematic Working Groups which advise on project development. Project ideas are often considered informally by these groups and other Euregio bodies prior to full development and application.

Submission of project applications

There are no public calls for proposals or specific deadlines for the submission of applications. There is extensive publicity about the programme and applications can be submitted at any time.

All applications are submitted to the secretariat of the Euregio. A special bilingual application form must be used. All partners must sign it and there must be partners from both sides of the border. A lead partner makes the submission on behalf of the partnership.

Project appraisal

Each project application is checked by the secretariat for completeness, eligibility and compliance with selection criteria. These are the Interreg programme criteria, national development priorities and project criteria specifically developed by each Euregio.

In the case of the EUREGIO these include requirements, such as: step-by-step increase of regional contributions by project sponsors to ensure viability beyond the end of Interreg funding; and clear definition of the cross-border nature of the project, eg joint implementation by Dutch and German partners, joint management with one lead partner being legally accountable, and joint financing.

Projects meeting the criteria are assessed by the thematic working groups of the Euregio who make their recommendations to the Board of the Euregio. In parallel they are checked by the relevant national authorities as to whether they meet national programme criteria and can receive national co-financing.

Approval

Each project is considered by the Board and/or Council of the Euregio. Projects may be rejected at this stage or deferred for further information/development, or they may be recommended to the Steering Committee for decision on co-financing.

The Steering Committee considers recommended projects and decides on final approval. It is also informed of all other projects which have been rejected at an earlier stage. ¹⁸

Contracting

The Bank receives notification of a project approval from the Secretariat of the Euregio. It also receives a separate notification from the relevant authority for any national co-financing required and as decided in the Steering Committee.

The Bank concludes a direct agreement with the project manager based on private law. This is a single agreement with homogeneous conditions, covering all technical and financial aspects, including funding from EU, national and regional sources, the latter provided by the project leader.

Financial management

The partners have delegated the operational side of financial management to the Bank, and this is carried out in a fully integrated way.

For each programme all contributions from the EU and national/regional authorities are paid into a joint bank account in the name of the relevant Euregio.

¹⁸ Small projects applying under the „people to people“ project fund covering projects up to 50.000 ECU are approved by the Secretariat.

The Bank prepares and guarantees joint accounts and statements required by the European Commission. Each of the partners including the Commission is able to carry out additional controls. The audit trail is: Commission > Bank > project leader > project partners).

If necessary (eg in case of financial irregularities), the Bank has the right to take action against projects on either side of the border under private law. At the last resort the relevant Dutch or German public authorities can do the same. Ultimate financial responsibility for the programme lies with one of the public authorities opposite the EU. (In the case of the EUREGIO, it is the Land of Nordrhein Westfalen, acting on behalf of the Kingdom of the Netherlands and the Land of Niedersachsen).

In the case of all Euregios a credit plan fund is being introduced in 1998/99 for the lifetime of Interreg IIA programme, after consultation with the Commission. This allows project managers to receive the final payment of EU funds from the Bank after project completion but prior to the Bank receiving the corresponding funds from the Commission

Monitoring and Evaluation

Follow up of programme and project implementation is done by the Secretariat of the Euregio which prepares reports for the Steering and Monitoring Committees on the progress of the programme and approved projects. The Bank issues periodic financial reports to be forwarded to the Secretariat, which then prepares reports for the Monitoring Committee.

Mid-term evaluation is carried out by the Euregio concerned and is checked by independent consultants.

Chart 4.2a EUREGIO- Structure

Chart 4.2b EUREGIO- Interreg Procedures

4.3 Islands Region (SF/S)

The eligible area comprises parts of the County of Stockholm (S), islands areas in the Swedish Counties of Sörmland and Uppsala, the Åland Islands and the islands of the region of South-West Finland. The Interreg IIA OP (No 50) has a total budget of 9.5 MECU (EU Contribution 4.04 MECU, national contribution 1.14 MECU, regional contribution 2.89 MECU and private contribution 1.48 MECU)

Programme preparation

Since 1978 the regional authorities of County of Stockholm, the Åland Islands and South-West Finland have carried out formal cross-border cooperation through the Islands/Archipelago Cooperation (Skärgårdssamarbetet) with financial support from the Nordic Council of Ministers¹⁹. Since the 1980s the Islands/ Archipelago Cooperation has promoted contacts and supported projects of common interests in a number of fields including economic development, environmental protection and tourism.

Programme development and drafting

The Operational Programmes for Interreg IIA was developed drawing on the experiences and results gained from the above activities and a number of special studies carried out until 1995, including: economic development, environmental protection, tourism and maritime development. The programme was jointly prepared by the partners of the Islands/Archipelago Cooperation.

Submission to the Commission

The draft programme was sent to the Swedish and Finnish national authorities which submitted it to the European Commission in 1996.

Agreement on management of implementation

The Operational Programme stated that further to an interim arrangement, which left financial management responsibility with the Swedish and Finnish authorities, the overall financial management responsibility was to be transferred to the Åland government (Åland landskapsstyrelse) in January 1997. Since 1997 Åland landskapsstyrelse has had financial management responsibility.

¹⁹ The Islands/Archipelago Cooperation has a Council, consisting of elected representatives of the three regions, which is responsible for cross-border cooperation. A Cooperation Committee of civil servants from the regions is responsible for the implementation of the Council decisions. A Secretariat provides administrative support.

Programme implementation

„Joint Management Structure“

Specific structures set up for the purpose of Interreg IIA are the Monitoring Committee, a Management Committee and a Working Group. The Island/Archipelago Cooperation Secretariat provides the programme secretariat. The Secretariat supports the Monitoring and Management Committee, and receives, appraises projects and monitors their progress.

The *Monitoring Committee* consists of three representatives from the Swedish and Finnish Central governments respectively, five representatives of the Åland landskapsstyrelse (Åland government) , six representatives from regional development authorities, six representatives of the social partners, three representatives, the European Commission (DG V, VI and XVI) and the European Investment Bank.. The chairmanship of the Committee rotates between Finland and Sweden. Its competencies are as in the Interreg regulation. The Monitoring Committee normally meets every six months.

The *Management Committee* consists of politicians and state representatives nominated from the participating regions, namely Egentliga Finlands förbund, Nylands förbund, Landstinget i Uppsala and Stockholm, Länsstyrelsen i Södermanland in Stockholm. The Management Committee is directly responsible for the implementation of the programme. Its main function is the selection and approval of projects above 34,000 ECU. The Management Committee meets about twice a year.

An additional *Working Group* has been set up to support the Management Committee. Its composition is identical with the Cooperation Committee of the Island/Archipelago Cooperation, consisting of civil servants from the participating regional authorities. The Working Group can select and approve projects up to 34,000 ECU. The Working Group meets about six times a year.

Main implementation functions

Information, advice, and support to applicants

Information advice and support to applicants is provided by the Secretariat and regional development authorities.

Submission of project applications

All applications are submitted to the Secretariat which registers them. Project applications have to follow a specific format, namely: project description, objectives, anticipated results and budget. At least two partners from the three areas must be involved.

Project appraisal

Each project application is checked by the Secretariat for completeness and eligibility. In

addition to the general EU criteria there are specific project selection criteria including:

- cross-border character;
- a clear impact on beneficiaries in at least two of the three parts of the region;
- promoting and supporting the objectives and standards of the *Islands Convention*, which aim it is to establish a brand and quality standard for products and services of the Island Region;
- contribution to employment creation;
- contribution to sustainable development and protection of the environment.

Projects meeting these criteria are recommended to the Working Group and the Management Committee for consideration.

Final selection/approval

There are two types of selection procedures depending on the budget size:

- a) the Working Group is responsible for the selection and approval of projects up to 34,000 ECU;
- b) the Management Committee selects and approves projects beyond 34,000 ECU.

Contracting

The Secretariat notifies successful applicants. The Åland landskapsstyrelse prepares a contract which needs to be signed by the project leader on behalf of all partners.

Financial management

EU funding is directly transferred to the Åland landskapsstyrelse, which has financial responsibility. Under the name of the Åland landskapsstyrelse three bank accounts have been set up, one for each of the Structural Funds.

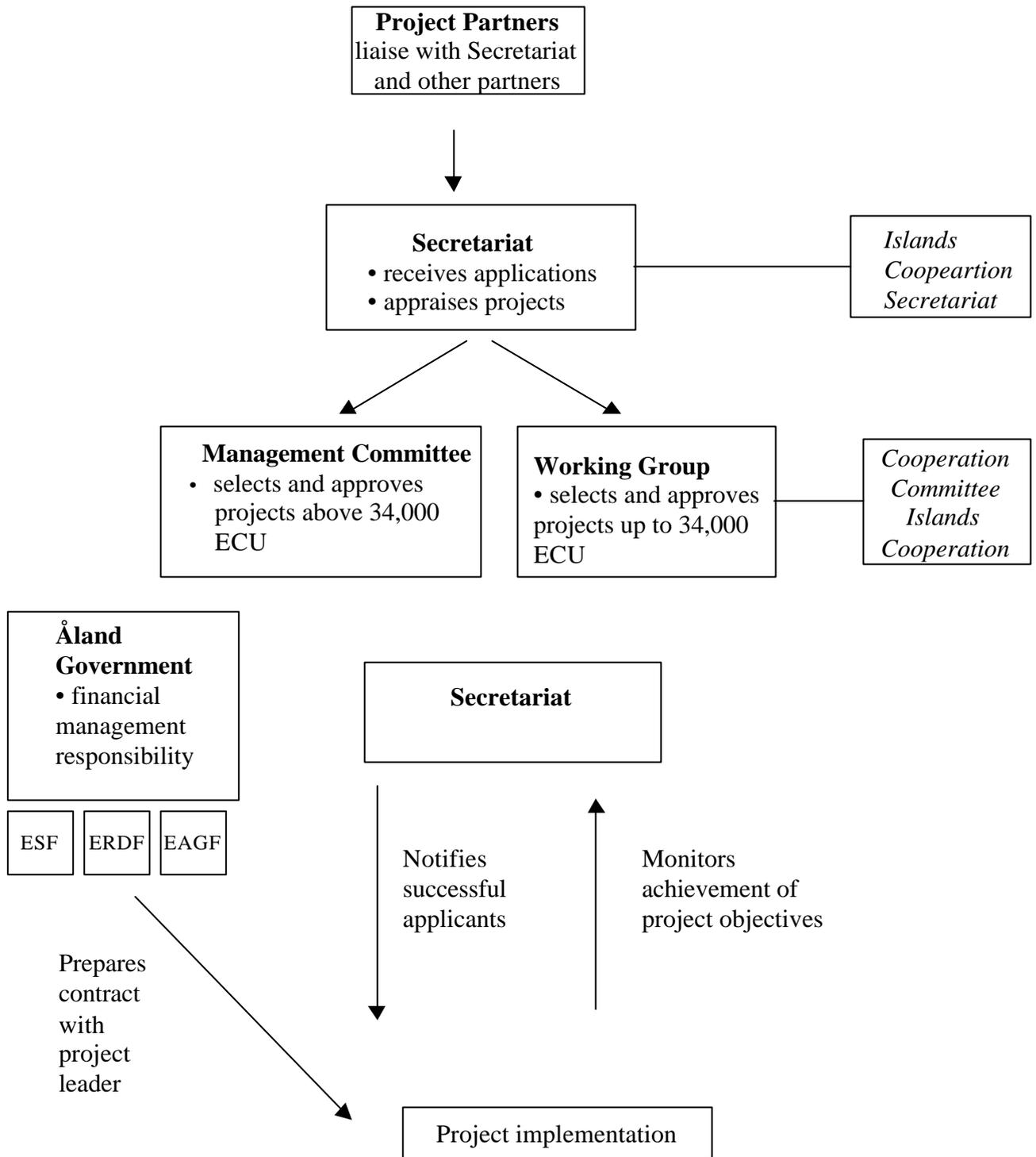
The audit trail is: European Commission > Åland landskapsstyrelse > Project leader. Checks may be carried out by the Member States and the European Commission.

Monitoring and evaluation

The Secretariat monitors progress on project implementation and reports to the Management Committee. The Nordland Research Institute has recently prepared a draft mid-term evaluation.²⁰

²⁰ Interreg IIA Skärgården S/F, Nordland Research Institute, Working Document 1009/98.

Chart 4.3 ISLANDS Region



4.4 PAMINA (D/F)

This example covers the PAMINA cooperation area and its respective Interreg IIA Programme.

The eligible area comprises the following administrative unit: parts of the German Länder Rheinland-Pfalz and Baden-Württemberg and parts of the French Region of Alsace. The Interreg IIA OP (No 14) has a total budget of 22.110 MECU (11.055 MECU EU contribution, 11.055 MECU national contribution).

Programme preparation

Programme development and drafting

Operational Programmes for Interreg I and IIA have been prepared by the partners of the PAMINA cooperation. The development of the Interreg I programme was based on a detailed SWOT analysis and the preparation of a cross-border strategy in 1988. The experiences of Interreg I served to review and improve this cross-border strategy. The development involved all partners extensively, especially the local and regional authorities.

Submission to the Commission

The preparation of the draft programme was carried out by the PAMINA partners and passed on to the French and German ministries which submitted it to Commission respectively.

Agreement on management of implementation

An agreement on management of implementation was signed in 1991 for Interreg I and a similar agreement in September 1995 for Interreg IIA. In both cases the agreements were concluded and signed after approval by the Commission.

The Interreg IIA agreement involves the Government of France represented by the Prefecture of the Region of Alsace, the Department of Bas-Rhin and the Länder Rheinland-Pfalz and Baden-Württemberg of the Federal Republic of Germany. The agreement covers all programme management aspects including:

- objectives;
- eligibility;
- projects application and approval;
- project co-ordination with the Interreg Programme Oberrhein-Mitte-Süd;
- financial management aspects.

Programme implementation

„Joint Management Structure“

The PAMINA office was established in 1991 as a permanent „Information and advice office

for cross-border issues“.²¹ Specifically set up for the purposes of Interreg are the Monitoring Committee and the Working Group PAMINA which has the function of a Steering Committee (*see Chart 4.4*). Other implementation functions have been assigned to the existing PAMINA Office which acts as the Programme Secretariat, services the Working Group PAMINA and Monitoring Committee and monitors project implementation.

The *Working Group PAMINA* has 14 members. It comprises government and ministry representatives of the German Länder/Districts and the French Region of Alsace and Arrondissements, the Coordinating Planning Unit Südpfalz, the Regional Association Mittlerer Oberrhein and the Development Association of North Alsace. The Working Group is chaired by a German regional politician (*Landrat*). Its main functions are project appraisal and preparation of project recommendations for the Monitoring Committee. In general the Committee meets every 3 months.

The *Monitoring Committee* comprises 15 members. It comprises the Chairman of the PAMINA Working Group, government and ministry representatives of the German Länder, the French Region of Alsace, the Permanent Committee Südpfalz, the Development Association North Alsace, the Regional Association Mittlerer Oberrhein, DATAR and the European Commission. The Monitoring Committee is chaired by the President of the Conseil General Bas-Rhin. Its functions are as in the Structural Funds regulations. In addition the Monitoring Committee is responsible for managing the co-ordination of joint projects between the Operational Programmes PAMINA and Oberrhein Mitte Süd. The Committee meets normally every 6 months.

Main implementation functions

Information, advice, and support to applicants

Information, advice and support to applicants is provided by the Secretariat (PAMINA Office) which prepares brochures and organises events.

Submission of project applications

Applications are submitted to the Secretariat. There are no public calls for proposals and no deadlines. A special bilingual application form must be used which needs to be signed by the project leader on behalf of all partners

Project appraisal

Each project application is checked by the Working Group PAMINA for eligibility and completeness. Selection criteria are the Interreg programme criteria and national and regional development priorities. Projects also need to have co-financing in place.

Project applications which fulfil the criteria are submitted to the Monitoring Committee and

²¹ The office is jointly financed by the Länder Rheinland Pfalz and Baden Württemberg and the Region of Alsace and the Department of Bas-Rhin.

recommended for approval or rejection.

Approval

The Monitoring Committee considers the Working Group's recommendations, selects and approves projects.

Contracting

The Chairman of the Monitoring Committee notifies the Department Bas-Rhin of a project approval. The Department prepares an individual direct contract which is concluded between the Department Bas-Rhin, the Monitoring Committee, the co-funders and the project leader.

Financial management

Overall financial management responsibility lies with the Monitoring Committee. The operational side of the financial management has been delegated to the Department Bas-Rhin. The Department administers EU contributions on behalf of the French State and the Länder Rheinland-Pfalz and Baden-Württemberg. The EU contributions are transferred to a joint bank account in the name of the Department. All national contributions are directly paid to the project leaders by the competent national authorities.

The Department Bas-Rhin prepares and guarantees joint accounts and statements required by the European Commission. Each of the partners is able to carry out additional controls. The audit trail is: European Commission > Monitoring Committee > Department Bas-Rhin > project leader > project partners.

The Monitoring Committee reserves the right of recourse opposite projects funded. In case of financial irregularities the Monitoring Committee instructs the Department Bas-Rhin or the Land Rheinland-Pfalz or the Land Baden-Württemberg to reclaim payments from relevant project leaders in the French and German areas respectively.

Monitoring and Evaluation

Follow up of project implementation is done by the Secretariat which is also responsible for preparing annual reports for submission to the European Commission.

A mid-term evaluation and review of the programme was carried out by a group of French and German consultants in 1997.

Chart 4.4 PAMINA

4.5 PEACE Programme Cross-Border Development (IRL/NI)

The Peace Programme²² covers Northern Ireland (UK) and six border counties in the Republic of Ireland. The Measure on „Cross Border Business and Cultural Links“ has a total budget of 15.3 MECU of which 11.5 MECU is the EU contribution and 3.8 MECU is contributed by the two Member States concerned.

Programme preparation

The European Union used the window of opportunity in 1994 created by the ceasefires in Northern Ireland to provide assistance to the peace and reconciliation process through a special Peace Programme. A Task Force of the European Commission put forward recommendations and these were endorsed by the European Council at its Essen meeting. On the basis of these recommendations the Programme was developed by the UK and Irish Governments. Extensive consultation showed that the Peace Programme should be designed in a way which involved people at grassroots level. As a result a number of non-governmental organisations become involved as promoters of the Programme, alongside government departments.

In July 1995 the Commission adopted the Peace Programme. Co-operation Ireland, previously known as Co-operation North, was nominated by the two member state authorities concerned with the Peace Programme, as an intermediary for the implementation of the „Cross Border Business and Cultural Links“ Measure, in association with the Joint Business Council of CBI(NI) and IBEC (IRL), two representative organisations of businesses in Northern Ireland and the Republic of Ireland. A period of assessment of all bodies nominated for the role of intermediary for various measures followed, together with the preparation of operating and financial plans and capacity building activities. This work was concluded with the confirmation of a number of selected intermediaries.

Agreement on management of implementation

In November 1995 Co-operation Ireland established a detailed *Memorandum of Understanding* with the Joint Business Council, covering the scope of the task of the Intermediary, and the structure, staffing, decision-making procedures and budget for its operation.

In December 1995 Co-operation Ireland signed two identical *agreements with the European Commission*, under the provisions concerning global grants (Article 16 of Regulation (EEC) No 4253/88 and Article 6 of Regulation (EEC) No 4254/88) as last amended). These agreements designated it as „the Intermediary“ for the Measure. Each agreement was concluded with the consent of the relevant national authorities which signed an addendum, with *inter alia* an undertaking to contribute the necessary national match funding.

These agreements concern in general the making of the EU grant to the Intermediary for the

²² Special Support Programme for Peace and Reconciliation.

purpose of implementing actions for achieving the objectives of the said measure. The details of the operations of the Intermediary, including project selection criteria, decision-making arrangements and financial management procedures have been left to the Intermediary to establish, within the framework of the objectives and financial implementing provisions of the Peace Programme. The Intermediary has been following the provisions of the Memorandum of Understanding.

The agreements limit to 3.5% the funds that can be used for information, publicity and other development costs. Extra funds have been made available from the technical assistance sub-programme of the Programme, for start-up and additional administrative costs.

Programme implementation

„Joint Management Structure“

The Intermediary is a separate structure within Co-operation Ireland and is presented in *Charts 4.5 a and b*.

Overall responsibility within the Intermediary lies with a *Measure Committee*, including the setting of objectives and project criteria, as well as deciding on major applications. It comprises 5 members from Co-operation Ireland, 5 from the Joint Business Council and 5 from organisations representing the wider community. The Committee reports to the Board of Co-operation Ireland and to the *Monitoring Committee of the Peace Programme*.

There is a Joint Management Unit, a Programme Manager responsible for the day-to-day management of the Intermediary, and other staff (fieldworkers, financial officer, and administrative officers). The Joint Management Unit consists of the Chief Executive of Co-operation Ireland, the Programme Manager, and two representatives of the Joint Business Council. It „ensures effective and efficient management of the Measure“ and its functions include approval/rejection of all applications, except major ones or those below £20,000 which are dealt with at executive level.

Main implementation functions

Information, advice and support to applicants

The Intermediary has established offices in Monaghan and Derry in the heart of the border area, publishes extensive information materials and organises information events, newspaper ads, radio broadcasts, fliers etc. Potential applicants are encouraged to submit a brief expression of interest and discuss their ideas/proposals with a project development officer. Alternatively, they can submit a full application.

Submission of project applications

There is no set deadline for applications. They are submitted to any of Co-operation Ireland's offices on a special application form, and distributed to the project development officer dealing with the relevant area.

Cross-border partners are required for all applications. However an „All Ireland Organisation“ can apply as a single organisation, if the project impacts within the eligible area.

Project appraisal

Applications are checked by project development officers for eligibility under the Measure. If an application is within the guidelines for the Measure it is further assessed including a discussion with the applicant on a confidential basis.

Applications by persons or organisation represented on the Measure Committee are referred to the relevant Government Departments for appraisal and decision (in order to ensure impartiality).

All applications for grants below £20,000 receive a final assessment by the Financial Manager and Project Manager. Those applications with a cost in excess of £100,000 are economically appraised to treasury standards by external consultants.

Approval

Applications are decided upon according to the level of total grant aid:

- up to £20,000 (approx. 30,000 ECU) by the executive with final approval from the Programme Manager;
- between £50,000 and £250,000 (approx. 75,000 ECU and 375,000 ECU) by the Joint Management Unit on the recommendation of the Programme Manager, and
- above £250,000 (approx. 375,000 ECU) by the Measure Committee on the recommendation of the Joint Management Unit.

In addition, opinions on all applications are taken from an Advisory Committee made up of a wide cross-section of community and business persons prior to decisions being made.

Applicants can appeal any decision made by the executive. Appeals are dealt with by the JMU and the Measure Committee if the applicant is still unhappy with the decision of the former.

Contracting

Successful applicants are sent a detailed ***Letter of Offer*** by Co-operation Ireland, specifying the amount of financial support, general and specific conditions, milestones, targets and objectives of the project. The project will be assessed regularly against the criteria.

Financial management

EU contributions go into two bank accounts, one in Northern Ireland and the other in Republic of Ireland. Any interest earned in Northern Ireland can be used only for the purposes of the

programme. National contributions go to the same accounts.

For each project, payments are made from these bank accounts by Co-operation Ireland into a joint bank account set up by the applicants for the purposes of the grant. Audit trail: Commission > Member State > Project bank account.

A detailed review of financial paperwork is undertaken by Co-operation Ireland prior to any payment being made to the applicant. Essentially monies are only paid out on the production of paid original invoices and accompanying bank statements showing the payments in respect of the invoices going through that account. All financial transactions in relation to projects are held on a sophisticated financial database. Ultimate financial responsibility is retained by the two Member States.

Monitoring and evaluation

The Intermediary is required to provide regular reports to the Peace Programme Monitoring Committee on the material and financial implementation of the grant, including an annual report.

The Optimum Monitoring Questionnaire has been devised for all bodies involved in the Peace Programme and this questionnaire is completed and returned to a central database every six months. This questionnaire gathers information regarding the funded projects e.g. number of participants, jobs created, costs incurred etc. The projects are also required to submit regularly to Co-operation Ireland details of their progress against the targets etc. set out in the Letter of Offer. The Monitoring Committee has the power to modify the financial plan or eligible actions.

Chart 4.5a Co-operation Ireland

INTERMEDIARY ROLE - STRUCTURE

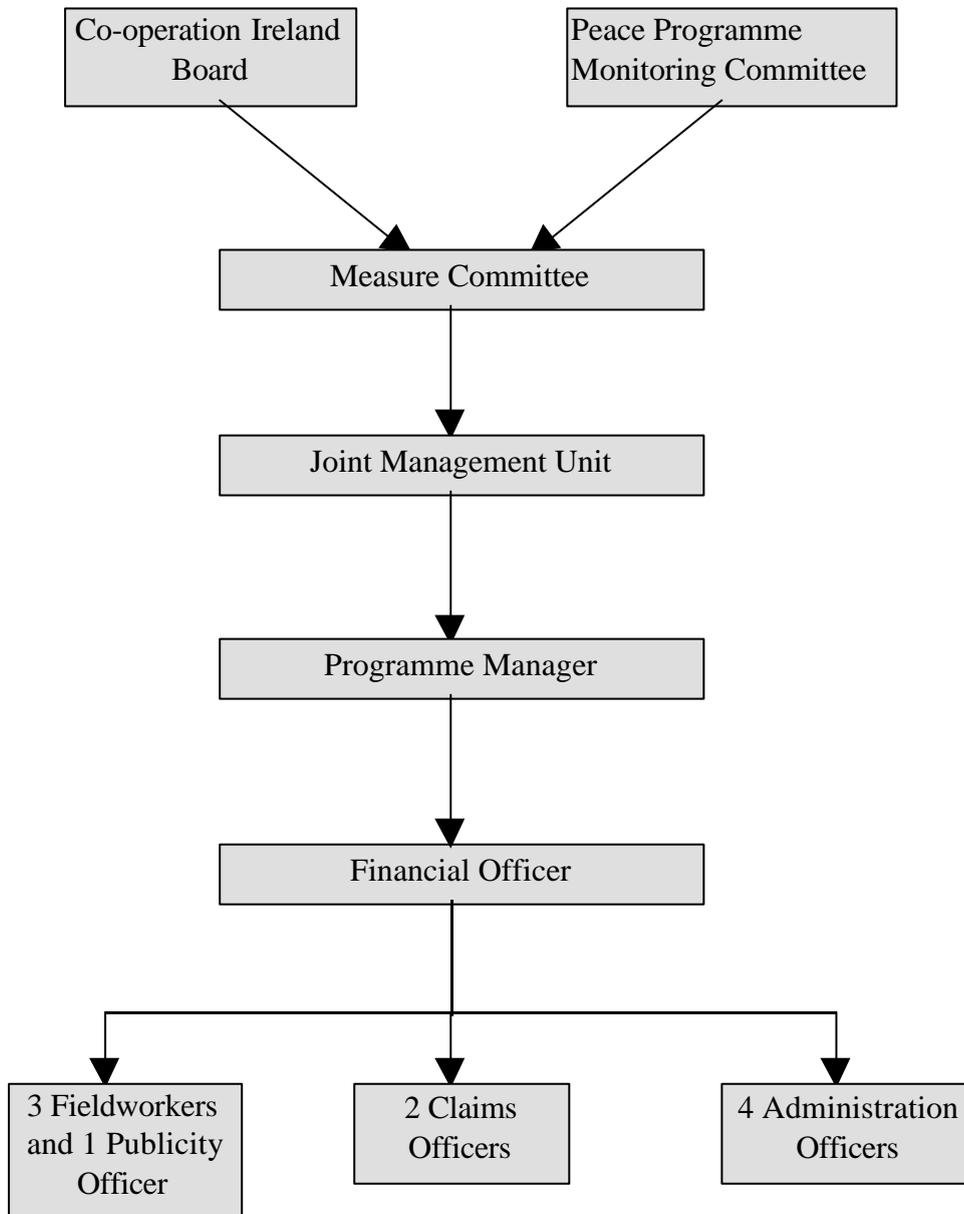
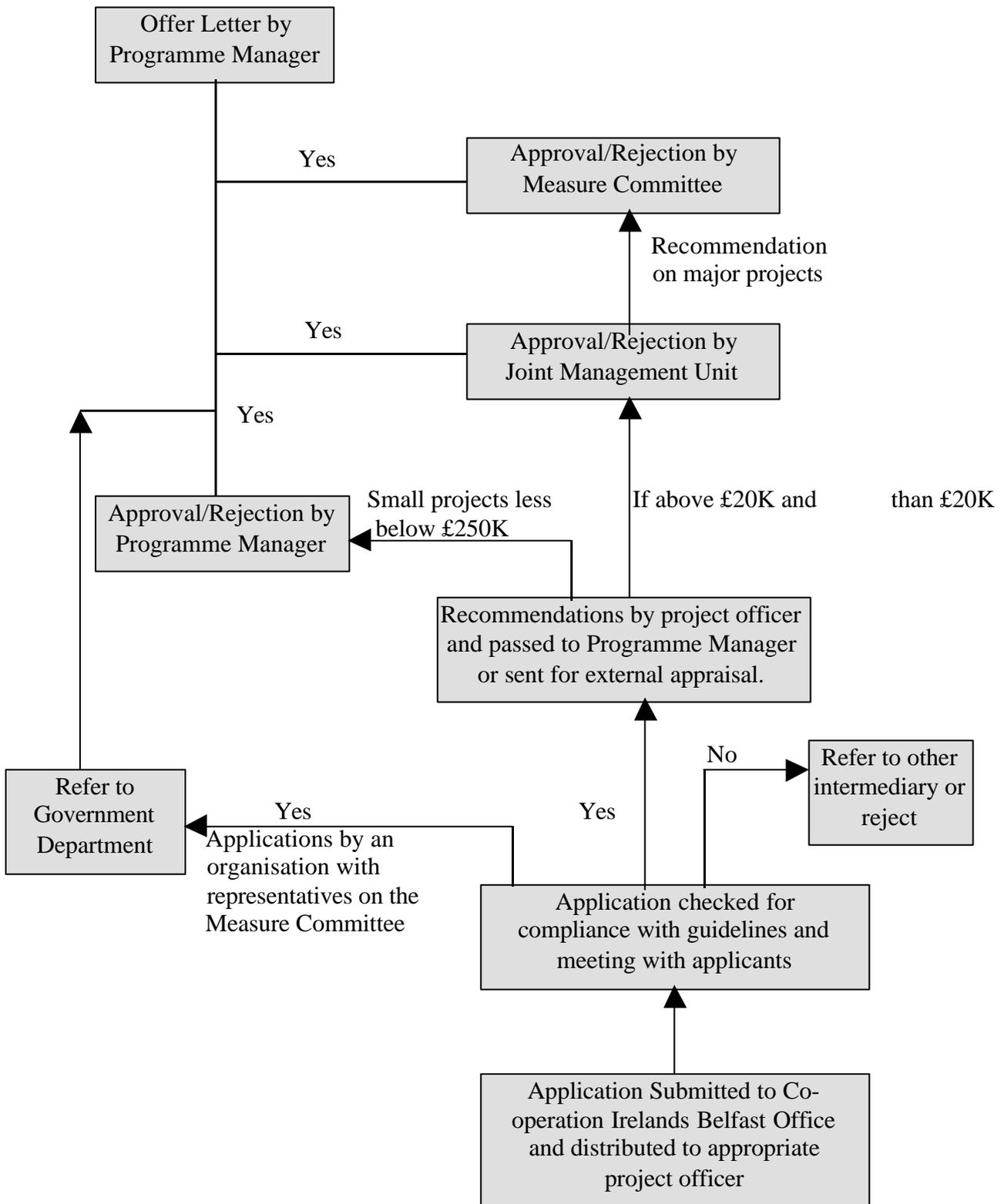


Chart 4.5b Co-operation Ireland/PEACE Programme

IMPLEMENTATION PROCEDURES



4.6 OERESUND (DK/S)

The Oeresund Region covers the maritime border of the Sound between East Denmark and South Sweden. The areas eligible under Interreg IIA comprise the three Counties of Copenhagen, Fredriksborg and Roskilde and the two municipalities of Copenhagen and Fredriksberg (Greater Copenhagen) in Denmark and Skåne County (former Malmö and Kristianstad) in Sweden.

The Interreg IIA OP (No 11) has a total budget of 28 MECU (13 MECU EU contribution, 15 MECU national contribution, of which 13 MECU are public money and 2 MECU designated as private money)

Programme preparation

Programme development and drafting

The Operational Programmes for Interreg IIA has been prepared by the services of the Oeresund Committee. Specific eligibility criteria have been established for each measure.

Ex ante evaluation

An ex ante evaluation was carried out by an Oeresund Task Force on the basis of a SWOT analysis in the region.

Submission to the Commission

The Oeresund Committee sent a draft Operational Programme to the Danish Government in 1994, which submitted it in revised form to the European Commission. With the accession of Sweden to the EU in 1995 the Oeresund Committee prepared a new Operational Programme which was sent to the Danish and Swedish government and subsequently jointly submitted to the Commission.

Agreement on management of implementation

The overall management responsibility lies with sections of the Danish and Swedish Ministries of Labour and Ministries of Trade, namely the National Labour Market Authorities and the Associations of Industry and Trade.

In its first Meeting the Monitoring Committee delegated operational management responsibilities to the Oeresund Committee

Programme implementation

„Joint Management Structure“

The structures specifically set up for the purpose of Interreg are the Monitoring Committee, the Steering Committee (*Den interregionale Beslutningsgruppe*) and the Interreg Working Group

including a special Interreg Working Group for South-Eastern Skåne (see Chart 4.5). The Steering Committee and the Interreg Working Group have almost the same composition as the Oeresund Committee and the Oeresund Working Group respectively. The Oeresund Secretariat functions as Interreg Secretariat.

The ***Interreg Working Group*** consists of the members of the Oeresund Working Group, which brings together civil servants from regional and municipality organisations. In addition to the Oeresund Committee members there are representatives from smaller municipalities. The Interreg Working Group's functions are the preparation of work for the Steering Committee and the final selection of projects up to 68.000 ECU. The Interreg Working Group meets every 3 months.

The ***Steering Committee (Den interregionale Beslutningsgruppe)*** has 26 members. It is composed of the members are the Oeresund Committee, namely politicians from the relevant Danish and Swedish Counties (Copenhagen, Fredriksborg and Roskilde), the Regional Federation Council of Skåne and the Municipalities of Copenhagen, Fredriksberg, Malmö, Helsingborg, Landskrona and Lund. In addition to the Oeresund Committee members the Steering Committee comprises four organisations of Municipalities. The Mayors of Copenhagen and Malmö chair the Steering Committee. The main function of the Steering Committee is the final selection of projects above 68.000 ECU. The Steering Committee meets every 3 months.

The ***Monitoring Committee*** comprises two representatives of the European Commission (DGV and DG XVI), representatives of the Danish and Swedish National Labour Market Authorities and Associations of Industry and Trade, the Mayors of Malmö and Copenhagen and representatives of the social partners. The Monitoring Committee is chaired in turns by one of the two Associations of Industry and Trade. Its functions are as in the Structural Funds regulations, and it meets normally every 6 months.

Main implementation functions

Information, advice, and support to applicants

This is provided by the Secretariat, which provides information and advises on project development. In addition to brochures a website provides up to date information on approved projects and an electronic order form for applications. For approved projects the Secretariat offers briefing meetings and small seminars on programme and project management.

Submission of project applications

Generally speaking there are four public calls for proposals for all measures a year. Calls for proposals are published in the Oeresund Newsletter as well as regional and national newspapers and have fixed deadlines. In case that a measure does not attract enough applications calls may focus on a specific measure.

A special application form must be used which is available in Swedish. Two partners from both sides of the border must sign it or a cross-border organisation involved. A lead partner makes the submission on behalf of the partnership.

All applications are submitted to the Secretariat.

Project appraisal

Each project application is checked by the Secretariat for completeness and eligibility.

Eligibility criteria are:

- EU guidelines
- special Oeresund criteria:
 - * project partners must come from both sides of the border or a cross-border organisation must be involved;
 - * real and long-term impact on Oeresund region (no one off activities);
 - * co-financing must be ensured and in place.

Projects meeting these criteria are recommended to the Interreg Working Group for consideration.

Final selection/approval

There are two types of selection procedures depending on the project budget size:

- a) projects up to 68,000 ECU ;
- b) projects above 80,000 ECU.

a) The Interreg Working Group is responsible for the final selection of projects up to 68,000 ECU. When selected, projects are recommended to the four national management authorities that approve projects and have financial responsibility. The bodies are the Danish and Swedish Labour Market Authorities and the Danish and Swedish Associations of Industry and Trade. Projects are submitted to these bodies on a split basis. Projects with a Danish project leader are submitted to the Danish organisations. Projects with Swedish project leaders are recommended to the Swedish financial management bodies. A further distinction is made between projects receiving ESF money (Labour Market Authorities) and ERDF money (Associations of Trade and Industry).

b) Projects beyond 68.000 ECU are recommend to the Steering Committee by the Interreg Working Group. The Steering Group makes the final selection. Further to this the Steering Committee submits projects to the four responsible authorities for approval (see above).

Contracting

The Danish and Swedish Labour Market Authorities and the Danish and Swedish Associations of Trade and Industry send out a letter of notification and a contract to the individual lead

partners. The lead partner signs the contract with the individual authority. The Contract is checked by an independent accountant (auditor) and sent back to the responsible authority.

Financial management

There are four bank accounts for EU Contributions, each of which held by one of the four financial management authorities. Each authority instructs its own bank to pay. The financial responsibility lies with the individual financial management authority..

Monitoring and evaluation

The monitoring of project implementation is carried out by the Secretariat of the Monitoring Committee, which is also responsible for preparing periodic progress reports for submission to the Monitoring Committee. The Monitoring Committee Secretariat is provided by the Swedish and Danish Industry and Trade Associations which chair the Monitoring Committee in turn every year.

The Secretariat of the Monitoring Committee issued a public tender in 1997 in order to have a mid-term evaluation carried out. The evaluation was undertaken by the Danish Technology Institute and published in April 1998.

Chart 4.6 ***OERESUND – Programme Organisation***

4.7 Transmanche and Rives-Manche (F/UK)

There are two France/UK maritime programmes under Interreg IIA: Transmanche and Rives-Manche.

Transmanche (Kent / Nord Pas de Calais) was also included in Interreg I. The eligible area for Interreg II covers the County of Kent (UK) and the Region of Nord Pas de Calais (F). On the UK side it is larger than the eligible area under Interreg I. (The area which was eligible under Interreg I is now known as the „East Kent Focus Area“ and receives priority).

The total budget of the OP is 95 MECU of which 45 MECU represent the EU contribution (18.6 MECU for the UK side and 26.4 MECU for the French side).

Rives-Manche: The eligible area comprises the County of East Sussex (UK) and the Department of Seine-Maritime in the Region of Haute-Normandie and the Department of Somme in the Region of Picardie (F). The area became eligible for Interreg only in the second period (Interreg IIA).

The total budget of the OP is 81 MECU of which the EU contribution is 34 MECU (10.2 MECU for the UK side, and 23.8 MECU for the French side).

Programme preparation

Kent County Council and the Region of Nord Pas de Calais signed a protocol of cooperation in 1987 and carried out a preparatory study with financial support from the Commission. They subsequently prepared the draft OP for Interreg I based on this study. The two member state authorities made the submission to the Commission.

Kent CC and the Region NPC led the preparation of the OP for Interreg IIA. They worked closely with the member state authorities and made use of the interim evaluation study of Interreg I which was completed in 1994.

The idea of a Rives-Manche cross-border programme was initiated and promoted by the East Sussex CC and the Region of Haute Normandie. The programme was drafted by a working group comprising the relevant local authorities (East Sussex CC and the two eligible French Departments) and GOSE (Government Office for the South East, UK) and the two French Regions of Haute Normandie and Picardie, and national level representatives of the competent government departments (DTI, DETR, DATAR).

Both programmes were submitted in parallel to the Commission by the UK and French governments.

Agreement on management of implementation

The institutional arrangements for the management of the implementation of the programme are specified in each of the OPs.

Programme implementation

„Joint Management Structure“

Responsibility for programme implementation lies with the competent member state authorities. At national level they are:

- on the French side the Ministry of the Interior (for ERDF) and the Ministry of Labour and Solidarity (for ESF);
- on the UK side the DTI (Department of Trade and Industry) has overall responsibility for the Structural Funds whilst the DETR (Department for the Environment, Transport and the Regions) is responsible for ERDF and the DfEE (Department for Education and Employment) for ESF.

At regional level they are:

- on the French side: the Prefect of the relevant region(s);
- on the UK side: the Government Office for the South East (GOSE).

The cross-border structure for programme implementation are simpler for Transmanche and can be summarised, as follows (see *Chart 4.7*):

- a ***Joint Monitoring Committee*** meets twice a year, oversees the implementation of the programme, and approves or rejects project applications. It consists of French public authority representatives (State, Region NPC, Departments of Nord and of Pas de Calais), UK public authorities (GOSE, Kent CC, Kent District Councils), representatives of the voluntary and private sectors and representatives from the European Commission;
- a ***Joint Technical Group***, consisting of officials and experts from the French and British public authorities, meets four times a year. It reviews the project appraisal recommendations from the French and UK sides and prepares them for the Joint Monitoring Committee.

In the case of Rives-Manche the Joint Monitoring Committee does not have project-specific responsibilities and meets once a year. A ***Joint Technical Committee*** comprising representatives of national, regional and local authorities meets three times a year and decides on project applications. A ***Joint Resources Working Group*** (consisting of members of the Secretariat and Interreg Project Officers - see below) was established in July 1997 to generally support the cross-border structures. It meets monthly.

In the case of both programmes:

- a ***Joint Secretariat*** is operated by the implementing authorities (GOSE and the relevant

French Regions from their normal location in the UK and France);

- **Interreg Project Officers** provide information and advice to project promoters and support the above structures of the programme. There are 2 officers for Transmanche programme (one in Kent and one in NPC) and 6 officers for the Rives-Manche programme (1 in east Sussex and 5 in France).

Main implementation functions

Information and advisory support to applicants

This is provided by the Interreg Project Officers in the case of both programmes. There are special bilingual publications (guide for applicants, brochure, etc), extensive publicity (launch conference, interviews, etc) and a large number of information and networking workshops.

The informal submission of draft applications is encouraged as part of the project development process.

Submission of project applications

All measures are publicised and are open to proposals by potential beneficiaries. The deadlines for project submission correspond to the cycle of meetings by the decision-making bodies.

Cross-border partners are always required, and they are encouraged to make a single application in both English and French. In the case of Rives-Manche there is a special bilingual application form. Applications must be submitted to one of the joint secretariats (the GOSE office in Guildford is outside the eligible areas).

Project appraisal

On the UK side a project assessor in GOSE carries out technical and financial appraisal, including an appraisal interview and consultations with relevant government departments (ministries) as necessary. A UK Coordination Committee of government officials receives the appraisals and prepares recommendations to the Joint Technical Committee for Rives-Manche (Joint Technical Group for Transmanche).

On the French side the projects are assessed by the relevant government department (*service instructeur*) and the relevant local authority. Their reports (case papers) are considered by a Technical Regional Committee²³, comprising national and local government officials, which prepares recommendations to the Joint Technical Committee for Rives-Manche (Joint Technical Group for Transmanche).

All projects go forward to the Joint Technical Committee in the case of Rives-Manche and to the Joint Technical Group in the case of Transmanche.

²³ There are separate committees for each of the two regions involved in Rives-Manche, and they report to the Joint Technical Committee via an Interregional Committee.

Approval

The Joint Technical Committee carries out a final joint assessment and selects projects for approval for Rives-Manche.

In the case of Transmanche, the Joint Technical Group makes recommendations to the Joint Monitoring Committee, and the latter decides.

Contracting

This is done separately for the UK and French sides.

On the UK side, GOSE prepares an offer letter, stating in detail all terms and conditions, and issues this letter to the project manager on behalf of the relevant Government department, namely: DETR for ERDF funded projects; DfEE for ESF funded projects.

On the French side, a letter of *pre-notification* is issued by the relevant Prefect. A grant agreement (*convention*) is prepared and sent out by the relevant state service, including annexes on financing, outputs, indicators, etc.

Financial management

All aspects of financial management are carried out separately by the competent member state authorities in accordance with national rules.

Payments of EU funds (and National matching funds, if applicable) are made in national currency by the contracting authority (government department / state service) to the Project Manager.

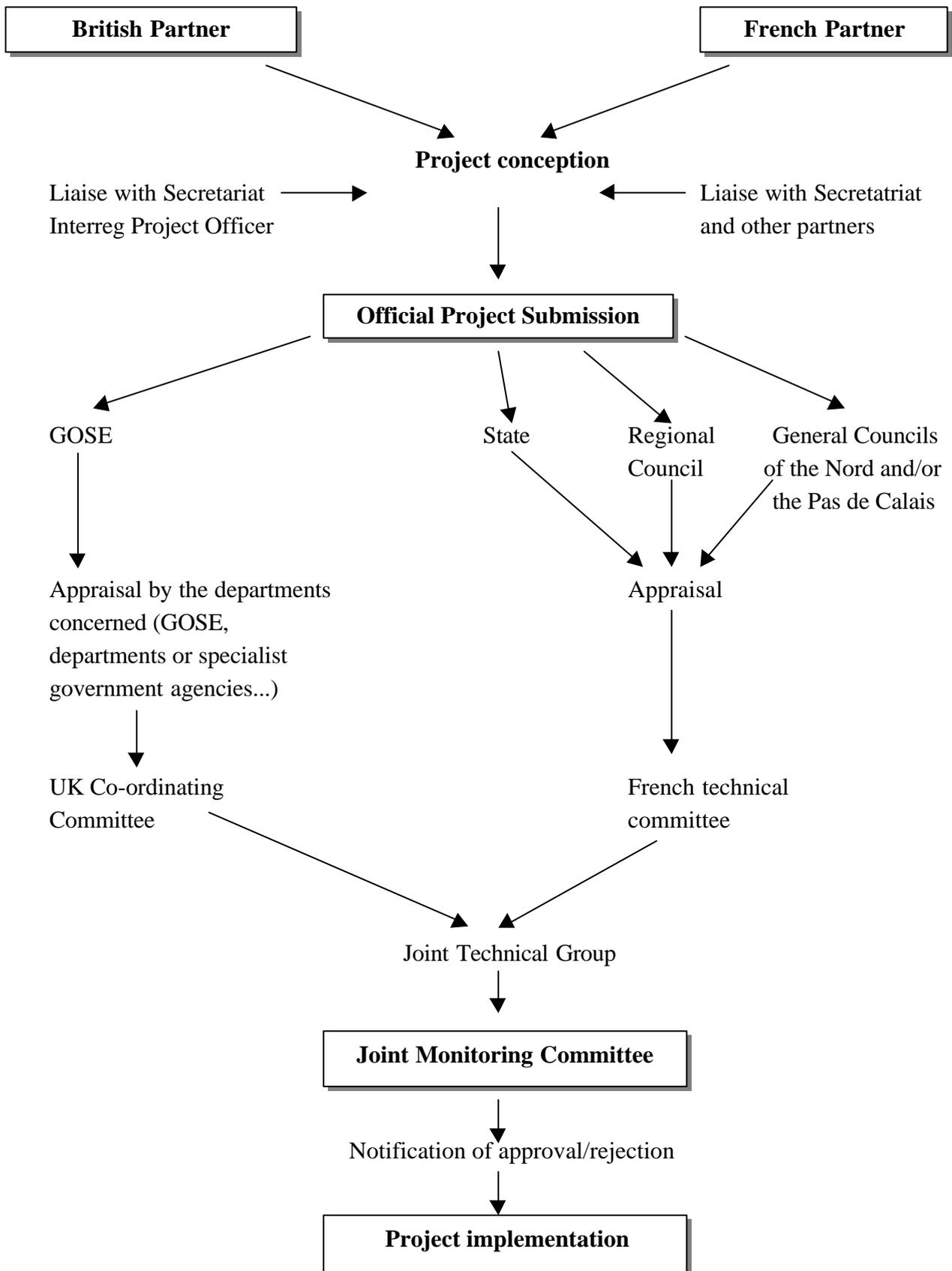
Financial controls follow normal national rules concerning the Structural Funds, as applied in the UK and France respectively. Ultimate financial responsibility is with each of the Member States.

Monitoring and evaluation

Monitoring of project implementation is done separately by the competent UK and French authorities. On the basis of this information the Joint Secretariats prepare periodic progress reports for the Joint Monitoring Committees.

Mid-term evaluation of the Rives-Manche programme was carried out by independent consultants under the auspices of a Steering Group (sub-committee of the Monitoring Committee).

Chart 4.7 *Tranchemanche and Rives-Manche –Project development, submission and approval process*



5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Overall conclusion

The previous sections have presented and analysed the institutional aspects of regional/local cross-border cooperation in the EU, especially with reference to the experience of developing and managing Interreg IIA programmes. Conclusions from this experience - for use in Interreg IIIA - should be drawn against the benchmark of the two minimum conditions required for genuine cross-border EU programmes:

- common preparation of the programme and management of its implementation; and
- common allocation of EU funds and management of these funds.

These conditions have guided the approach of the European Commission on cross-border programmes and have been actively supported by the border regions and AEBR/LACE. However, they have not been achieved in the majority of OPs under Interreg IIA, with the exception of internal land borders, mainly due to the lack of institutional infrastructure in some of the border regions, but above all because of the dominant role played by national-level authorities in the preparation and implementation of programmes. A further contributory factor has been the limited amount of time and information available to the regional/local level between the publication of the Guidelines by the Commission and the deadline for submission of programmes.

In the light of the above, the overall conclusion concerning Interreg IIIA is two-fold:

- although the above minimum conditions have not been widely achieved, the development of cross-border structures has accelerated in recent years and a considerable body of experience and capacity now exists in practically all internal and external borders;
- although uniform arrangements throughout the EU are not feasible, there are many common elements in cross-border institutional arrangements throughout the EU on which to base practical solutions for the needs of Interreg IIIA programmes.

In other words, if the political will exists, it will be feasible to find solutions which, on the one hand, satisfy the general EU principles of subsidiarity and partnership and the minimum conditions for cross-border programmes stated above, and, on the other hand, respect regional/local conditions and are compatible with national administrative systems.

5.2 Institutional arrangements for Interreg IIIA Programmes

Generic Solution

The “*generic solution*“ for all borders will be a *regional/local cross-border partnership* for each cross-border region of Interreg IIIA. This partnership should have the following role and characteristics:

- *composition* based on the principles of cross-border partnership between regional/local

authorities, social partners and other representative organisations, and equality between the two sides of the border;

- **functions** covering all technical and financial aspects of the programme including, strategy / programme development and submission to the Commission; programme implementation management, including information and advisory support to potential beneficiaries and project promoters / managers; appraisal of project applications; project selection / approval; financial management (contracting, paying, monitoring).

Certain functions will need to be assumed by the Commission (eg programme approval) and by the member state authorities (eg ultimate financial responsibility). These should be clearly specified, including the manner in which they will be realised, separately by the Commission or Member States, or jointly (eg programme evaluation and modifications, to be realised through a joint monitoring committee).

Institutional models

Two models should suffice for all land borders and closely integrated maritime borders - both internal and external - for translating the above generic solution into practical arrangements for developing and managing the implementation of OP under Interreg IIIA:

- **model 1, based on a permanent cross-border organisation** with the capacity to perform all (or most) of the above functions (eg a euroregion or similar body), and with whom the Commission can enter into a contractual-type of relationship, with the consent of the Member States concerned; and
- **model 2, based on a consortium of competent regional/local authorities** (and other appropriate regional/local organisations) which is put together specifically for the purpose of Interreg (but which can of course transform to a permanent structure over a period of time). Similarly, the Commission can enter into a contractual-type of relationship with a body representing the consortium (see below) with the consent of the Member States concerned;

In **Model 1** an integrated operation by a permanent, euroregion or similar body, is envisaged. This organisation will carry out itself all technical and financial programme management functions, with the possible exception of operational aspects of financial implementation (which on the basis of the experience of the Dutch-German border, can be delegated to a financial institution such as a public bank).

This cross-border body/structure should be required to establish a separate steering or management committee for the programme, whose functions should include overall programme guidance and final project selection /approval. The membership of this committee should be drawn from the cross-border regional/local partners (at least all partners who are contributing financially to the programme), including representatives of the competent public authorities of the Member States concerned.

In *Model 2*, the programme development will be carried out jointly by the consortium and the management functions will be performed by one or more of the members of the consortium or regional/local support organisations. The most practical arrangement will involve a „*managing partner*“ (ie a member of the consortium, such as a regional authority) or an „*intermediary*“ (ie. regional/local bodies such as private law regional development agencies, representing the whole consortium without being a member of it).

The managing partner or intermediary will provide directly or will organise at least some of the core management functions itself, in an appropriate form, such as a secretariat. It will also have a key role in the formal agreements concerning the consortium and the programme (see below) These agreements should specify precisely who will be responsible for, and who will carry out the core functions, such as:

- preparation and submission of programme;
- provision of information and advice to beneficiaries/applicants (eg, secretariat and/or technical assistance bureaux);
- appraisal of project applications (eg by the secretariat or technical group or sub-committee of management committee);
- project selection and final approval (eg Steering or Management Committee);
- financial management of approved projects (eg external financial management body or internal unit of the managing partner/intermediary);
- overall guidance and supervision (eg by steering or management committee).

In both models, in addition to the internal matters of the partnership, it will be important to specify how the social partners and the wider regional/local community will be involved in the various stages of the process, from programme development to evaluation.

Also, in both models, it will be important to establish clearly the external relationships of the partnership with neighbouring partnerships and programmes. An appropriate arrangement will be to envisage that for each group of programmes (eg all programmes for a national border – see indicative proposal in *Annex*) there will be:

- an agreed „strategic coordination framework“ covering matters such as: the geographical definition of the programmes; common criteria for programmes; financial management principles; principal arrangements concerning the technical aspects of the management of implementation;
- one Monitoring Committee comprising representatives of the EU, Member States and Steering or Management Committees of the programmes concerned, with normal terms of reference for Monitoring Committees under the Structural Funds, including common evaluation for the all the programmes in a given group.

Formal agreements

These will depend on the chosen institutional model, the involvement of member state authorities (with competence for Interreg) and the options available in the Commission's

guidelines for Community Initiatives (ie „operational programmes“ and „global grants“).

In the case of Model 1, based on the experience of the German/Dutch/Belgian borders, a single agreement between the partners can suffice, as the partners have up to now included the member state authorities with competence for Interreg (ie the Dutch Economics Ministry and German Länder in the case of the Dutch-German border). Through such a partnership agreement these authorities have delegated (under national law) some of their responsibilities²⁴ to the cross-border body / structure (Euregio) and the Interreg partner have jointly delegated technical tasks to a financial institute (public bank under private law).

However, if the euroregion were to act on its own as programme manager, or the regional/local partnership did not include the competent member state authorities for Interreg, a further „second-stage“ agreement will be necessary, clarifying the relationship of the euroregion with the Member State and with the Commission (eg financial responsibilities).

In Model 2 a double-agreement solution will typically be needed:

- a „first-stage“ partnership agreement between the members of the consortium (to prepare, propose and if approved manage the implementation of an Interreg IIIA programme); and
- a „second-stage“ agreement between the Commission and the managing partner of the consortium or an intermediary body, to assure directly or indirectly all the essential technical and financial management functions on behalf of the consortium²⁵.

There will be the possibility of a single agreement solution, in the case of a „first-stage“ partnership agreement which includes the competent authorities for Interreg in the two countries concerned (based on the experience of PAMINA, F/D).

The experience of Interreg I and IIA shows the vast diversity in legal constraints affecting regional/local authorities and other bodies entering (or wishing to enter) cross-border agreements, the differing attitudes of member state authorities towards integrated cross-border solutions to programme management, and the long time scales and uncertainties associated with the institutional aspects of cross-border programmes. A single agreement solution („first-stage“ agreement only) will not therefore be realistic for all borders in the time available for the introduction of Interreg IIIA.

In order to achieve the above mentioned minimum conditions on all eligible borders, it would be necessary and appropriate for the Commission to offer a standard „second-stage“ agreement between the Commission and a permanent cross-border body (eg euroregion), or a managing partner / intermediary, ie an agreement suitable for both models. Such an agreement can be drawn under global grant provisions of the regulations and can be based on the experience of the Peace Programme²⁶. ***This solution may be used for all programmes or only for those for***

²⁴ but not their constitutional rights

²⁵ including clarification of the role of the Member States, especially regarding financial responsibilities

²⁶ These agreements have included a clear definition of the role of the member state authorities

which an adequate „first-stage“ partnership agreement (like those for the Dutch-German border or PAMINA, F/D) is not ready by the start of Interreg IIIA.

Integrated financial management principles

In order to strengthen programme management integration in both models, financial management can be based on common principles, as follows:

- for each programme all EU and (if possible, national contributions) will be transferred into a joint bank account;
- this account will be opened specifically for the programme and will be technically operated by a financial institution, which may be remunerated for its services;
- payments by the operational financial management body of the EU (and national) contribution will be made to one contracting partner per project.
- payments to other project partners (on either side of the border) will be made by the contracting partner;
- all accounts and payments will be in EURO as soon as this becomes possible.

Scope of programme management bodies

Developing and managing the implementation of a programme should not be confused with project development and implementation. In both models the euroregion or consortium will be given responsibility for programme level. This will mean that a large number of eligible authorities and other organisations will be expected to develop and submit project proposals and, if approved, to implement them. Appropriate safeguards against possible abuses by programme managers should be specified in the programme document, including:

- a requirement for adequate publicity (eg through the network of social partners or an open call for proposals) which ensures that all beneficiaries are able to present proposals, and for transparent project appraisal procedures; and
- the participation of representatives of the competent public authorities in a steering committee, as far as possible and appropriate, assisted by social partners, community representatives and independent individuals as specified in the programme document.

The euroregion body itself or consortium members will be allowed to act as project promoters/managers, but this will be for a minority of projects and there should be appropriate safeguards of impartiality in project appraisal/selection.. The terms and conditions for such an eventuality should be spelt out in the agreements, prior to the commencement of the implementation of the programme.

Even if the euroregion or consortium enters a direct agreement with the Commission, this will not imply the by-passing of the member state level. Member State authorities will have a direct involvement in at least the following aspects:

- the Member State's consent will be required for designating a euroregion or consortium as the counterpart of the Commission for a global grant;

- participation in monitoring and evaluation through the joint Monitoring Committee;
- scope for participation in final project selection and approval through a Steering or Management Committee; and
- co-financing, financial control and ultimate financial responsibility with regard to EU funds²⁷.

5.3 Special arrangements for external borders

The above two models can apply equally to external borders, but until the regulations concerning Phare and Tacis CBC programmes are brought into line with Interreg, it will be necessary to accept somewhat different arrangements, at least for financial management.

In all cases²⁸ it will be possible to:

- prepare common cross-border programmes and measures - regional/local (ie sub-national) in terms of geographical area covered, and of multi-annual time horizon;
- integrate the JPMC and Interreg Monitoring Committee. This single Committee is to oversee and co-ordinate two multi-annual programmes – one under Interreg and the other under Phare CBC;
- integrate all technical aspects of implementation (project applications, appraisal, selection, and monitoring of implementation).

Financial management could be closely co-ordinated. This will include the possibility of transitory period solutions between 2000 and ca 2004, such as „funding pools“²⁹ at programme level. There will also be a further possibility to achieve a degree of integration at measure level, on the assumption that Interreg IIIA and Phare CBC will fund small infrastructure and soft actions. This could take the form of one implementing body for each measure managing twin small projects funds (one under Interreg and the other under Phare CBC). A closer co-ordination of financial management would also require a high degree of operational compatibility between programmes on both sides of the border. For this purpose clear rules about funding eligibility of projects and their costs could be established, which would be applied on both sides of the border. These funding rules could cover three types of cross-border projects:

- a) Projects with a mirror project in the neighbouring country: the financing would be provided

²⁷ If regional/local organisations (based on regional/local authorities, eg euroregions or similar bodies, or acting as managing partners or intermediaries for a consortium) take over more competencies within the framework of Interreg or combined Interreg/Phare/Tacis CBC, they will normally have to be legally and financially liable towards the competent government authorities regarding the correct implementation of programmes. Consequently, a written agreement should regulate liability and the type of management.

²⁸ At least on borders covered by Phare CBC

²⁹ Under the existing Association Agreements (see p. 38 of Working Paper on the EU Initiative Interreg and Future Developments, July 1997)

- by Interreg and Phare CBC/national funds up to the border respectively;
- b) Project with a cross-border impact: financing would be provided by Interreg with full involvement of the partners in the Phare CBC region or the other way around (financing through Phare CBC with involvement of Interreg partners);
 - c) Projects aiming at the development of a border region: this would be more national border project and serve the preparation of project types a and b, because some stimulus is often required to start joint activities.

5.4 Recommendations concerning preparatory actions

The following recommendations for action by the Commission and border regions flow from the above conclusions:

- a) the Commission should elaborate and offer model agreements for:
 - a „first-stage“ partnership agreement for a regional/local cross-border partnership led by a euroregion-type body;
 - a „first-stage“ partnership agreement for a consortium-based³⁰ regional/local cross-border partnership; and
 - a „second-stage“ agreement between the Commission and one of the above - euroregion-type body or consortium (the latter represented by a managing partner or an intermediary);
- b) the Commission should invite expressions of interest from permanent cross-border structures and embryo consortia, from which potential programmes and programme managers can be identified in consultation with the Member States, on the basis of clearly defined criteria (eg proposals for sub-national level programmes, from regional/local level structures or consortia comprising primarily regional/local level authorities);
- c) common cross-border programmes should be prepared (by a joint task force, if no euroregion or other permanent structure is in place);
- d) the necessary agreements should be prepared and submitted to the Commission together with the programme, covering *inter alia*:
 - the allocation of responsibilities for core functions, and decision-making rules;
 - common criteria and eligibility rules on all matters, especially where differences may exist between the Member States concerned, including co-financing;
 - financial liability and control (to satisfy both EU and MS requirements);
- e) the LACE-TAP work programme for the period 1999-2001 should support the above, with priority accorded to the borders lacking permanent cross-border structures, or where existing structures have substantial capacity-building needs.

³⁰ A consortium of regional/local authorities and other appropriate bodies for the purposes of developing and managing the implementation of an Interreg IIIA programme