

## European Territorial Cooperation 2007-2013 new scenarios and opportunities



# **European Territorial Cooperation 2007-2013 new scenarios and opportunities**

Proceedings of the International Conference held in Venice on 16th June 2006

## European Territorial Cooperation 2007 - 2013: new scenarios and opportunities

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The current crucial period of definition of the new European Cohesion Policy 2007-2013 has seen a large and spread commitment to disseminate and give information on the changes and developments of the definition of the future programming period by all actors of the European Union.

The Project IONAS, Ionian and Adriatic Cities and Ports Joint Cooperation, co-financed by the European Programme INTERACT, wanted to give its own contribution to this aim, by organizing the International Conference "European Territorial Cooperation 2007-2013: new scenarios and opportunities", which was held in Venice last June, the 16th. The aim of the Conference was that of gathering together the protagonists of the programming period 2000-2006 to make an assessment and an evaluation of the experience of the past INTERREG approach, and to create an opportunity of exchanging ideas on the future.

Representatives from the European Institutions were invited to share their views about the new Cohesion Policy and the IPA and ENPI combined funding systems. In fact, one of the best achievements of the Programming Period 2007-2013 is the integration between the Objective 3 and the European Neighbourhood Policy systems, as the merging of funds Objective 3, IPA and ENPI represents a very good opportunity to improve the cross border cooperation with Third Countries.

The Conference brought together also actors and managers from the European programmes and projects at the local, national and International level and offered a good opportunity to exchange best practices and to compare experiences in Interreg management, with an eye on possible future project ideas to be developed.

This publication contains the proceedings of the Conference, following the structure of the agenda of the Venetian working day. I am confident that the recording and the collection of the speeches will be useful to enhance the results of that fruitful event.

Hon. Luana Zanella, Deputy Mayor for European Policies  
*City of Venice*

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**Massimo Cacciari**  
*Mayor of Venice*

I would like to thank and welcome our friends from the European Commission.

National, regional and local authorities representatives - at all levels – from many countries are attending today's conference, together with representatives of the so-called "functional autonomies". Their role is all the more significant in the framework of this international conference.

I believe that beyond the specific issues you will be tackling during your debates, to which the city of Venice and its administration have been committed for many years, it is important to recall the subjects of cooperation and the opportunities it should trigger. Unfortunately, in my opinion, these opportunities are not yet efficiently provided. These are totally personal thoughts, arising from my experience as Mayor of Venice.

My first remark concerns the general fact that the construction of European Unity and Community still has a feeble "community" aspect. The community is in fact local; the original community is the one that comes into being at city or territorial level. If speaking of regional communities is bold, then speaking of national community - at least in the case of Italy - becomes a very bold act. If we do not want to bury our head in the sand, we have to acknowledge that the European Community has not yet been built. Rather than a real and existing community, the European Community is a destiny. Currency and market are vital issues for the community, but they are certainly not sufficient.

The point is whether Europe, finally, aims at being the Europe of the cities, if it wants to start again from dialogue, from cities, hence from communities. Or if this is a subordinate and derived level and consequently if the problems of our cities too, derive from strategies that are planned at a "higher" dimension.

I believe this is a cultural, historical and political problem that we have to face openly if we want to improve the current course of international cooperation. In fact the numerous actions, scenarios and opportunities – to mention this conference title – are hardly connected and integrated, while regional and local initiatives cooperate with great difficulty. Financing various intervention opportunities is the first step, but it is not sufficient. We are now well aware that it is possible to govern a territory only in terms of "governance" – as indicated in your programmes. It is therefore necessary to integrate within these programmes functional autonomies, different authorities, such as the Port Authorities in our case, or the Airport Authorities, and so on, as they are today fundamental elements in the government of the territory.

The idea of governing a territory through exclusively public initiatives or subjects is a trivial utopia. Governance today develops at different levels, which should be integrated. By avoiding superordinate authorities, since the various institutional dimensions - not only in our country - would not accept to obey, as subordinate, to hierarchically superior authorities.

What is needed, therefore, is multi-centric cooperation. All kinds of hierarchical organization must be abolished along with any bureaucratic framework of such a kind. I wonder why all great and successful companies, innovative companies adopt the above mentioned approach, while in our country and in Europe - I am afraid - this is not possible. I think there is an enormous gap between the organization of public powers and the organizational models of successful business and economy. These are the gaps to be bridged if we want to obtain the European funds, if we want more opportunities and if we want to spend money efficiently. Our primary goal therefore must be that of improving cooperation. For many years

| 8 | I have been convinced that we must begin from our cities, with this spirit and in this prospect, and that we will accomplish

a number of great successes if able to disarticulate all contrivances and all mechanisms - in the old industrialist and bureaucratic meaning of the term - and if able to support and promote a direct pro-active cooperation at city and territorial level. All this specifically applies to the subjects of the IONAS project, led by the city of Venice. Cooperation immediately becomes operational in this strategic project, focussed on the cooperation among cities and ports in the Adriatic area. How can we conceive to attain a large logistic platform of ports and airports in the High Mediterranean area in particular, while maintaining at the same time 10,000 disconnected small harbours, which, in total yield a tenth if compared to the Port of Rotterdam alone? Clearly, we should move on to a functional re-organization phase, where these ports become a logistic platform, overcoming corporative and local interests. Starting from the cities means the opposite of localism. It means making cooperation work by abolishing any kind of superordinate power, curbing bureaucratic ties and streamlining the red tape in general. This is local cooperation. The specific area we are focussing on is highly strategic. The High Adriatic ports, at least, have to work as one logistic platform. This is the input we, as Administration, gave to the Port of Venice, which despite late recorded successful results in cruise-ships traffic, is far from having reached excellent levels. These are the attempts made with the Port of Trieste, which we wish to attain with the ports along the other Adriatic shore. I am glad to see that many friends coming from those regions are gathered here today. This is exactly the right approach to follow. If the cities show their will to follow this route, then we will rightly claim their role as protagonista in the construction of the European Community. If instead they play their games at a local level, by merely organizing a few conferences and debates on Europe to stress their belonging to the European Community, then they deserve the European Community to continue existing without being a "community" in the first place.

# 01

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THE EUROPEAN TERRITORIAL COOPERATION OBJECTIVE AND THE  
NEIGHBOURHOOD INSTRUMENTS  
STRATEGIC AREAS OF COOPERATION

**Cinzia Zincone,**  
*Ministry of Infrastructures and Transports, Italy*

I would like to thank Mayor Cacciari once again, for his foreword which pays tribute to and is in line with our ambitions. Italy has always been a convinced supporter of the IONAS project, towards which the INTERACT Programme Monitoring Committee had shown a certain reluctance. As a matter of fact, IONAS inaugurated a different course with reference to the ideal model of INTERACT projects in a number of aspects. On the one hand, INTERACT is a second-level Programme within INTERREG, directed to the analysis and solution of problems arising during the running of INTERREG programmes and, on the other hand, IONAS prevented these problems by promoting the necessary dialogue and dynamism required for any cooperation project to exist.

The other important aspect concerns the urban dimension. As you may know, at times, the regional nature of INTERREG implied that cities were slightly neglected. This gap was satisfactorily bridged within IONAS. We have used these data for some conclusions then integrated in the drafting of national documents concerning urban policies. For the above mentioned reasons and for the high degree of feasibility of the planned actions, the MIITT insisted for and finally obtained the approval for IONAS.

A further significant aspect of the project concerns the geographical area of competence. The images I am showing you, highlight the exponential growth of traffic in the Mediterranean and Adriatic in the next 10 years. At the same time they stress the importance of having another logistic platform and developing the ports system, which, probably for historical reasons, plays a role no longer sufficient to face future challenges. Earlier we mentioned the dynamism among the various institutional levels. This drive towards territorial cooperation in Europe emerged at the beginning of the 90's as cooperation between frontiers. It was a strategic idea for the construction of Europe: to demolish frontiers and work along the borders that are usually a fertile ground for the emergence of critical suburban areas, but also a place for concrete opportunities of cooperation.

During the years '94 to '99 territorial cooperation is acknowledged as a winning strategy, consequently giving rise to a vision that considers wider spaces. In 1999, the then 15 Member States and the European Commission sign a document. It is a non-official document that later proved to be a fundamental reference for cooperation. The above mentioned document is the European Spatial Development Perspective (ESDP), which later became the key word of cooperation in the programming for the 2000-2006 period.

Today innovation, accessibility, attractiveness – basically the implementation of the Lisbon Strategy - which is now mentioned in any European document, are the new key words. Nonetheless, the current period is unquestionably and openly inspired to the ESDP. Despite this new approach, we should not forget the positive elements of the first versions and, at the same time, attempt to synthesize all positive aspects.

Bearing in mind the genesis of the regional policy, let us now see the future programming of Structural Funds for the 2007-2013 period: a more visible and strategic dimension, both for its contents and the path to follow in order to reach the allocation of funds.

First of all, there is a general reference point, the Community Support Framework, built along a process started in 2004 with the third cohesion report. Such a report outlined the three key objectives of the European Cohesion Policy, namely

Cinzia Zincone

convergence, competitiveness and territorial cooperation. Let us analyze their meaning in detail. If the European Parliament expresses a positive opinion, it will be submitted to European Council's approval within the summer.

The three objectives of the Cohesion Policy are the following:

1) Convergence, corresponding to objective 1. It sets a number of Funds destined to the development of regions with an income of less than 75% than the European average and also comprises the so-called "facing in facing out" situations, due to the EU enlargement responsible for a variation of total values, thus generating a negative statistical effect for the interested regions of the 15 Member States. In this way, the latter are rehabilitated as if enlargement had never taken place.

2) The second objective is competitiveness: in Europe, there are 100 regions concerned with the convergence objective. Competitiveness, in fact, concerns all other remaining regions, around 160-170, which will receive lower financing than those of objective 1. If the richest and most active regions are to become the pillars of European development, it is necessary to return to aid policies for them too.

3) Finally, territorial cooperation, "upgraded" from simple INTERREG initiative to out-and-out objective of the Cohesion Policy. Once again, we will have cross-border cooperation that will be the main focus of activity, then transnational cooperation in the framework of macro-areas of cooperation, moreover, INTERACT and other network programmes, among them Espon and Urbact, dealing respectively with the analysis of European territory and with the network of cities.

Some important elements should be mentioned. The DG Regio has focussed its whole activity on the regions, since addressing a sub-regional level would not be possible in the statistical data collection too. Therefore, it was chosen a level that could guarantee both a correct functioning of the system and a certain degree of detail, also allowing not to sacrifice smaller situations. Simultaneously the pair Europe/Region was created. Based on a clear logic, it nonetheless entails the risk of ignoring the cities, fact of which the DG Regio is aware - I believe - since a further key pair, along with innovation, is cities/urban policies. No coercive measures in this field have so far been taken for the States to adopt urban policies and give cities the opportunity to be protagonist of their own development. I can assure you, though, that the current Commissioner is very sensitive towards these issues. She publicly pledged not to approve national strategic plans where the urban dimension is not significantly represented, promoting as much as possible the adoption of instruments such as the so-called sub-delegation and the so-called area-based programmes, versus project-based programmes. Beyond the territorial cooperation dimension in all programmes, we aim at creating, at a local level, a series of actions representing programmes on their own: complex and integrated programmes that cities can directly manage,. The one outlined so far is basically the framework of action. Lately important changes concerning cooperation outside the European Union's borders have taken place. For this reason I would like to give the floor to Gianantonio Ballette and Egidio Canciani, who will illustrate the cooperation instruments with pre-accession countries and third countries.

## The Instrument for Pre-Accession Assistance (IPA)

**Giannantonio Ballette**

*Unit D.1 Financial Instruments & contracts, DG Enlargement*

I thank the Mayor of Venice and Cinzia Zincone who spoke before me. I thank the organizers for having invited the European Commission's Directorate General on Enlargement to take part in this conference. We have undoubtedly accepted the invitation, inasmuch as, considering the IONAS programme objectives, today's meeting has provided the opportunity for us to address a primary target for future cross-border cooperation in the Adriatic area. As I will say in due course in greater detail, INTERREG – the instrument for cross-border cooperation under the Structural Funds - in the period 2007-13 will be replaced at the external borders of the Union by two external aid instruments: ENPI at the East and South borders – of which Egidio Canciani will speak about after me – and, for the external borders of the Union with the candidate or potential candidate countries for accession, the new IPA pre-accession instrument.

In the first place, in my presentation I would like to give you some general information about the new pre-accession instrument, IPA 2007/2113, and then deal in detail with the cross-border co-operation component of IPA.

For the 2007/2013 period, one of the European Commission's objectives concerning external aid instruments was to reduce the number of such instruments.

The approach that has been followed can be described with the image of concentric circles:

-the first level – the one nearest to the European Union – is that of the candidate and potential candidate countries, future members of the Union;

-the next level is that of the “ring of friends” – to use a term coined by Romano Prodi when he was President of the Commission. It refers to third countries along the eastern and southern borders of the enlarged Union which have no prospects of accession;

-lastly, there is the rest of the world.

In accordance with this approach, the Commission's proposal for the 2007/2013 period is based on three external aid instruments:

- 1) the instrument for pre-accession assistance for candidate and potential candidate countries, in view of their accession to the European Union (IPA);
- 2) the neighbourhood or partnership instrument (ENPI) for countries with borders to the East and South of the EU that are neither candidates nor potential candidates;
- 3) for the rest of the world, the instrument for development cooperation and economic cooperation.

Each of these instruments – and in particular the third one – is then structured in various pillars:

Furthermore, there are three horizontal instruments:

- 1) instrument for stability, for crisis management, then subdivided into a sub-instrument that deals with nuclear safety;
- 2) the humanitarian aid instrument;
- 3) the macro-financial assistance instrument.

IPA, the instrument for pre-accession assistance, concerns candidate countries – at present Croatia, the former Yugoslav Republic of Macedonia, and Turkey – and the potential candidate countries – Albania, Bosnia-Herzegovina, Montenegro and Serbia, the latter also including Kosovo, according to United Nations resolution 1244.

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When we say “potential candidate countries” we refer to the definition that was given by the European Council in Thessaloniki in June 2003, which sanctioned the “EU accession prospects” of the Western Balkan countries.

IPA replaces the previous pre-accession instruments: PHARE, the “historical” pre-accession instrument; the instruments introduced by “Agenda 2000” such as ISPA – the precursor of the cohesion fund for the environment and transport sector – and SAPARD – the support instrument for rural development; the pre-accession instrument for Turkey. IPA also replaces CARDS – the instrument for the Community assistance to the reconstruction, development and stabilization of the Western Balkans – which did not start out as a pre-accession instrument.

IPA will assist candidate and potential candidate countries on their way to becoming EU members.

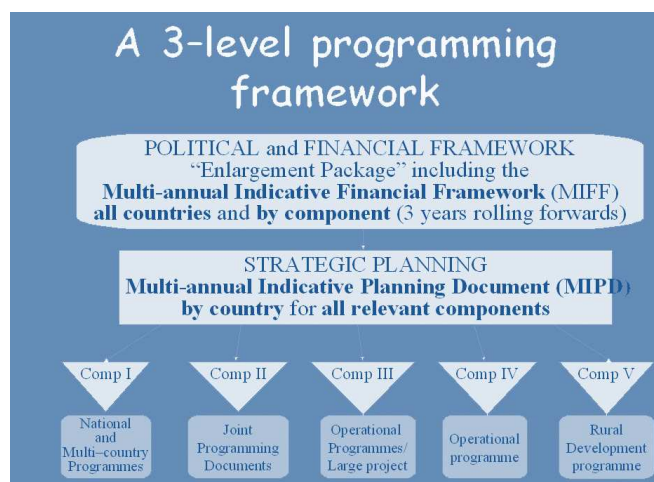
As far as financial aspects are concerned, the final agreement reached by the European Council in December 2005 allocates about 10 billion Euros (in 2004 prices) to IPA for the 2007-2013 period; the Commission’s original proposal was for about 13 billion Euros.

With IPA we therefore have a single instrument for the assistance to candidate and potential candidate countries, split into 5 components: the first two – the transition assistance and institution building component and the cross-border co-operation component – apply to all the countries, candidates and potential candidates. The remaining three apply only to candidate countries and are the precursors of the Structural, Cohesion and Rural Development Funds: they are the “regional development” component – precursor of the European Regional Development Fund and the Cohesion Fund -, the “human resources development” component – precursor of the European Social Fund – and the “rural development” component – precursor of the homonymous instrument.

It should be specified that for potential candidate countries, benefiting from two of IPA components does not mean receiving two-fifths of the funds destined for candidate countries. Neither does it mean being eligible to a more limited number of actions compared to candidate countries. The difference essentially consists in how the assistance is implemented.

For potential candidate countries, component I – besides institutional consolidation – will also finance investments in regional development, in human resources and rural development, that is, the same typology of investments which will be financed in candidate countries through components III, IV and V. The difference consists in how the assistance is implemented. For candidate countries, the implementation of components III, IV and V follows routes similar to those of Structural Funds – therefore: decentralized management with the national authorities assuming responsibility for the planning and implementing of the programmes. The objective is to prepare the candidate countries for the future implementation of Structural Funds after their accession to the EU. Obviously, with IPA, this occurs in a pilot scale, with an amount of resources that is not comparable to that which future member countries will receive from the Structural and Cohesion Funds.

The IPA regulatory framework is consists of a framework regulation, which should soon be approved by the Council. We will then have an implementing regulation, containing details of the ways of implementing each IPA component. Therefore, it will be a single implementing regulation for all five components. Drafted by the Commission, it will be submitted for approval to Member States.



The programming framework is divided into three levels.

On the first level, the Commission sets out the indicative financial allocations by country and by component through a matrix named Multi-annual Indicative Financial Framework (MIFF). The MIFF covers a 3-year period (initially 2007/2008/2009) and is updated annually adding a further year (2008/2009/2010, and so forth). The MIFF will be part of the Enlargement Package – the annual set of documents on the status of the enlargement process and the progress of negotiations with candidate countries – prepared by the Commission and submitted to the Council and the Parliament every autumn.

The second level concerns the strategic programming. For each country, a strategic programming document is drafted (Multi-annual Indicative Planning Document –MIPD) which, just like the MIFF, has a 3-year duration and is revised and updated annually, with the addition of a further year. The MIPD covers all the components applicable to the country in question and, for each one, defines the priorities for action. It is a top-down document, prepared by the Commission, the contents of which are however discussed with the countries concerned.

At the third level, there are specific programmes, generally planned by the competent authorities for each country and then discussed with the Commission, which approves them. For component I, there will be a national programme; for components III, IV and V there will be operational programmes similar to those used under the Structural Funds, etc.

Let us now move to the “cross-border cooperation” component (CBC), which is closer to the point of the subject of today’s Conference and with the geographical area referred to (the Adriatic).

As we have said, the CBC component applies to all countries, candidates and potential candidates, and is structured along three strands:

1) the first strand regards cross-border cooperation along the external border of the EU between Member States and can-

Giannantonio Ballette

candidate and potential candidate countries;

2) The second strand concerns cross-border cooperation between candidate and potential candidate countries. Basically, it is about cross-border cooperation within the Western Balkans (for example: between Croatia and Serbia, between Serbia and Bosnia-Herzegovina, etc). It does not include EU Member States;

3) The third strand concerns the participation of candidate and potential candidate countries in Structural Funds' transnational and interregional programmes – for example the successor to the CADSES programme – as well as the participation of these countries in the ENPI Sea basin programmes.

IPA therefore essentially deals with cross-border cooperation. In order to be more efficient, the CBC component of IPA does not, on its own, deal with transnational or interregional or Sea basin cooperation. For this type of cooperation, it prefers to put its trust in the ERDF transnational or interregional cooperation programmes and ENPI ones for Sea basins. IPA provides financial support to the candidate/potential candidate countries for them to participate in such programmes.

Regarding cross-border cooperation along the external borders of the European Union with candidate/potential candidate countries, the approach followed by the Commission aims at overcoming all past difficulties and giving a concrete answer to the criticisms raised by the Court of Auditors, the Parliament and the beneficiary-countries.

In the past, we had the INTERREG instrument on the Member States' side and different programmes according to the geographical area – such as TACIS, PHARE, CARDS or MEDA – for third countries. These instruments, which originated with different aims and operating on the basis of non-homogeneous regulations despite efforts at alignment, faced difficulties in interfacing with INTERREG and promoting efficient cross-border cooperation at the Union's external borders. In order to surmount such difficulties, the Commission conceived a two-phase strategy presented in its Communication "Towards a new neighbourhood instrument" of 1st July 2003. In the first phase, between 2004 and 2006, work was done to align as much as possible the implementing modalities of the various instruments by means of "Neighbourhood Programmes" which, without modifying their legal basis, aimed at improving cross-border cooperation at the Union's external borders. The second phase, for 2007-2013, provides for the introduction of a single instrument to support cross-border cooperation at the external borders of the enlarged Europe, to be applied on both sides of the border, on EU territory and also on that of non-member states, thus overcoming the dichotomy at the origin of past difficulties. Therefore, both for the ENPI instrument – for borders at the East and South of the EU – and for the IPA instrument – for borders with the Western Balkans and Turkey – specific CBC components have been provided for.

Having a single instrument that covers both sides of the external EU border is a radical innovation. In the specific, cross-border cooperation between EU countries and their candidate/potential candidate neighbours will come about under the aegis of the CBC component of IPA.

Therefore:

- it will be regulated by a single legal basis (IPA);
- it will be implemented with a single budget (in which both ERDF and IPA funds will come together) that may be spent without geographical limitations on one side or the other of the border on a "common benefit" basis;
- it will be implemented by joint management structures in which the authorities of all the countries participating in the programme will be represented.

its CBC element, will not be applied at EU's borders with candidate/potential candidate countries. At these borders, cross-border cooperation will be implemented by the CBC component of IPA.

Incidentally, the total financial resources available for cross-border cooperation between EU countries and candidate/potential candidate countries for the 2007-2013 period amount to about 530 million Euros, which both IPA and ERDF funds contribute to.

Therefore, a single instrument that covers both sides of the border. But which rules will apply for implementation?

The borders between Member States and candidate countries are "temporary" external borders which, on accession, will become internal Union borders. They will be borders along which, after accession, cross-border cooperation will be regulated by the "Territorial Cooperation" Objective of the Structural Funds. To avoid unjustified transition costs, it follows that the implementing provisions for cross-border cooperation under IPA must ideally be as similar as possible to those of the Structural Funds. For Member Countries this will immediately imply the further advantage of implementing all cross-border cooperation programmes – whether at the internal borders of the Union, for example between Slovenia and Austria, or at the external borders, for example Slovenia and Croatia, according to basically uniform rules.

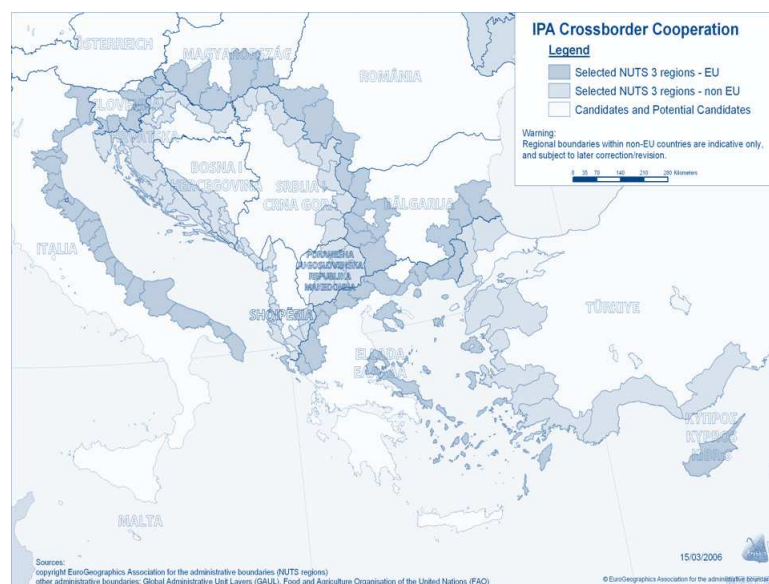
The Commission has therefore worked on rules based on those of the cross-border cooperation of the Structural Funds, to which indispensable adaptations were made to allow operating with non-member countries. In particular, it became necessary to devise a "safety net" which, in the case that conditions did not exist for implementing the programmes according to the established rules, would allow the Member States concerned not to lose their quota of ERDF funds assigned to the programme.

Concerning the rules of geographical eligibility, IPA adopts those provided for by the "Territorial Cooperation" of the Structural Funds. That is consistent with IPA's intention of preparing the candidate/potential candidate countries for the Structural Funds' future programmes at the moment of EU accession.

The NUTS level III areas (the provinces in Italy) along the land or maritime borders, the latter defined as separated by a maximum of 150km, are eligible for CBC programmes. Among the candidate/potential candidate countries, only Croatia and Turkey have so far adopted a NUTS classification of their territory. For countries where NUTS classification has not yet been defined, areas equivalent to NUTS level III are identified.

It is important to underline how cross-border cooperation necessarily regards border areas – defined in compliance with the NUTS classification, or an equivalent – and not the entire territory of a country. According to the approach followed by the Structural Funds – of which, as we have already said, IPA is the precursor – cooperation in which the whole territory of the countries is eligible, loses the characteristics of cross-border cooperation.

Giannantonio Ballette



The application of geographical eligibility criteria determines the result in this slide. As you can see, in the Member Countries, in Croatia and Turkey, geographical eligibility is easily determined on the basis of NUTS III areas. In the other candidate/potential candidate countries, we are finalizing discussions with the national authorities in order to determine the eligible zones (equivalent to NUTS III). In this sense, the map contained on this slide does not show the final situation. Furthermore, the map is not up-to-date, since it does not show the separation which has come about between Montenegro and Serbia.

The application of the eligibility rules leads to a list of eligible regions that all satisfy eligibility criteria (land or maritime border less than 150km away). On the basis of eligible regions, the Commission is proceeding with the definition of the programmes in partnership with the countries concerned.

The countries may be orientated towards bilateral programmes – for example, Croatia/Hungary – or multilateral – for example, Croatia/Slovenia/Hungary, as has occurred in the period 2004-06. The same applies for the eligible regions along the Adriatic coast. Also in this case, the beneficiary-countries could have decided to have more distinct cooperation programmes, for example: North Adriatic and South Adriatic. Building on the past experience, in the case of the Adriatic, the proposal to have a single programme that includes all the eligible coastal areas has come a long way.

IPA CBC programmes between MS and CC/PCC (1)

The eligible regions bring in a list of 12 potential IPA CBC programmes at EU borders:

Italy/Croatia–Bosnia & Herzegovina–Montenegro–Albania

Slovenia/Croatia Hungary/Croatia

Hungary/Serbia Romania/Serbia

Bulgaria/Serbia Bulgaria/fYRoM

Bulgaria/Turkey Greece/Turkey Greece/Albania

Greece/fYRoM Cyprus/Turkey

This is the indicative list of the probable programmes. As you can see, except for the Adriatic Sea border, on all the other borders the countries seem to prefer a bilateral approach, which has the advantage of ensuring greater simplicity of administrative management.

I would also like to point out an aspect which I feel is important for our discussion. In a multilateral programme across the Adriatic, cooperation is possible between Member countries and candidate/potential candidate countries. Cooperation between Member countries only is not admissible (such cooperation is eligible to the Structural Funds' Territorial Cooperation programmes), just as cooperation between candidate/potential candidate countries only is not admissible (this can take place in the framework of cooperation programmes that only concern these countries, that is the second strand of IPA component II).

As for management and control rules, CBC programmes at EU external frontiers with candidate/potential candidates will be implemented according to the approach in "shared management" used by Structural Funds for cross-border cooperation at the internal borders of the EU. To this purpose, participating countries have to stipulate a written agreement that governs the relationship between them, especially in relation to financial management and the recovery of funds unduly perceived.

In some situations, the finalization of such an agreement – just as the set up of the structures required for the "shared management" of the programme – could take a relatively large amount of time. In this case, it is possible to start the programme in accordance with transitory implementation arrangements. These arrangements require that – beyond the programming and implementation carried out by joint structures – the contracting and the financial management remain separate, implemented in compliance with the "shared management" rules on the side of the participating Member States, and according to the external aid rules on the side of the candidate/potential candidate countries. This is what happens today with "Neighbourhood Programmes".

As soon as the conditions for effective joint implementation of the programme are satisfied, the whole programme goes ahead according to "shared management" rules.

As far as the authorities in charge of the implementation are concerned, IPA CBC follows what is provided for by the Structural Funds for territorial cooperation at internal EU borders: it is a single Managing Authority, a single Certifying Authority – responsible for financial flow – and a single Audit Authority, which must be situated on the territory of the Member State participating in the programme. These authorities are responsible for the implementation of the programme over the whole territory, both that of the participating Member States and candidate/potential candidate countries.

Such a scheme presupposes reciprocal trust of the respective administrative structures on the part of the participating countries. According to the scheme of shared management, the Management Authority is delegated by the Commission to manage the allocated funds over the whole of the programme's territory.

Regarding the programme's structure, both in the transitory implementation phase and in "shared management", a joint Monitoring Committee is provided for, which is also responsible, directly or through a selection Committee, for the selection of projects to be financed. There is also a Joint Technical Secretariat, in charge of the day-to-day implementation of the programme. In these structures, a balanced representation of all the countries participating in the programme is envisioned.

As mentioned earlier, dealing with an external border is at the origin of some adjustments which were necessary with regards to the implementing rules of "Territorial Cooperation" at the internal borders of the Union.

First of all, the CBC programme adopted through a Commission decision is made binding in the third country when by a Financing Agreement concluded between the Commission and the authorities of the participating candidate/potential candidate country.

Furthermore, the programme will have a 3-year duration (7 years for those of Structural Funds) and will be revised and – where necessary – updated annually, when another year will be added. As for public procurements, it is indispensable to use a single set of rules, applicable to the entire territory of the programme. It is an essential condition for starting projects of truly joint cooperation. The rules will be those which govern the public procurements in the framework of the Union's external aid. The hypothesis of using the rules of the Member State that hosts the Managing Authority was rejected, as it would impose on the other participating member and non-member countries the use of rules which are not their own. The use of rules that do not belong to any of the participating countries – being nonetheless consistent with the Community directives on the subject – is considered a more fair system. Finally, as far as the rule of automatic de-commitment is concerned, the lapse of time to complete a project will be 4 years, starting from the date of the legally-binding obligation (n+4). On the other hand, the Structural Funds foresee a period of 3 years (n+3).

Programming IPA CBC at borders between MS and CC/PCC (1)

Partner countries nominate a drafting team.

Main areas of intervention/priorities are agreed among partners (to be included in the relevant IPA Multi-annual Indicative Planning Documents).

The relevant multi-annual joint programming document is drafted

Programme contents:

- SWOT analysis
- Strategy
- Priorities
- Financial provisions
- Implementing provisions

This is a synthesis of the sequence of events leading to the approval of the programmes. The countries participating in the programme appoint a task force which has the duty of drawing up the programming document. The task force first establishes the main areas for action and the relative priorities that should also be included in the strategic programming

documents – MIPD – of the candidate/potential candidate countries which are participating in the programme. The programming document contains a SWOT analysis (strengths, weaknesses, opportunities, threats) of the eligible area, the strategy and the priorities for action, the implementation procedure and the financial plan. The preparation of the programme must comply with the partnership principle which provide for the involvement of the regional and local stakeholders and the civil society.

As said before, there will be a single allocation of funds per programme: in the “shared management” mode, a split of funds among the participating countries is not foreseen. This subdivision could only be necessary in the period in which the programme is initiated under the transitory implementing arrangements.

The programmes should indicatively be submitted to the Commission in the last quarter of 2006, to then be approved in the first half of 2007.

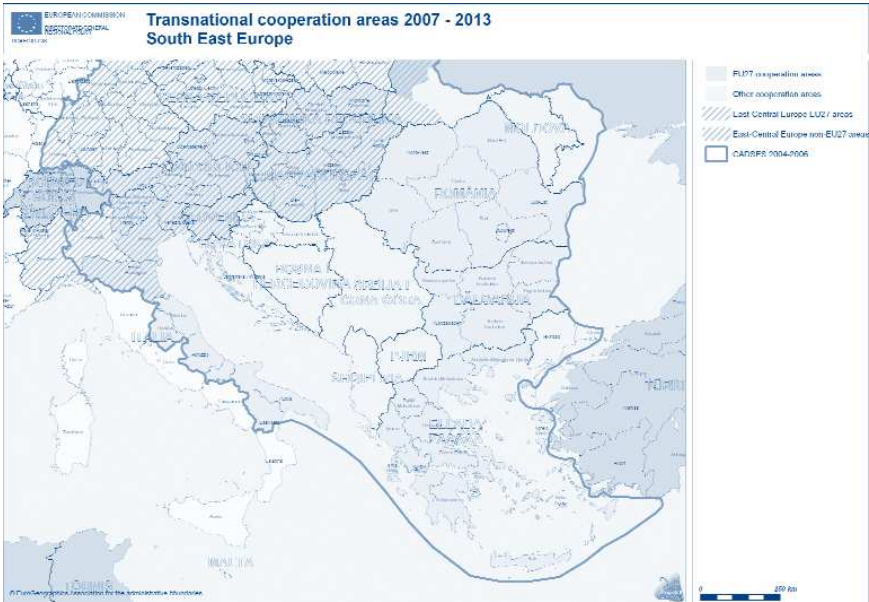
The general objective of cross-border cooperation along the external borders of the EU is to keep good neighbourhood relationships among countries. The specific objectives are those typical of cross-border cooperation: promoting sustainable economic and social development; facing common problems in the sector of the environment, public health, the fight against organized crime, etc.; ensuring efficient and safe borders; promoting legal and administrative cooperation among institutions; supporting “people-to-people” projects among the communities living on either side of the border.

The project applications are presented by a lead partner, on behalf of the partners participating in the various countries, and they selected following a call for proposals. In specific cases, it is also possible for the programme’s Joint Monitoring Committee to identify a specific project outside the call for proposal. Besides Community funds, the projects have also to receive a financial quota from national public funds in a systematic way.

For the selected projects, in the “shared management” procedure, the Management Authority finalizes a grant contract with the lead partner.

In the case of the transitory implementing arrangements, the Management Authority finalizes the grant contract only with the lead partner on the “internal” side of the border (the one belonging to the Member States), whereas other grant contracts will be finalized by the Authorities in charge in the third countries with their own partners participating in the project. The beneficiaries are usually regional and local public subjects or representatives of the economic and social partners or non-governmental organizations operating in the field.

Giannantonio Ballette



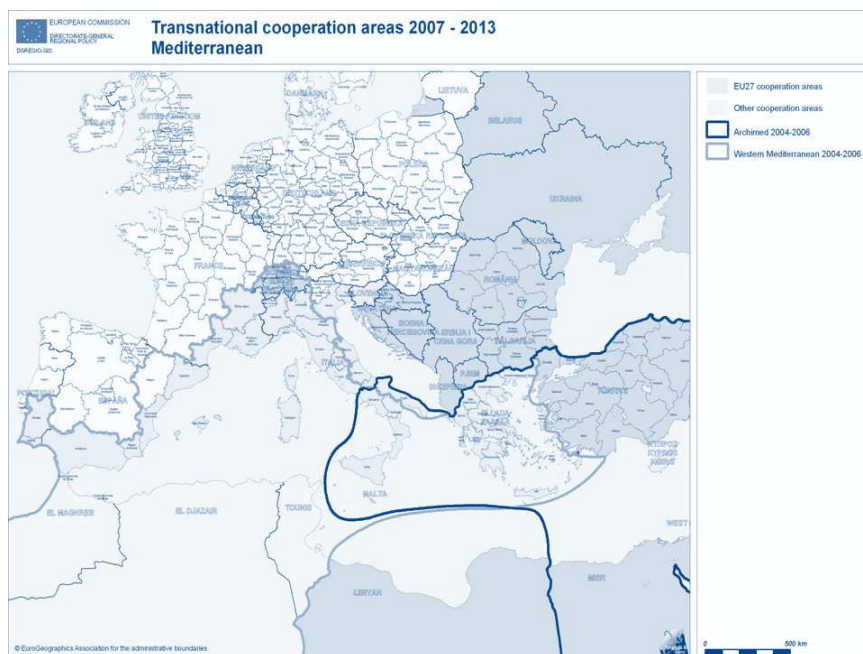
The last slides concern the third strand of IPA component II: participation in ERDF transnational and interregional programmes and ENPI Sea basin programmes. In these programmes, IPA support comes about in accordance with the concept of an “entry ticket”.

IPA financially supports the participation of candidate/potential candidate countries in these programmes, for example the successor of the CADSES programme: the South East Europe transnational programme.

In slide the geographical area of this programme is represented. The participation of candidate/potential candidate countries may be foreseen also in the ERDF “Mediterranean” transnational programme and in the ENPI “Black Sea” and “Mediterranean” Sea basin programmes. In this last case, participation concerns above all the coastal areas of Turkey.

Finally, our future deadlines:

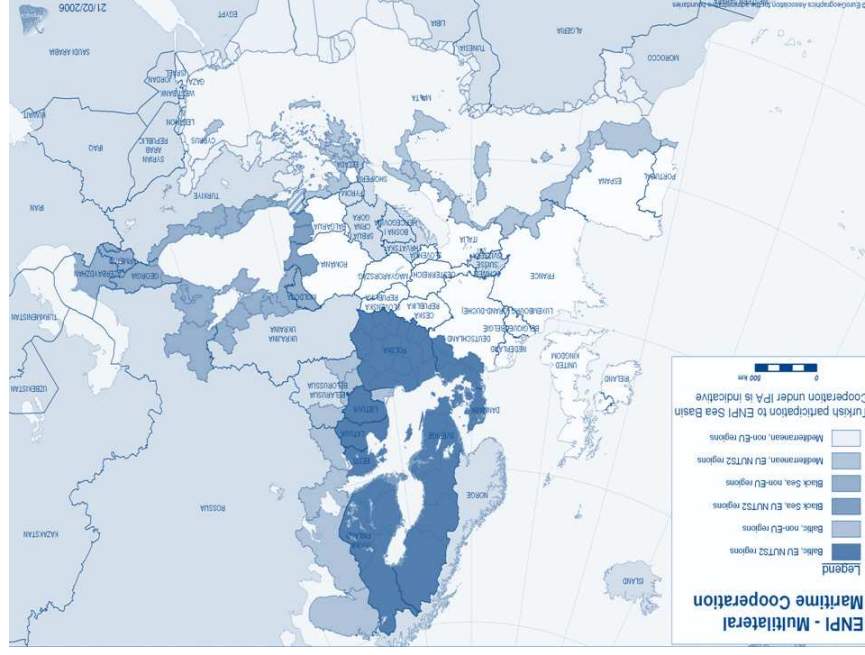
Adoption of the framework regulation (July?).



As soon as this is adopted, the Commission will present the three-year financial plan (MIFF) 2007-2009. In autumn, the IPA implementing regulation will be submitted to the approval of Member States and the Multi-annual Indicative Planning Documents per country (MIPD) will be approved.

I thank you for your attention during this long presentation and I remain at your disposal to answer any questions you may have.

Thank you.



## The European Neighbourhood Partnership Instrument (ENPI)

**Egidio Canciani**

*Unit D/1 - European Neighbourhood Policy General Coordination - DG Relex*

Good morning, my name is Egidio Canciani. I work at the European Commission, Directorate-General for External Relations, namely the new section created one and a half years ago, which deals with the Neighbourhood policies.

For three years I have been working on this project of new financial instruments, particularly cross-border cooperation. I am glad to be here today because this conference gives us the opportunity to share with you our internal work of the last three years, which is not very visible.

I would like to give you an overview and touch three issues:

- 1) the political framework of reference for the new cross-border cooperation instruments,
- 2) the features of the instrument,
- 3) the programming methods, what is emerging with reference to eligibility of the regions and the structure of the programmes.

Enlargement is always my political starting point. As a matter of fact, from a political point of view, the European Union has an enormous success. I agree with Mayor Cacciari's opinion, in terms of need for changes, need for greater impetus. It is also true, though, that if we look at this process from a political point of view we can only see it as a great success. In 1957 there were 6 members, we are 25 today and we will be 27 in 2007. Moreover, the Enlargement process allowed us to spread the European model.

Through Enlargement we have fostered democratic values, and I am not referring to the latest enlargements. I think about the first enlargements to Greece, Spain, Portugal, carried out to anchor the democratic system in these countries. We created a market economy at European level, the largest market in the world, we brought stability both to the Member States and to the Candidate countries. Nowadays certain drifts within the Union of 25 are unthinkable. It is unthinkable that any Member State becomes a dictatorship. This is an Enlargement that brought more prosperity and more security to all.

One of the most tangible results of this successful process is the number of countries applying for European membership. This is certainly raising questions on the size and the borders of Europe: Till where does Europe stretch? Do we have to use a geographic concept, or a more cultural concept? Other questions concern our system, our way to manage the European Union. To what extent can we enlarge? Turkey, the Western Balkans, and then? And questions involving the role we want to play as Europe. Until now through Enlargement we have cast our values, brought stability. If we stop enlarging, how can we continue this process?

This is why, from 2003 we started thinking in terms of "geopolitics" within the European Union, we started to look around us and express our opinion with regards to surrounding countries. Some of them are applying for membership and we agree on their accession in the medium term, other countries want to join but we are reluctant, while others do not want to join the Union.

Therefore, we organized our policies towards the neighbouring countries on the basis of the three Strands that Giovanni Balleste mentioned earlier: the Union, Candidate countries and Potential Candidate countries.

Egidio Canciani



This map highlights from a geographical point of view the European Union, the Candidate countries and the Potential Candidate countries. We do not know when Bosnia, Albania and maybe Montenegro will be ready to join the EU, but we know this is a European vocation. In addition to this, there are the neighbouring countries that have the ambition to join the European Union – Ukraine and Moldova for example – but we are not ready to open admission negotiations, both for external and internal reasons. In order to foster European values, a security space and a shared economic development, we have imagined this Neighbourhood framework, which aims at involving these countries in some internal policies, without necessarily being part of the European Union.

As for the Neighbourhood Policy, I will stop here, even if there would be much more to say. Just think about the utmost importance that borders acquire in this context. This Europe does not want to close itself, we are not here to move to east the Iron Curtain that descended from the Baltic to the Adriatic Sea, splitting Trieste and Europe into two parts. We are here to expand it beyond the European Union. Borders are a meeting point for Europe and its neighbours. Here lays the importance of local communities, and perhaps of the “functional autonomies” to which Mayor Cacciari referred to at the beginning of this Conference, where people and communities meet. Europe does not want to build barriers or fortresses, but rather a border where dialogue is possible.

Therefore cross-border cooperation becomes extremely important within a neighbourhood policy, as it is a tangible method, perhaps limited, but willing to take up this kind of challenges.

For a really effective cross-border cooperation, we needed to have at our disposal suitable instruments, that is to say a shared rules system. This is the pre-accession instrument Giovanni Balleste talked about in his speech, which is implemented on both sides of the border.

The neighbourhood instrument received 12 billion in 7 years, 1.1 billion of which were allocated to the cross-border component of the instrument. Around 50% of these funds are ERDF. It is important to highlight that the regulations are those established within the neighbourhood framework.

When, in the framework of cross-border cooperation, we discussed the neighbourhood reference system and the pre-accession instrument, we set out two key principles:

1) The common benefit. The funds of the Neighbourhood Instrument can be used to finance both partners. This is a radical reform. In the past, the external cooperation funds only financed external projects and internal projects were precisely "internal". The common benefit, instead, means joint projects. We would like that, after today's meeting, you felt the desire to build partnerships between countries overlooking both shores of the Adriatic, leading to future projects. After all, this is why we are holding this meeting.

2) The equality between Partners. The previous neighbourhood programmes we devised from 2004/2006 did not comprise this concept. On the one hand we had a strong decentralization that was important for the Member States, on the other, Third countries were under guardianship. Today, we aim at the setting up of a system where partners are equal, jointly prepare programmes, jointly decide the actions to finance, jointly appoint the Managing Authority.

Now, I would like to talk about the programming framework. The neighbourhood instrument is established in a specific document called "CBC Strategy Paper". The document, prepared by the Commission, will be discussed with the Member States and then will be adopted by the Commission.

The strategy paper basically establishes the three following points:

- 1) the eligible regions surrounded by a common border, grouped by programme;
- 2) the approximate allocations for each programme for 7 years;
- 3) the overall objectives.

The document also includes other elements, such as the participation conditions for adjoining regions.

Eligibility, in general terms, is similar to INTERREG eligibility that you already know, especially as far as land borders and the so called maritime sea crossings are concerned. The NUTS III eligibility is applied to these areas.

We then have the sea basins cooperation areas, where the NUTS II eligibility and the ERDF transnational approach are applied. As a matter of fact, we have partly imported the ERDF transnational approach in the neighbourhood programmes for those areas we considered more important from a geopolitical perspective. Different criteria are applied to the sea basins, according to whether those are programmes of significant importance, sea border basins, land border basins, or adjoining regions.

Egidio Canciani



This is the map of primary eligibility of the regions with no external borders (without adjoining regions). We can see a long strip of land illustrating land programmes stretching from Northern Finland to the Black Sea, split up in a series of programmes. Then, a few programmes in the Atlantic Mediterranean, with close range distances.

Here follows a list of programmes concerning land borders and sea crossings:

1) Land Borders

North-Kolarctic/Russia

Karelia/Russia

SE Finland/Russia

Estonia/Latvia/Russia

Latvia/Lithuania/Belarus

Lithuania/Poland/Russia

Poland/Belarus/Ukraine

Hungary/Slovakia/Romania/Ukraine

Romania/Ukraine/Moldova

## 2) Sea Crossings

Italy/Tunisia

Spain/ Morocco North

Spain/ Morocco South

We then have the map of cooperation on Sea Basins. As you can see, the external borders of the Union run through the three most important closed sea basins, namely the Baltic Sea, the Black Sea and the Mediterranean Sea. On these sea basins we have established very large cooperation areas that consider the regions from the NUTS II viewpoint.

I would like to explain the process leading to the adoption of the programme. The partners submit a programme prepared with the Commission, similarly to the procedure applied for the Structural Funds. The Commission then verifies the programme compliance with the regulation and the Strategy Paper. If the programme is in line with the Implementing Regulation, which sets the technical managing procedures, again with reference to the Structural Funds and other external cooperation elements, the Commission approves the programme and this can be adopted. Then, in order to start the activities, the third country is required to sign a financing agreement with the Commission. This is a necessary legal step through which the decision of the Commission becomes effective in the country.

The programme is then managed by a joint Managing Authority. This body must be competent at administrative, financial and legal level and is responsible for the appropriate financial management and the lawfulness and correctness of the operations. Usually, this is a Member State of the European Union.

In order to be strategic, the programme must be built around four main objectives, which are in turn inspired by the objectives pertaining to external borders, within cross-border cooperation and which comprise elements of foreign policy and accession policy. They are as follows:

- 1) to promote socio-economic development in cross-border regions as a unity: the region considers its strategy as a single unit,
- 2) to face common challenges: Member States and third countries share a number of problems in the fields of environment, organized crime, control of transmissible diseases,
- 3) to ensure safe and efficient borders,
- 4) to promote "people to people" cooperation.

Each programme needs to embed the above mentioned objectives.

We are asking the drafting teams to evaluate the situation of their border areas taking into consideration these four objectives, so as to report on the priorities and measures on which the programme should focus.

Finally, I would like to conclude with two considerations.

Firstly, the timetable. We hope that in the following weeks, an agreement with the Parliament on the Regulation will be reached. Subsequently, in Autumn 2006, it will be possible to approve the Implementing Regulation and the Programming Framework, which we have already done. The list of programmes is ready, even if a few Member States have not yet agreed. The funds are almost wholly established. The negotiations, in fact, took place in the Council and we know almost exactly the amount allocated to each programme. We hope that the programmes will be completed during 2006 and present-

**Egidio Canciani**

ted to the Commission in Spring 2007. This would mean the adoption and beginning of activities in Autumn 2007. Given the current situation, this is an ambitious timetable. Some programmes exist, are effective, while others, such as the Italy/Tunisia programme for example, is totally new, and we are starting from scratch.

To conclude, some information you may be interested in concerning the present:

- 1) the programmes preparation process is now under way. Therefore, if you need to give your contribution, this is the right moment. Other meetings will be hold in Brussels (for example, today's meeting on the Mediterranean programme);
- 2) it is important to enhance existing partnership relations and to build new ones, with the purpose of joint projects;
- 3) it would be useful to start preparing joint projects now, so as to understand the areas to be financed, as there will be consistent funds (we are talking about projects with an annual allocated sums of 20 million euro).

I thank you for your attention.

## **Umiliana Grifoni**

*Technical Unit for Internationalisation, Ministry of Foreign Affairs, Italy*

Before expanding on some thoughts on the base themes of today's Conference, I think it would be useful to provide you with some information on the structure I belong to: the Technical Unit for Internationalization. It is a team of experts founded under the framework of the project Italia internazionale run by the Directorate General for European Integration of the Ministry for Foreign Affairs. This project, financed with European Structural Funds, has the aim of supporting the regions of Southern Italy (Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, Sicily) in their international initiatives, developing in particular appropriate programming instruments.

The idea behind this project comes not only from the international dynamics that have already made local development policies inseparable from those of internationalization, but also from the increased competences transferred to local governments regarding international activities following the reform of Title V of the Constitution, requiring adjustments on organizational, normative and programming levels.

In the last few years, the project's activity has led to a constant dialogue with the regions concerning the scenarios that will open with the next Community Programming for the 2007-2013 period, both for the European Territorial Cooperation Objective provided for by Structural Funds, and in the framework of European neighbourhood and pre-accession policies, in order to identify the most appropriate strategies for seizing the opportunities these scenarios open consistently with the development priorities defined at local level.

In relation to the European neighbourhood and pre-accession policies to be implemented through instruments that provide for a specific and relevant space for territorial cooperation, the Technical Unit for Internationalization works not only in support of the regions of Southern Italy, but also offers opportunities of confrontation and reflection on the whole Italian regional system, with the purpose of creating conditions for active participation in the programmes being prepared.

With this aim, moreover, some international seminars have been organized, which by involving representatives from central and local institutions and the civil society of Mediterranean countries, have allowed for some of the themes to be closely examined (environment and sustainable development, local development, material and immaterial networks) which are at the centre of discussions among the territories that share sea borders around the Mediterranean Sea, causing shared strategies and contents to emerge.

The attention that "Italy system" pays to the Eastern and Southern Mediterranean area is not only tied to the existence of specific programmes. It is more deep-rooted and strategic because Euro-Mediterranean integration provides Italy with the way to avoid being marginalized at the borders of a Europe with a powerful political and economic barycentre which is constantly becoming more oriented towards the east. It is therefore called upon to assume an active role in overcoming the risk of a weakening of Euro-Mediterranean politics and to make the countries on the southern and eastern shores of the Mediterranean neither a border-line nor a "courtyard" but partners with whom to follow along paths of more and more intense institutional, social and economic integration.

However, in building relations with these countries, it is necessary to have a "forward-looking sight" that crosses over the borders of different areas of territorial cooperation established by the instruments adopted by the European Commission and that is capable of establishing partnerships with and among all the cooperation zones situated at the European bor-

Umiliana Grifoni

ders (the Southern Mediterranean, the Balkans, the Baltic, the Black Sea), and from these extends even more towards other significant geo-economic areas farther away (Asia or the emerging countries of Africa and Latin America).

In this way, it is possible for intra-area relations to develop (“immaterial corridors”), avoiding the assertion of an opposition between advocates of the “Central-Eastern Europe axis” and those of the “Mediterranean axis” and the confining of partnership relations within pre-determined cooperation areas which are “protected” by appropriate instruments in favour of a multi-lateral logic which is indispensable to bear the challenges posed by globalization processes.

To exemplify how the availability of geographically oriented instruments and financing should not weaken the capacity of setting up wide-ranging partnership and cooperation relations, just think about the considerations, unfortunately still scarcely put into practice, about the possible triangulations between the important cereal-producing Central and Eastern European States and some countries on the southern shores of the Mediterranean which present a strong demand for such goods, both to satisfy the demands of their internal markets and in the framework of the economic-commercial relations that they enjoy with Gulf countries. This is a route along which Italy could act as a logistic junction and this brings us on to tackle the issue of sea transport.

The new dynamics in sea transport activities represent one of the main processes across the Mediterranean today, with socio-economic repercussions over the whole area. Besides, the Euro-Mediterranean Free-Exchange Zone will make the Mediterranean one of the most important market areas in the world and it is expected that sea traffic will increase in the next few years also as an effect of the demographic and economic growth of the countries on the southern shores.

This is a scenario where the creation of a platform of Adriatic ports may find a positive and propelling position, provided that the indispensable overcoming of the local-style approach, based on the strengthening of a single port, in favour of an integration of respective specializations and strengths, is also accompanied by the increased ability of such an integrated port system to build a common strategy and start off operative initiatives deriving from it, that will take into account the scenarios that are becoming affirmed on a Mediterranean level, and how the different countries overlooking it are getting ready to connect with other geo-economic areas of the world.

To understand the challenge that is before us, we just have to think how much is being accomplished in certain countries on the southern Mediterranean shores, where strategic and far-reaching operations are starting up, carefully-gauged on long-term forecasts. One such example is certainly “Tangiers Med” in Morocco: an action that provides for the completion of a poly-functional port situated behind the Strait of Gibraltar with the objective of intercepting the important commercial flows crossing it. The other example concerns an area situated at the extreme east of the Mediterranean, not far from Alexandria in Egypt, where it is planned to construct another large container terminal, connected to the huge amounts of traffic to and from Asia crossing the Suez Canal.

These examples, which are not exhaustive of the dynamics in progress, indicate that if the “Italy system” does not prepare itself in a short time to make its port infrastructures operative, effectively well-connected and inter-modal, and also to activate the necessary relations with the countries on the southern and eastern Mediterranean shores, it will risk losing standing and that will prove hard to get back.

To finish, some rapid considerations on another theme which is important in the framework of territorial cooperation initiatives: that of cities. They cover a fundamental role, as they are the nearest institutions to those players whose mobilization is an unavoidable factor of integration processes based on cooperation between territories: universities, research cen-

tres, businesses, service centres, banks, associations, citizens. Stable relations between cities, creating an environment of reciprocal knowledge and trust, can pave the way for relations involving territories on the whole and which will be preliminary to the development of economic relations.

Being firmly convinced of the crucial role that the cities can play in the ambit of territorial cooperation programmes aimed at starting up shared routes of growth characterized by criteria of sustainability and equity, the Project Italia internazionale supports the efforts of around thirty cities in Southern Italy in their process of organization in a stable network that has the development of partnerships with cities on the Southern shores of the Mediterranean as a central element.

In order to strengthen the work started with this network of cities of Southern Italy, it would be of considerable use to develop connections using the already consolidated experience of relations between cities on the two shores of the Adriatic, which succeeded in starting up relations also with similar city network experiences, in particular with the Baltic. In observance of the organizational and thematic peculiarities of each network, this would strengthen the role of the city in planning and consolidating integration processes for stability and co-development.

The initiative undertaken by the Project Italia Internazionale in support of the network of cities in Southern Italy also has the purpose of exemplifying how, on the different levels (State, regions, cities) called to carry out activities of international importance, it is possible and necessary to find a balance of functions and forms of operative and financial complementarity.

This is a course which is certainly not easy and which, especially, requires time, a strong political will and adequate technical competence. However, it is a feasible course, as experiences of the Project Italia internazionale demonstrate. They have allowed for the development of forms of collaboration between the Foreign Ministry structures, the regions and the cities, which have coagulated in a widespread and strong motivation for carrying out an important role in the integration processes with the countries and territories of the Southern Mediterranean shores, which is added to how much the Italian local governments have done and are doing in this context as regards the Balkans.

Luca Fornari

## **Luca Fornari**

### *Diplomatic Advisor for Ministry for Regional Affairs, Italy*

I would like to thank the Mayor Cacciari and the City of Venice for hosting this conference, Mr. Andrea Del Mercato and Cinzia for organizing our stay.

I am the Diplomatic Advisor for the Ministry of Regional Affairs and Local Autonomies. I have been in office only for a week, however I am experienced in the issues we will be discussing today and will therefore attempt to give my personal contribution. Moreover it is my pleasure to greet you on behalf of Minister Lanzillotta, the Minister of Regional Affairs and Local Autonomies. Minister Lanzillotta, whose experience ranges from the Prime Minister's Office, for which he was Secretary General, to the Ministry of Economics and Finance, as Head of Cabinet for Minister Amato, is well acquitted with the rules of the game both at national and community level. His action, therefore, will be efficient and successful as far as many of today's subjects are concerned. The mandates were assigned just 3 days ago and concern the following areas: fostering cooperation among state, regions and local autonomies, as well as direct coordination between regions and community institutions. A further aspect concerns the participation to the Council of Europe's works in the fields of regional autonomies and cross-border cooperation. Consistently with the own role of "go between" local regions-autonomies and government assigned to the Ministry to which I belong, we participate in this meeting as "observers" of mechanisms and dynamics that will emerge as a result of the agreements signed among the regions and between the regions and the European Commission. Cross-border cooperation: I still do not know which and how many relations could there be and actually exist between a cross-border cooperation in the ENPI framework and the work done by the Council of Europe. Personally, I deem that these two worlds move along different logics. Our task will be that of "attempting" to coordinate the different actions, as far as possible within a "system" context. Cross-border cooperation started fifty years ago. It represented one of the central elements in the creation of the European structure and its enlargement to 9, 11, 15, 25 and in a near future, 27 member states. This kind of cooperation is one of the main engines of territorial integration. At the dawn of the Common Market, Germany, France, the Netherlands, Belgium and the neighbouring regions, developed a community awareness of cooperation, contributing with and mutually exchanging the most significant practices and experiences. In my opinion, this example represents an excellent starting and reference point to the benefit of the neighbourhood policies. For the first time, the European regions will have structured relations -within the community framework- with their Mediterranean counterparts and with the countries of the former Soviet Union.

As former representative of the Italian government in the Med Committee for 10 years, I can claim it was well know that the projects of the Barcelona Process had no real and effective impact on the territory (10 billion euros from the EU and over 20 billion euros from the European Investment Bank in the period 1995-2005), since those were and still are "system actions", i.e. actions on the system. Actually, at the beginning of MEDA in 1995, there was the attempt to introduce in the Barcelona process a financial component for the territory's actors through ad hoc programmes, such as MEDCities and MEDMedia. Unfortunately the Commission itself was a victim of its own success and, taking advantage of a controversy within the European Parliament, had to acknowledge its inability to manage programmes, that for their fragmented and widespread nature, required an organizational and management structure. The creation of such a structure would engender unbearable costs, over the long period.

Since Brussels too learns from experience (!), for the new 2007-2013 programming, the Commission “invented” the Neighbourhood Policy and immediately after, the cross-border sphere. About it, I would suggest you to read the document from which the whole process originated, “Paving the way for a new neighbourhood policy”, presented on 1 July 2003 by President Prodi. This 12-page document should be affixed on the wall since - in a very clear-minded way - it describes precisely what is happening in these days. In other words, what the European Commission’s representative pictured us a few moments ago in great details. At the time, there were remonstrations - incidentally I would like to remind that Italy was a strong supporter of this innovative approach – by the Commission. The Commission Officials, in fact, claimed that the mix between external community rules and those of the internal market, was bound to generate an administrative chaos, hence plunging the whole process into an “absolute nightmare”!!

Luckily, for us all, this was not the case. We are facing an extraordinary opportunity to be seized and at the same time an extraordinary challenge, compelling the European regions to provide themselves with connection instruments. Such instruments are aimed at linking them with situations so far perceived as existing entities, yet situated outside the Barcelona process.

The premise of this process is the need of a real partnership in order to gather around a common decision-making table the management of activities and programming procedures. This is not an easy step, but it is necessary at a social, cultural and political level if we are to develop the best understanding and cooperation in other spheres as well, between deeply and substantially different systems and approaches.

The second opportunity lays in the exchange of experiences, which will allow to create a positive growth circle for the territory potentials. A further element of interest is that for the first time, the 10% of the Structural Funds directed to the European regions, may also be used outside, thus encouraging the desired integration of “systems” among non-homogenous territories. This element engenders in the regions the interest for specific programming with a counterpart in the “neighbourhood”. Moreover, thanks to the technical, economic, social and institutional effects, it will be possible to lay the foundations for a cultural “contamination” of non-member countries, for the rise of the necessary “tension for action”, which could bring not only prosperity, but also mutual understanding.

As I was saying earlier, fifty years of experience in cross-border cooperation teach us that the “people to people” approach, even among people divided by terrestrial or maritime borders, also triggered a real growth of individual and collective prosperity as well as a significant tolerance. The same process may soon reach those regions still at the borders of Europe, which, thanks to this experience, in the future will be part of a world where values and rules may be commonly shared. One last remark. Among the Neighbourhood programmes’ objectives, culture occupies a subordinate position. Admitting it once again is frustrating, despite the speeches of the main exponents at a national and community level always refer to culture as the basic element for a better understanding among people. I would like to remind you that this element is the basis of the Barcelona process and of the Neighbourhood Policy.

I wish, therefore, that all actors responsible for the best use of community instruments and resources will pay special attention to Culture, with a capital “C”. Otherwise we will once again miss the opportunity to build the premises for the necessary added value and the fertile ground that fosters understanding among peoples. I am referring to culture not as mere restoration, preservation and protection, but rather as an instrument which, if sensibly managed, cements relations among people with different lifestyles and ideologies, often strongly conflicting.

# 02

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GOOD GOVERNANCE OF PROGRAMMES  
TOWARDS THE NEW OBJECTIVE 3

## Current experience and challenges ahead

**Mattia Agnetti**

*INTERACT Programme Secretariat*

This morning, the second session focuses on an in-depth analysis of the task of the Managing Authority within INTERREG programmes in the current 2000—2006 programming period, and on the management challenges they will have to tackle, due to the new Community Regulations concerning the 2007 – 2013 Structural Funds. These regulations are currently being adopted by the European Council and the European Parliament.<sup>1</sup>

Before analysing the new proposals of regulations which will be later discussed by my colleagues, I believe it is important to provide you with some data about the current performance of the INTERREG Community Initiative at a macro European level. In this regard I would like to report the concrete and financial progress of the programmes as well as some conclusions and recommendations drawn from the Mid-terms evaluations update carried out in 2005 by most programmes, pursuant to Article 42.4 of the (EC) Council Regulation No. 1260/1999 dated June 21, 1999 laying down general provisions on Structural Funds.

In Europe 80 INTERREG programmes are currently operative. They concern cross-border, transnational and interregional cooperation within the Europe of 25, as well as in the Eastern and Southern external borders. Two additional programmes are also operating cross-wise: EPSON and INTERACT programmes. The latter, focussing on governance, aims at improving the performance of the different programmes and subsequently their contribution to the European Cohesion Policy. As for the progress of the programmes, worth mentioning is the excellent participation at a local, regional and national level in reply to the calls for proposals published during the first 4 years of activity. Among the various funded projects, the Public Bodies or Public Equivalent bodies<sup>2</sup> are predominant. This is partly due to the Eligibility criteria for receiving financial help which in many cooperation areas do not include the private sector or, at least, do not confer it a significant role in the drafting and subsequent realisation of infrastructural interventions or territorial and spatial planning.

The public-private partnership, in its different forms and dimensions and in its potential within a national and European context, deserves an ad hoc careful consideration also in the light of the proposals of regulations referred to above. If on the one hand it is deemed an instrument of economic development<sup>3</sup> and growth on the other hand it is not supported as it would deserve, at least considering the current proposal of a community legal framework.

Compared to the 1994 – 1999 programming period, the number of new operating actors has steadily increased, particularly with regard to transnational cooperation. It is clearly perceived the need to compare similar experiences concerning the management of local resources and environmental enhancement just like they are implemented in different European cooperation areas and regions. This is why the Interregional cooperation (INTERREG IIIC), which proposed itself as a large-scale networking instrument, is meeting a great success in terms of participation.

As for the concrete development of the programmes, I'd like to stress the increase of "genuine cross-border cooperation projects", that is projects that physically involve local communities located along the national borders and that jointly plan and develop infrastructural projects or projects representing a concrete shared interest.

Cross-border cooperation both at present and in its future implementation represents the major investment in terms of resources, thus becoming the INTERREG component with the greatest impact on the overall European Cohesion Policy. During this conference we will see how the people in charge of the management and the strategic planning of programmes and of single interventions will conduct the institutional relationships and agreements also with reference to cross-

border cooperation. In this regard, the proposal of a new juridical instrument such as the European Grouping of Territorial Cooperation (EGTC) 4 can represent an opportunity for further quality growth in the recognition and implementation of some interventions, in particular the cross-border ones.

As for the financial progress, some structural causes have been pointed out. The most significant one is the delayed implementation of some programmes due to the lack of a clear community legal framework detailing tasks and functions of the managing bodies. While in the National Operating Programmes framework (Objectives 1 and 2) the EU regulations have been enforced without any relevant problems, within the INTERREG programmes the national regulations have often diverged from their interpretations. The postponed implementation entailed inadequate subsidies, scarce statements, thus resulting in a final impact of disengagements as provided for in the n+2<sup>4</sup> rule.

At the outset of the programming, in 2001 and 2002, the number of projects proposed answer the calls for proposals were not always acceptable both in terms of quantity and quality. As a matter of fact, in some programmes only few projects obtained financial help therefore reducing the allocation of resources.

In some cases, an element which caused a further delay was the incompatibility or financial inconsistency between the European Regional Development Fund and the community financial instruments of external cooperation. This situation remained unchanged in the following years; it seems that it has found an adequate management solution only now that the new 2004-2006 Neighbourhood Programmes (INTERREG B and C) have been approved and the Instrument for Pre-Accession Assistance (IPA) and neighbourhood policies (ENPI) are just about to be implemented.

In order to give a solution to the abovementioned problems the authorities responsible for the programmes have intensified communication and promotion policies to involve new actors and to foster planning. They have also arranged and launched new calls for proposals addressed to specific targets (calls dealing with specific subjects, calls conceived for specific groups of operators, etc.), and in some cases they have reallocated the financial resources displacing them depending on the priority and on the territory demand. Nonetheless, the last element has highlighted the inconsistency of the ex ante evaluations with the effective financial scheduling in a specific cooperation area.

The programmes' financial absorption capacity has generally improved or has settled in over the years; evidence of this is given by the data on the financial disengagements for each Strand of cooperation. If in 2003 Strand A (cross-border cooperation) witnessed disengagements equal to 0.1% of the Funds, in 2004 and 2005 these settled in at 0.2%. It is important to point out that 2004 and 2005 represented the real challenge for managers since, on average, the resources were increasingly allocated during the first part of the programming. Strand B (transnational cooperation) is called to tackle a harder challenge due to the various project partnerships that for the most part involve subjects localized in more than two Countries. In this case the disengagement was 0.5% in 2003, 0.8% in 2004 and 0.7% in 2005. The hardest year for Strand C (interregional cooperation), whose four programmes were approved and implemented slightly behind schedule, was 2004 when the disengagement percentage was 8.5%. However, already in 2005 this percentage fell to 1.4%.

The fund absorption level is not to be deemed the only evaluation criterion of the program performances. It has to be analyzed in a wider context where the real cooperation impact is assessed according to monitoring criteria that will be mentioned later on. The operations funded by the INTERACT Programme as well as the services provided by it, also through projects such as IONAS, are believed to have improved the financial management of the programmes and offered opportunities of exchange of information and good practices among programmes and Strands of the INTERREG Initiative.

The INTERREG Initiative represented - and undoubtedly still represents - a concrete and clear expression of the European

## Current experience and challenges ahead

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Mattia Agnetti

Cohesion Policy. For the latter, the INTERREG programmes are a huge “Community Added Value” that turns into greater visibility for the institutions and the community actions, contribution to the new concepts of “regional integration” and “new governance of interventions on the territory”, creation of new thematic and institutional networks and, above all, potentials of “capacity building” and “institutional learning” for regional and local actors coming from different European States. Nonetheless, this Added Value as well as the final impact on the territory are not always easily assessable. Actually, they usually encounter defined limitations in their implementation and feasibility in adapting to<sup>5</sup>the current national monitoring systems and their indicators (activity, outcome and impact).

Mid-term evaluations and their subsequent updatings show the need of focussing on improvement and on a greater flexibility of the set of indicators employed, with particular reference to transnational cooperation (INTERREG III B). When drafting new programmes it is therefore essential to provide for indicators that can be easily understood, interpreted and effectively applied in order to guarantee efficient monitoring of the funded operations, along with a statement that is actually able to guide the programme throughout its development stages.<sup>6</sup>

When more countries and national monitoring systems are involved, such as transnational or interregional cooperation, the programming challenge is more difficult.

During these months the National Strategic Reference Framework<sup>7</sup> and Operating Plans are being defined.

New Objective 3 on the European Territorial Cooperation does not fall within the priorities to compulsorily include in the first type of documents. Nonetheless, it shows great potential as for its contribution to achieve the goals set out by the Lisbon and Goteborg Strategy, particularly when supranational interventions appear fundamental. Just think about the environmental hazards and risks management, infrastructure development, reduction of the isolation of remote or urban areas, promotion of small and medium-sized enterprises, creation of telecommunication networks, and so on.

As for European Territorial Cooperation a budget will be provided of roughly 7.7 billion Euros, 2.5-3% of the overall Structural Funds and of the 2007-2013 financial instruments. This budget will be allocated to three different types of cooperation (equivalent to the current Strand A, B and C). The effectiveness of this “European regional policy” will depend on the number of strategic actors: regional and local, as well as public and private actors. It will manage to involve all of them during the current drafting stage and in the implementing stage that is to be launched in 2007. Actors having a strong management experience but also deep-rooted in the territory and able to provide continuous inputs during the constant assessment of needs and priorities. These, in fact, are previously set out by an ex ante assessment but they need to be constantly revised and, if necessary, amended.

Finally I would like to briefly point out some of the major challenges ahead for the programmes of the new 2007 – 2013 “European Territorial Cooperation” Objective. With reference to cross-border cooperation, noteworthy is the generalized Lead Partner Principle,<sup>8</sup> currently implemented only in a few programmes. This implementation will encourage the bodies responsible for the evaluation of project proposals, to give access to financial support only to those projects characterized by a “genuine” supranational partnership and with shared goals and business plans. This principle, according to the Member States, should facilitate financial aid for real infrastructural cross-border projects and not only for interventions that are parallel to the borders of two Member States.

As for the “European Grouping of Territorial Cooperation”<sup>9</sup>, if on the one hand it represents a new opportunity of programming and shared management, on the other hand it entails an initial difficulty, due to the different interpretations of its usage and outset. A study carried out by the Committee of the Regions is investigating possible applications of this new

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juridical instrument.

The challenges ahead concerning transnational and interregional cooperation (although the latter is still being defined in terms of operating tasks and partly in terms of content) aim at identifying true transnational strategic projects, at implementing interinstitutional agreements that are clear and functioning from the beginning and that do not allow for contradicting interpretations, and finally at involving new actors.

I would like to conclude my speech thanking the conference organizers and all the partners of the IONAS project.

#### **notes**

- 1) The following notes referred to EU Regulations that have been approved only after the date of this speech, in June 2006.
- 2) Definition of "Body or Public equivalent Body", former Council Directive 93/36/EEC of 14 June 1993
- 3) Council Decision of 6 October 2006 on Community strategic guidelines on cohesion (2006/702/EC)
- 4) Article 31 of the Council Regulation (EC) No. 1260/1999 of 21st June, 1999 concerning general provisions on Structural Funds.
- 5) A Study of the Mid Term Evaluations of INTERREG Programme" for the programming period 2000-2006", January 2005, INTERACT Programme Secretariat, Vienna.
- 6) Project Cycle Management Guidelines, March 2004, European Commission, Bruxelles.
- 7) Article 27 of the Council Regulation (EC) No. 1083/2006 of 11 July, 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999.
- 8) Article 19 of the Regulation (EC) No. 1080/2006 of the European Parliament and Council of 5 July, 2006 on the European Regional Development Fund and repealing Regulation (EC) No. 1783/1999.
- 9) See note 2.

## The Managing Authorities facing the new Objective 3

**Georg Schadt**

*Austrian Federal Chancellery*

First of all, I would like to thank the organizers for inviting me: it is always a pleasure to come here to Venice. As Goethe did on his trip to Italy, I will try to remember everything I see and I will take these beautiful memories back to Austria when I return.

Now, let's speak about Territorial Cooperation: I have been invited to speak about the Management Authority's role in the new Objective 3 of European Territorial Cooperation.

I am going to begin my presentation as manager of the INTERACT Programme, of which the IONAS project is a partner. However, I will also speak about the Cross-Border and Transnational Cooperation programmes. On the other hand, the second part of my presentation will include some impressions on how Austria sees the programmes it participates in, and for which it is now in charge as Management Authority, and regarding Cross-Border Cooperation with the Czech Republic, Slovakia, Hungary and Slovenia.

Let's begin by seeing how the Member States of the Management Authority are preparing for the future Objective 3. As it will surely not be possible to focus on all the aspects of this subject; I will thus sum up the situation, so it will be understandable how to move on to the second generation of the INTERACT programme. As far as its objectives are concerned, INTERACT is a programme that unites various cooperation programmes. Our being able to achieve all Objective 3's targets will very much depend on the performance of the Programmes' management system, which has a fundamental influence on the efficiency and effectiveness of the implementation of the proposed policy. We therefore face a challenge regarding governance of the Cooperation Programmes, as we are dealing with Programmes that involve different Countries, different levels of governance and also different sectors. But, in fact, Territorial Cooperation is an example of good governance and is exactly what INTERACT deals with.

The INTERACT programme, which aims at improving the effectiveness of the INTERREG Programme, as well as making the preparation and launch of Objective 3's Programmes easier, comprises the following duties:

- Promoting of the transfer of know-how and the exchange of experiences between Programmes and "Strands";
- Supporting management organs and key players in the 79 INTERREG III Programmes (cross-border, transnational, interregional);
- Providing technical assistance for the creation and consolidation of common structures for programming, monitoring and managing.

Among INTERACT's activities so far, statistics show 11 European Conferences, 38 European Workshops and 22 Consultancies in loco, and I am sure that some of you have participated in several of these events. All these services have received excellent appraisal, both for the quantity of service requests received and for the appraisal of the services organized, as well as for the contents aspect (subjects relative to territorial cooperation).

As for INTERACT's performance, the Programme has managed to minimize losses due to the problem of absorption of the budget granted (that many INTERREG Programmes have had to face), thanks to the organization of better financial control at a transnational level.

| 41 | Besides, it has made the inclusion of the 10 new Member States in the INTERREG III Programmes easier and has paved

the way for the launch of Objective 3. In the present phase of preparation of the new Objective 3, INTERACT has been able to attract attention to the significance of Territorial Cooperation. If INTERACT had not intervened, the Cohesion objective would not have been reached at a political level. It is through INTERACT that we have managed to provide a platform for lobbying activities in favour of Territorial Cooperation. Besides this, INTERACT has facilitated the creation of decentralized subjects involved in managing the programmes in nine of the new Member States of the European Union in just one year.

After outlining the framework of what INTERACT is and what it has done up to now, I would like to speak about what the development of INTERACT II 2007-2013 will be.

INTERACT II aims at improving the effectiveness of the new Objective 3, which has become part of the new European strategy and is in a central position on the agendas of Lisbon and Gothenburg. Cross-border cooperation will be further reinforced thanks to new grants and the introduction of new measures regarding accessibility, as well as new cooperation structures. Both interregional and transnational cooperation will have to be oriented towards more strategic projects and more tangible results, and the 10 new Member States will have to actively participate in the new programmes contained in Objective 3 at a structural, procedural and partnership level. Furthermore, as has already been said during the first session this morning, a new instrument, IPA, is going to be introduced and will be aimed at preparing countries that will shortly be joining the European Union, such as Romania, Bulgaria and Croatia.

Now, let's see what the introduction of this new instrument will mean to INTERACT.

Considering that the 1999 reform, which was fundamental for territorial cooperation, has not yet been fully implemented, INTERACT will still be consolidated with the management principles that were introduced with the reform itself. INTERACT can really contribute to making more understandable the meaning of good governance: good administration is indeed a fundamental element for improving regional competitiveness, as it is underlined on the Lisbon's agenda. On the other hand, the principles of the 1999 reform, such as that of the joint management of cross-border cooperation projects – not only for cross-border cooperation, but also for transnational and interregional cooperation, and also for the creation of institutions and joint management structures and the speeding up of procedures, remain and will remain important points of reference for future generations.

There are many things that have to be done to improve the performance of territorial cooperation programmes:

- 1) First of all, understand the strategic targets within the framework of Objective 3: understand what they are and how to apply them in this framework (for example, what is the scope of national reference and how does it relate to Objective 3?);
- 2) Carry out research applied to governance at a strategic orientation level: more support is necessary for the most important regional and local players. Requirements must be satisfied in terms of cross-border cooperation;
- 3) With the arrival of new European countries, the existing management structures should be revised: new mechanisms for territorial cooperation must be introduced.

There are many other topics that could be discussed, but for time reasons, I will briefly mention just a few ones that are linked to the support action of the regional and local players, such as the importance of the quality of the projects and strategic orientation, the transfer of transnational programmes to interregional ones and lastly, the overcoming of linguistic barriers, as well as the problems regarding the qualifications of the personnel of both the Management Authority and the Payment Authority.

Georg Schadt

Finally, a brief mention of “thematic concentration”. It is necessary to create a generation of projects that facilitate financial monitoring, but also the impact of the projects themselves.

INTERREG’s passage to the new Objective 3 also provides for the creation of new institutions that allow for the overcoming of administrative disparity between the new countries involved in transnational cooperation.

During the morning, the two new instruments, IPA and ENPI, which are for the integration of the new Member States with the extension of external borders, have already been discussed, so I will not dwell on this subject any longer.

On the other hand, as for the management structure of the programmes, I would just like to mention three main points to explain what Objective 3 has meant for Austria, for the Austrian regions and for Austrian Cross-Border Cooperation:

1) It is necessary for the new programmes to have strategic orientation: we have to concentrate on their range and their size, so that they are really strategic. In the case of Austria, at least 3 programmes – for example with the Czech Republic and with Slovakia – will remain cross-border cooperation programmes, basically because we have not yet been able to create the necessary structures – and this is considered too great a challenge for us.

We have to find elements in the programmes that will allow us to pass on to multilateral programmes.

2) The second point is really considered a challenge for the Cross-Border Cooperation programmes: Austria has come from a Transnational Cooperation experience with the Czech Republic, Slovenia, Hungary and Slovakia, but would like to further develop Cross-border Cooperation, which proves to be much more stimulating.

3) Finally, with its partners, Austria has managed to achieve regionalization of Management Authority functions, has collaborated with the other Member States, delegating responsibility to the regions, especially as far as Management Authority is concerned.

At this point, I have finished. I thank you very much for your attention.

**Fabio Croccolo**  
*Ministry of Infrastructure and Transport, Italy*

Good morning to everyone. As you know, I am in charge – unfortunately - of a number of functions within INTERREG. I am Managing Authority of the two largest cooperation areas we have in INTERREG, namely Medocc and Cadses. Medocc is the largest in terms of territorial extension, while Cadses is the largest for number of participants with 18 fully fledged programme Members, 9 of which are EU Member States.

Moreover, I am the INTERREG National coordinator for Italy.

My position, therefore, implies an extremely difficult challenge: the simultaneous management of all subjects. On the other hand, this position allows me to have a privileged observation stand.

Which path to follow then, for the future?

I often claim that for people doing our job, the first step to take is - and I quote – to put together “the optimism of the will with the pessimism of the intellect”. In other words, we must believe in what we do, and we must do it anyway, even if starting is not in the best conditions.

It is necessary to acknowledge the obstacles we need to overcome in facing the new challenge of Objective 3. INTERREG has been upgraded to Community Objective - and this is a great reward for us. However, we cannot deny ourselves that the negotiation's results were not satisfying, from a qualitative and quantitative point of view.

During the negotiations, it immediately emerged that the Member States were not willing to allocate great resources to those programmes that can earmark funds to the best projects and to the structures aimed at a territorial impact; rather, they preferred a national management of European funds, as far as possible.

The downsizing of Objective 3 is linked to an overload of Objectives 1 and 2. Here the governance ability of the nation State is stronger, and it is not subject to competitive and comparative evaluations with the other states. Within the same Objective 3 as well, we witnessed how the strand A on cross-border matters gained greater importance to the detriment of higher quality programmes – such as those of strands B and C. All this happens within a scenario where cross-border programmes are becoming increasingly complex for their position and number. In addition, I have serious intellectual doubts on the current meaning of a cross-border programme applied to internal borders, in the framework of a united Europe of 25 Members. I wonder which is the meaning of all this resources allocation today, if we were unable to obtain results at the internal borders over three cycles.

This is the first element to clarify, I believe. The situation will be as follows: within Objective 3, strand B - cross-border - the total volume of financing will be reduced because the co-financing percentages have been reduced. Therefore, despite the encouraging results obtained, we will altogether have less funds.

In my opinion, this is due to a misinterpretation on how data and indicators are used. I am an engineer used to dealing with numbers and statistics. I always bear in mind the words of my Construction Science Professor: “When calculating a structure, before introducing the data in the computer, you have to make a rough calculation of the dimensions of said structure. If the computer gives you substantially different data, then the computer is wrong”.

I will make a classic example. If you look at the statistics of storks' flights over the Netherlands in the '70s, you will notice a 98% relation between the flights and the birth rates in the country. I would seriously question your intellectual abilities if

Fabio Croccolo

you inferred that in the Netherlands children are brought by storks.

I am amazed by the fact that aggregated data on the “N+2”, divided by programme strands are yet not assessed together with qualitative assessments on how the “N+2” were created.

Using the “N+2” as an efficiency parameter is absurd. We know very well from our direct experience that the “N+2” was abolished in various cross-border projects with the so-called “progetti sponda” or “similar projects”, that allow for ex post financing of already accomplished projects. Without a qualitative analysis of this kind, quantitative data become irrelevant and lead us to shift the focus of attention away from relevant issues! Moreover, we have institutional problems. There are debates on the subject of greater private participation. But, which legal instruments are we provided with in order to reconcile private participation with the compliance of elementary community rules in terms of public procurement, State aid and financial guarantees?

I will make a personal example. An anecdote. As CADSES Managing Authority, I asked the private partners to grant me a bank guaranty for the amount they receive in EFRD up to 2012. This was an extremely generous forecast. You should know that I am still waiting from the Commission the final declaration on the ultimatum of the Alpine Space and Archimed pilot projects, which were closed in 1999. Having said this, therefore, a forecast of just a three-year overrun, was very optimistic and - I would say - risky for me. Some private partners complained to the Commissioners claiming that all this was too expensive!. Later, a high member of the Commission told me: “You know, we have noticed that, statistically, when carrying out an audit, the risk of request for badly managed funds is not more than 5%. So, why don't you downsize the value of your bank guaranty to 5%?”. My reply was: “Send me a letter where you state that I am responsible only up to 5% of the programme!”. I have never seen him again.

As you understand, there is an operational asymmetry in the whole system which complicates matters.

I will provide another example. In a programme that – luckily - is not under my management, a private partner personally contributed with 10,000 euros. It was later discovered that this partner received from other partners over 500,000 euros worth of internal orders, without any assessment on the reasonableness of the amount, regardless of any public procurement procedure, outside any State-aid assessment procedure. Is it a transparent method to manage public funds and foster cooperation? Or is it rather a system where he who knows the rules is able to circumvent them to his own advantage?

Therefore, we are faced with an appalling problem. In order to have a management system that allows for a professional management of activities, we need an adequate legal framework.

Rightly, our colleague Mattia mentioned earlier the problem of a fragmentation of responsibilities. One of the fundamental principles of company organization is that authority and responsibility must go hand in hand. In our operational programmes, instead, an enormous share of responsibility is given to the Managing Authority, while the decision making authority is fragmented into a multitude of components and is submitted to the unanimously approval of all Member States. This system does not allow for management efficiency. A further element is the lack of an international legal framework. Each Managing Authority is forced to act within its own national legal framework, which differs from that of other countries. Often - and rightly - one country does not understand another's system. It would be extremely simpler to set up a transnational legal framework for the Managing Authorities operating at cross-border level. This is a structural deficiency of the regulations we have been using until now.

For example, if we look at article 13 of the regulation on the use of Structural Funds, concerning the transmission of report it states that the report is to be forwarded to the Commission by National Authorities. But, do not transnational programmes have a national Authority for forwarding article 13? So, what am I supposed to do? As Managing Authority, should I forward the report of a transnational Managing Authority to my Ministry for Economics and the latter, as National Authority, then send the report to the Commission? Or is it my duty, as transnational Managing Authority, to report? Moreover, the programmes were drafted, the regulations were closed. Nonetheless, financial control groups were set up and were assigned further tasks. In addition, these were introduced in running programmes, with the consequence of a review of the whole process. Is it really possible to achieve a flexible management by so doing? Let us create a European legal framework for the transnational Managing Authorities and provide them with a European legal status solely for the purposes of the programmes' management. Let us submit them to the European rules on contracts, on salaries and so on, and the result will be an enormous simplification of all procedures! To programme the new period, we are creating a huge number of task forces – one for each programme – instead of working on a standard operational document, which, if necessary, should be adjusted according to the specific programme. In brief, each time, each programme re-starts from scratch! Needless to say, INTERACT actually provides us with shared instruments, but they are not used since there is no obligation to do so. Moreover since the composition of the task forces changes from time to time and each new official feels entrusted with truth and science, it's all the time like starting from scratch.

Standardization and transnational legal system, together with the coupling of authority and responsibility are key elements for success. The options are two: either we accept the idea of a strong Managing Authority and provide it with the necessary instruments for an effective management, or we accept a weak Managing Authority and leave the power to the States. In this case, though, it cannot be burdened with responsibility it is not able to manage.

I am unable to comply with the OLAF (European Anti-Fraud Office) requirements because in one of the programmes I am in charge of, two Member States are not replying. Which legal instruments do I have to force these Member States to reply on the OLAF procedures? No one! The Commission has rightly discontinued payments because I did not reply to the requirements of OLAF procedures.

These are the elements we absolutely need to change for the future. We need to find an agreement on these issues if we want to plan the future in the right way. I strongly believe in the future of Objective 3 and in the future of next generation's Interreg. Otherwise I would not be here today to commit on these issues. I strongly believe it is right to consider the positive things we have achieved.

With our programmes we achieved great results at qualitative level. However, during our debates we need to have the courage to be a bit less politically correct and acknowledge the real obstacles and restrictions we face. Only through an intellectually transparent discussion, that really focuses on the core of the problem, we will give Objective 3 a genuine impetus for its future. Thank you.

## **Bojan Suvorov**

### *Government Office for Local Self-Government and Regional Development, Slovenia*

Thank you for your invitation. I think this Conference is really very interesting because it concerns the future of some Community programmes and problems we will be facing in the next few years: therefore, the new challenges for the future of European planning will be presented.

I would like to introduce myself: I am Bojan Suvorov. I work in the Local Office for Self-government and Regional Policy in Slovenia, which is responsible for Structural Funds, Cohesion Funds and each single INTERREG IIIA, and IIIC Programme, as well as INTERACT.

My presentation today is divided into two parts. I would like to start from with past experiences and then move on to Slovenia's position on the new financial perspective, looking to the future.

Talking of the past, in general, the Slovenian experience in terms of cross-border cooperation can be divided into three periods:

1) The pre-accession period from 1994 to 1999. Both for Slovenia and other acceding countries, 1994 was very important because cross-border cooperation was supported by PHARE funds for the first time. This period saw the development of cooperation programmes on a European cross-border level and the launching of various cooperation programmes (in case of Slovenia with Italy, Austria and Hungary) in totally different sectors (for example in the sector of SMEs, tourism, transport, people-to-people actions, environment, agriculture), for a total of 35 million Euros. Two separate financial instruments were used, PHARE and INTERREG, on different sides of the border. This fact brought different rules to partners in the programmes. -

2) In the following period, from 2000 to 2003, Slovenia continued its collaboration in three cross-border cooperation programmes i.e. with Italy, Austria and Hungary. More than 100 cooperation projects were implemented. During this period, Slovenia and neighbouring countries also upgraded its structures, created joint structures and launched projects on a joint document basis. Financial regulation governing PHARE and INTERREG instruments still differed on the internal and external side of the EU. This unfortunately still prevented implementation of the real joint projects.

3) The last period, which brings us up to the present, is from 2004 to 2006, has been often regarded as transition period. In this phase, Slovenia has become eligible for Community Initiative INTERREG. Various measures for managing this transition have been introduced by different stakeholders. The major support was provided by the INTERACT programme. All CBC programmes were revised to take into account new fact – entrance of 10 new countries to the EU. These revisions were mainly focused on the structure of its cross-border cooperation programmes. The aims and priorities of the programmes remained the same. The PHARE projects under the umbrella of programmes with Italy and Austria continued to be implemented and are to be finished in 2006.

Referring once again to the 2004-2006 period, Slovenia and its neighbours – Hungary and Croatia have introduced a new Programme, the Neighbourhood trilateral programme for the cross-border cooperation. Again different financial instruments were applied for member states (Interreg) and for candidate country – Croatia (CARDS and PHARE). This experience has proved to be a success: we have managed to create a structure of joint implementation, of mutual co-responsibility, joint calls for proposals were published and in this way we were able to overcome some of the problems deriving

from different financial regulations. What has remained to be tackled in new programming period was balanced financial contributions or better said treatment of programme as one regardless of national inputs to the financial table.

To sum up this first part of the presentation, I would like to emphasize how important this cross-border cooperation has been for Slovenia, since almost the entire Slovenia fulfils the criteria for cross border cooperation.

The theme of transnational cooperation will be expanded upon during the afternoon session.

Coming now to the second part of my presentation, I would like to talk about the new financial perspective (NFP) 2007-2013 and territorial cooperation programmes for Slovenia. Slovenia supported reform of the EU cohesion policy and upgrade of cooperation programmes from the Community Initiatives to the separate Objective of the EU cohesion policy. Already in June 2005 Slovene Government adopted decision that supported this change and decided in which territorial cooperation programmes Slovenia had intention to cooperate.

As regarding the new regulation on European Grouping for Territorial Cooperation Slovenia considered it as the important legislative step. However it is also considered that additional work and analysis have to be done before this regulation would give practical boost of new legal entities.

At the core of Slovenian programming exercise for NFP is the Slovene Development Strategy. With the governmental decisions of 23 June 2005 the precise timetable was set for preparation of the required implementation documents. The Local Office for Self-Government and Regional Policy has remained the Authority for National Management of EU cohesion policy in Slovenia. In NFP Slovenia is to take part in as many as 13 territorial cooperation programmes:

- 1) 3 bilateral CBC Programmes on borders within the European Union (Slovenia/Austria, Slovenia/Italy, Slovenia/Hungary)
- 2) 2 CBC IPA Programmes (Slovenia/Croatia and the Adriatic IPA CBC Initiative)
- 3) 4 Interregional Programmes
- 4) 4 Transnational Programmes (CADSES I and II, Alpine Area, Mediterranean).

And now, a last look at internal organization. We have appointed a coordinator for the work group in Objective 3 and the other programmes, and we are collaborating with external experts and a certification institution. Furthermore, we are always in contact with regional representatives and, of course, with representatives of all other interested parties.

I thank you very much for your attention.

**Ioanna Athina Nikolaidou**  
*Ministry of Economy and Finance, Greece*

First of all I would like to thank you for inviting me.

My name is Ioanna Athina Nikolaidou and I am responsible both for the Programming and for the Paying Authority at the Greek Ministry of Economy and Finance.

I will illustrate the role of the "Single Paying Authority", namely the Greek Single Paying Authority, and of the Control System of Interreg III-C Programmes, in view of the new Programming period 2007-2013.

As for the expenses borne, we have a Single Paying Authority, whose English acronym is S.P.A.

Audits from all Certification Authorities are collected and then submitted to a direct control of the Paying Authority. For the financial control of data we use a system through which we can then verify the actual situation with reference to the requirements for payments from the European Union.

After analysing the data, the Single Paying Authority verifies them and forms its own opinion concerning the payments situation. Successively, it verifies there are no irregularities which may be detrimental for the future payment declarations. Here we can see the authorities which are and have been involved in the management of cross-border and transnational cooperation projects for the period 2000-2006.

Usually the Managing Authority of C.F. has its office at the Ministry of Economy and Finance: the main charges of this Authority are the responsibility for the Management & Control System of C.F. and the supervision and coordination of the 23 Programme Managing Authorities and the 24 Community Initiatives Managing Authorities.

The Managing Authority of a given programme is set up for the programme for which it is responsible and implements its programme under the lead of the central management. The final beneficiary is subjected to the supervision and control of the relevant Management Authority, whilst the Single Payment Authority's task is auditing. This is an external control that meets the need to have an external control, not bound to the projects. In addition to the Financial Control Committee, there is an External Quality Control Group. The former verifies the financial situation, while the latter verifies the quality of the project by drafting periodical reports. The certification of expenditure, that is the S.P.A.'s activity to certify the correctness, regularity, legality and eligibility of expenditure is based on a Management and Control System of: audit findings, M.I.S. and certification by a Managing Authority for each Payment Request. The three elements together then make up the Management Control System. As you can see, some areas overlap, especially as far as audit is concerned. This can take place at different levels. The S.P.A., having all existing data available, is able to make an accurate evaluation of the situation. Therefore, the data system functions both as a monitoring system and a certification system, guaranteeing that the allocated sums reach the final beneficiaries too. On the basis of all the findings, the S.P.A. can then proceed with payment or adopt other measures for re-evaluate the findings, if necessary.

These are the roles of the S.P.A. with reference to payments certification. The participants to INTERREG programmes, whether Leader Partner or not, must supply the Paying Authority with the certification resulting from the relevant controls and necessary corrective measures. The Paying Authority remits it to the Leader Partner that contacts the Managing Authority and, after receiving directions, can receive the contribution.

| 49 | Our internal division: we have a Unit A, B and C. Unit A deals with the financial flow and therefore is responsible for the

**The Managing Authorities  
facing the new Objective 3**

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**Ioanna Athina Nikolaidou**

follow up of recoveries, receives interests from payments on account, submits payment requests and draws payment forecasts. Unit B is responsible for the general auditing of financial management. Therefore it works in contact with the managing authorities, evaluates audit findings and can suspend payments to final beneficiaries and issue certifications for the Interreg projects. We then have Unit C, which provides a technical and administrative support. This is the flow chart of how a given sum is allocated in order to cover an expenditure. As you can see, by following the rectangles and the rhombs, you can trace the flow of information. So, the starting point is the partner submitting its claim to the services of the paying authority, then there is an approval of the eligible amount, after this, the bank remits the certification to partner X, communicating that the amount has been approved and at this stage, the leader partner intervenes. Until now, we have been carrying out the first level control only for those programmes for which the paying authority is not a paying authority of the programme. Our situation was therefore that of controlled controller. Now, for the Objective 3 Programmes 2007-2013 a new Unit will be set up. To sum up, we currently have Unit A, B and C and we will create a Unit D as well, which will be a special Unit for the certification on controls of the submitted documentation and which will also issue the certification of expenditure. The idea is then to create an independent Unit D. Unfortunately we still have a long way to go. I hope my presentation was clear. Any question is welcome. Thank you.

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ROUND TABLES:  
SHARING INTERREG EXPERIENCES

## First Round Table: East-Central Europe Area

**Henrik Lauridsen,**

*INTERACT Point Managing Transition and External Cooperation*

I would like to thank you very much for inviting me here in Venice as a moderator in this session.

The aim of the three round tables of this afternoon is sharing experience within the INTERREG of Central and Eastern Europe areas, the Danube and Balkans, and the Mediterranean area, with respect to the new phase of Programming 2007-2013. I would like to briefly present INTERACT Point MTEC (Managing Transition and External Cooperation). Two main objectives of the INTERACT Point Managing Transition and External Cooperation:

- to provide consultancy to the INTERREG actors, creating an INTERREG network, which facilitates the exchange of mutual knowledge and experience.

- to provide consultancy, instruments, training and information to the 10 new Member States of the European Union, thus setting up a network of INTERREG actors connecting the latter with the former Europe of 15 Member States. The INTERACT Point MTEC was created in 2004: since then it has implemented networking activities for 9000 stakeholders in 31 European cities, from 47 countries covering Member States and neighbouring countries; it has disseminated around 12000 pieces of documentation and it has organized around 6000 hours of activity days, to which about 3000 participants took part. Today 33 workshops, 32 Trainings, 28 Advisory Services and 8 Conferences have been organised.

To name just a few examples: with the European Commission we organized three conferences this year, namely Cross-Border Cooperation within ENPI 2007-13, 09- 10 February 2006 – Helsinki and Cross-Border Cooperation within ENPI and IPA 2007-13, 07-10 March 2006 – Rome. Also the conference of "Implementing INTERREG IIIA / Tacis and INTERREG IIIB / Tacis Neighbourhood Programmes 2004-2006", 19-20 December 2005 –Warsaw is worth mentioning. We have recently organized workshops and seminars: Eligibility of expenditure in LT-PL-RU (Kaliningrad) INTERREG III A Programme, 09-10 May 2006 – Vilnius; seminar on INTERREG IIIA - First and Second Level Control in study cases 24 January 2006 - La Valletta; Financial Management - First level Control - Strands A, B and C, 24-25 November 2005 – Brno; Between Enlargement and New Programming Period, 3-4 November 2005 – Trieste.

We produced the following studies: Study on Selected Monitoring Systems in EU 25, Study on Monitoring Systems: Process Monitoring of Impacts: Working Paper, National Co-Financing of INTERREG IIIA Programmes and the Eligibility Handbook. I would like to conclude by showing you an excerpt of a study conducted by one of our project partner. Despite being still a draft, it provides parameters to measure the quality achieved during the project's different development stages.

- during the first stage, it is important to find reference partners to start the project, to make use of synergies in the transition programmes, to implement the Lead Partner principle and to organize quality events with the various partnerships;

- in the execution stage it is important to guarantee the constant partners' commitment and the fulfillment of established actions, developing quality instruments and processes;

- in the projects implementation phase, it is important to keep to a calendar.

## **Flavia Zuccon**

### *European Programmes Directorate, Veneto Region, Italy*

I thank the partners of the IONAS project and especially the Municipality of Venice for offering us this “window” to display the regional experience in EU programmes.

The Italian experience is particularly significant. Here, in fact, the Regions were involved in cross-border, transnational and interregional cooperation. They played an active and direct role in the projects and in drafting operational programmes. I believe - and the Regions share my view - in a peculiar model of rather efficient cooperation “governance”, as mentioned this morning by the Mayor. The regions are trying to implement and reproduce this model for 2007-2013, involving the lower administrative levels, such as the provinces, municipalities and cities.

Allow me to say just a few words - as requested by the moderator - on the regional experience. I would like to focus on the experience of the Veneto region, which is totally similar to that of all the other regions attending the conference. Then, instead of concentrating on best practices, I would prefer to add a few thoughts on how to avoid the repetition of negative experience for the period 2007-2013, on the basis of the past experience of 2002-2006 and 1994-1999. Rather than praising ourselves, I deem more original to try and avoid repeating mistakes.

The Regions play a different role in cross-border, transnational or interregional cooperation. The three situations imply a different level of involvement for regional administrations. Obviously, the involvement is far more direct when dealing with cross-border cooperation. Our colleague Mr. Gherardi from the Emilia-Romagna region - you must have noticed - was combative, very informed and precise in pointing out the possible management difficulties in the next 2007-2013 cooperation period. In this kind of cooperation, in fact, the Regions are in direct contact with the EC and the beneficiaries.

The history of the Veneto region is particularly “lucky” as it has experienced three kinds of cross-border cooperation as follows:

- 1) in 1991, the first cross-border cooperation, Interreg I, which allowed to coordinate the actions undertaken by the two parts on the “territorial” border, even when a country was not a EU Member yet. This was the case of Austria at the time.
- 2) later, in 2000-2004, the region experienced cross-border cooperation through the sea, with the Republic of Slovenia;
- 3) finally, cross-border sea cooperation - of very large import - such as Adriatic cooperation, with all the friends of the Italian Adriatic regions from North to South and with the Balkans Countries.

A very fruitful course that allowed to gain useful experience, especially in today’s framework, in the context of this project involving all Adriatic Ports Authorities.

The sea border has peculiar features and the Ports Authorities are undoubtedly important actors who must be involved for the 2007-2013 cooperation period as well. I am aware that we will face several difficulties - competitiveness to name just one - however our goal is that of becoming a coordinate logistic platform.

I would like to answer the questions concerning the Veneto region’s cooperation chances and ability, which may arise from a long “rehearsal” period on these difficult kind of programmes. I always say this is our fourth cooperation chance and it is not totally true that cooperating has become an easy matter, especially at cross-border level.

Excellent experiences exist at transnational level too. In this field the regions play a minor role, due to the more relevant weight of Member States in the definition of projects.

Within transnational Interreg programmes, we were directly faced with the difficulties posed by working in shared projects, in addition to those concerning the management of other beneficiaries' funds. On the basis of this transnational and inter-regional experience, I will point out a number of mistakes to be avoided in 2007-2013. A preliminary remark is necessary. I would like the Commission to acknowledge that the evaluation of a project's efficiency goes beyond the fact that it can spend the whole budget. How to spend it, without running the risk of enforcement of the notorious N+2 rule, or the Automatic release of funds rule. Therefore, even if cooperation is not easy - and this is our fourth attempt - we are still determined to ask for more attention on the quality of projects, on their ability to impact on the development of territories, and not only on the efficiency of expenses.

To start with, a few suggestions to improve the project's quality from a micro level. For example, we will ask to acknowledge the preliminary expenses of projects, that is the expenses required for the beneficiaries to move on from the embryonic phase of the project-idea to a later phase when the project is clearly defined among the partners and they are ready to fill in the application form.

A further significant element lays in providing the shared structures or the Secretariats with a strong help desk activity in projects drafting. By so doing, there would be a close contact with people committed in the filling in of an application form. Incidentally, I would like to mention the need for easier application forms. Once again, when asking to fill in application forms, I would suggest to shift the focus from financial plans and their rigorous application or the deadlines, to the qualitative aspect, to the partners' desire to work. A further suggestion is the streamlining of the reporting activity. Currently this takes up great time and energy, especially on the side of the project's Leader, usually in charge of this task, and at a general level as well.

Furthermore, there is general agreement, among the various "tables" and task forces of cross-border and international cooperation, on the need to involve private parties or subjects other than the administrations, for the submission of new proposals. On the one hand, this need arises from financial reasons. On the other hand from the fact that one of the goals of territorial cooperation programmes is the cooperation among private and public entities, as well as among countries. The final end is to improve cohesion among EU countries.

Therefore the mistakes made in 2000-2006 should be avoided. During that cooperation period, there has been little involvement of the private sector due to a lack of information concerning the partnership. In addition, the role the private sector could play within the project was not clear. Rather, it was not clear whether this private involvement could have a negative impact on the competition policy, or if it led the beneficiaries to run the risk of introducing hidden state aids in the programmes. We posed ourselves these questions thousands of times, without finding the answers.

To sum up, we would like to see greater involvement of the private sector and be assured of the lawfulness of their actions. A last remark. New regulations provide for the possibility to make concrete investments: this is good news for all beneficiaries. It is often thought that cooperation is just a light form of collaboration, which triggers the suspect of merely possessing a further sheet of paper; in other words, a community project with no real impact on the territory.

Let us hope to prove right when submitting to the Commission operational programmes that contemplate this possibility. Further remarks concern ideas ensuing from the "tables" currently working on the programmes drafting: to try and strengthen the submission phase of the programme, by supporting the promotion of the programme opportunities and making the potential beneficiaries meet well in advance the opening of an hypothetical application form. A suggestion could be

Flavia Zuccon

a simplified application form addressed to project proposals, rather than real projects, closer to those of other community programmes, such as the Expressions of interest. After a first proposals selection stage, an idea for a project is identified, that is a valid application form comprising all best ideas. By so doing, only a limited number of strong and detailed proposals, linked to a solid partnership would be submitted.

The stages are therefore: promotion, meeting among potential beneficiaries, clear indication of preliminary expenses of projects.

We believe that this method will lead us to submit proposals with already established partnerships.

## Walther Stöckl

*EU Department, City of Vienna, Austria*

First of all, I would like to thank you for inviting me to this wonderful conference. I am going to talk about a central issue, which is the management of the future of the CADSES Programme area.

The European Commission is convinced that this is an area of strong cooperation potential as it comprises nine EU Member States, two accession countries, three candidate countries, four potential candidate countries and two neighbour-



ring countries.

Given its large surface, the area was divided into two programmes with great overlapping:

- 1) a northern named "European Central Space" (CES) comprising great parts of Germany, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Austria, the northern part of Italy and parts of Ukraine;
- 2) a southern named "South-East European Space" (SEES) comprising Austria, Slovakia, Hungary, Slovenia, eastern part of Italy, Croatia, Bosnia and Herzegovina, Montenegro, Serbia, Albania, FYROM, Greece, Bulgaria, Romania, Moldova, parts of Ukraine and small western parts of Turkey.

Note that certain countries are represented in both programmes.

Walther Stöckl

As for the future the City of Vienna will be responsible for the management of the European Central Space area. Therefore we are working on this programme together with other states of the area. Two meetings of the task force, concerning the programme's structure and contents, have already taken place, as well as two meetings of the drafting group. We are currently preparing a third meeting of the drafting group, which will be held in Warsaw on the 20th and 21st of June, aiming at discussing the needs and the programming priorities of the area.

In the new programme's planning phase, it is important to capitalise on the past experience, notably from INTERREG III C of which Vienna is the Managing Authority, as well as the experience of all countries involved, in order to improve both the management and the results.

In terms of efficiency and with reference to how we have been working so far, I would like to underline the importance of locating the Managing Authority and the JTS (Joint Technical Secretariat) together to guarantee efficient communication between the programme management bodies.

The underlying idea of this synergy between Managing Authority and JTS is in fact the spirit of cooperation. The same principle should exist inside the Managing Authority itself by having a very strong transnational profile. It is therefore necessary to have a committed staff, experienced in the management of European programmes and coming from all the involved Member States.

I personally believe that Vienna has worked well during these years, attempting to develop an efficient structure and keeping down costs. I believe that the managing experience acquired should enable it to welcome the new members with no delay.

Efficiency, though, is not everything. Creating effective programme management structures may not be enough to satisfy the high expectations for the new programmes. Learning from past challenges and to plan future programmes that provide not only management, direction and monitoring methods, but that also ensure that they are effective managers of knowledge, are equally important.

The need of streamlining procedures and bureaucracy in general is an issue of vital importance if we want to take advantage of the innovation potential.

Countries such as Austria, Germany, the Czech Republic, Slovakia, Hungary and Italy belong to the CES area and participate in other programmes too. This overlapping urges us to streamline bureaucracy and to create a sustainable professional network, able to make the best use of resources at regional level, to foster communication and to improve knowledge gained.

All the above mentioned problems deserve a short-term answer to allow those countries, who will benefit from the future 2007-2013 programmes, to understand the pros and cons offered by the neighbourhood programmes and INTERREG. For this reason we have launched pilot projects aimed at creating networks connecting actors of the EU Member States and the beneficiaries of the 2007-2013 funding, as well as to facilitate the exchange of good practices.

It would be important to set up thematic discussion groups for the management of knowledge and to provide future actors with the results achieved within projects. We are facing many challenges. We must capitalise upon what we have learned if we are to give a meaning to the Lisbon Strategy. It should be clear that nobody in Europe can guarantee in the future that innovation, competitiveness and growth will actually translate into reality. All what we can do is to create the appropriate environment for innovation, the right atmosphere for involvement and to facilitate an innovative approach.

**First Round Table  
East-Central Europe area**

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**Walther Stöckl**

A clear mission should therefore be take advantage of the institution knowledge of the human resources of INTERREG IIIA, IIIB and IIIC to the benefit of those involved in the future programmes with a view to improving efficiency. An improved efficiency will in turn lead to a higher degree of transparency of the European policies. More transparency means better understanding, which I believe guarantees success for the future of the CADSES programme.  
That's all. I thank you for your attention and give the floor to my colleague.

**Margarita Jancic**

*Ministry of the Environment, Spatial planning and Energy Office for Spatial Development, Slovenia*

Good morning to everyone.

I would like to introduce myself, since what I am going to talk about differs from what you have heard so far. My name is Margherita Jancic. I come from the Slovenian Ministry of Environment, Spatial Planning and Energy Office for Spatial Development, where I work as Under Secretary. This means not only that I plan and manage programmes, but also that I am “inside” the programmes themselves. I have a long experience in national planning and in macro-regional cooperation – Alpe-Adria to name just one. Within the wider scenario of European cooperation, I was responsible for contacts with the United Nations and dealt with Eastern European cooperation.

In general terms, I can claim that the issues I have tackled in the different fields, can actually come together under a single subject: the promotion of activities addressed to sustainable development that - at the same time - allow us to be competitive at international level.

Today I wish to share with you some personal thoughts on the results of transnational projects, since there is a great difference between cross-border and transnational projects. I will then move on to outline the expected characteristics of these territorial cooperation projects, the present territorial cooperation level of Slovenia, and finally some of Slovenia’s priorities.

To start with, a first thought on the approach to follow – in my opinion – towards cross-border projects. On the basis of the experience gained, in fact, I believe we should get over the “take as much as possible” trend. These projects should become a challenge and an opportunity to solve common problems affecting the different areas they cover. We should act in a strategic way and adopt a comprehensive approach when faced with a problem. I mean, a transversal and interdisciplinary approach that considers all peculiarities of the involved area.

Going back to the subjects of culture, heritage and so on mentioned by some speakers this morning, I think that we should better not start a transnational programme by only bearing in mind the philosophical aspect. However, we should certainly link this approach to the real needs of the interested parts of the area, focussing on public interests and needs. The goal should be that of finding a solution to a given problem, creating a general framework capable of improvement, and of perfecting complexity in the wider meaning of the word.

Basically, people’s quality of life should be considered firstly. This is not exclusively assessable in terms of a country’s GDP. The quality of life in fact can also be measured in terms of time share: working hours and time dedicated to the family, time spent for commuting to work, and so on. Actually there are various criteria to assess and improve the quality of life. Therefore the current preparation phase for the new generation of programmes, should take into account the past experience we have acquired at various levels.

For example, the ESPON Programme proved very useful for exploiting at their best all possible synergies. The European Spatial Planning Observation Network, launched within the community initiative INTERREG III, was aimed at setting up a permanent monitoring system of the European territory. It worked through the promotion of cooperation among Member States, the European Commission, research institutes, administration services on territorial development, as well as the

EU's Candidate and Neighbouring Countries.

We should be aware of the fact that real transnational projects are not the addition of small "sub-projects". Instead they require a joint and comprehensive approach, the only possible approach to achieve common interest.

Such projects should especially involve those countries that have identified a shared problem and can thus contribute on that shared problem. This is the main difference between a transnational project and any other project.

As far as the programmes implementation is concerned, from a time prospect, it should be possible to find positive results in the interested areas, in terms of improvement of both work places and employment, with a view to reaching a higher degree of competitiveness and sustainability.

The starting point is - I believe - the analysis of territorial richness; the territorial capital that can be exploited and used to improve competitiveness, in order to reach the Lisbon targets.

There is an example I usually like to quote: it is much easier to be competitive in the world when possessing such treasure as the Dolomites. China can never have them. By this I mean that we must not destroy our diversity, we must not build our capital elsewhere. If we did so, our capital could be reproduced anywhere and would consequently lose value.

For the next period, Slovenia is preparing to open to other regions, in order to foster a comprehensive approach, comprising an economic, political, environmental (that cannot be separated from the territorial and cultural one) and social aspect. Given its limited resources, Slovenia must accurately select the projects and choose those that will contribute to improve its visibility and competitiveness on the widest scale possible. Slovenia, in other words, must be able to act strategically, when a problem is identified, considering all the possible effects it may cause elsewhere.

Other strategic priorities for the near future are the excellence centres in any field, technological innovation, use of car engines, olive oil production – where a specific know-how is employed at very high levels.

I think these strategic priorities can efficiently contribute to a wide area within which Slovenia is naturally collocated, spanning from the Adriatic to Central Europe.

Finally, I would like to mention a further priority for Slovenia, namely, access to IT services aimed at strengthening the role of small and medium cities, and at preventing such catastrophes as the ones happened in the past few years. It is in fact by working on past disaster that prevent future damages may be possible, in terms of costs and reconstruction as well.

With this I conclude. Thank you for your attention.

## Second Round Table: Danube and Balkans Area

### **Bela Hegyesi**

*VÁTI - Hungarian Public Non-profit Company for Regional Development and Town Planning*

Good afternoon, my name is Béla Hegyesi I work at the National Agency for Regional Development in Budapest.

During this short session we will try to present South-East European Space transnational programme.

I would like to introduce my colleagues sitting around the table. From Bulgaria, Mrs Maria Dimitrova, from Croatia, Mr. Hrvoje Franusic, from Italy Mr. Lodovico Gherardi and Mrs. Giovanna Andreola.

I will briefly illustrate the current situation concerning the planning of the South-East Europe area. My colleagues then can contribute with comments and considerations and if time allows us, we will be pleased to listen to your questions.

My introduction will consist of three elements: past, present and future.

As you probably know, from 2000 to 2006 there were 13 transnational programmes in Europe. The Central European one - called CADSES - consists of 16 countries including old and new EU Member States and external countries. The slide shows us the priorities and measures of CADSES.

For various reasons CADSES territory will be divided into two new transnational cooperation spaces: Central Europe and South-East Europe. The main reason behind the splitting of CADSES space is that the character of these countries has changed, and resulted different development needs.

2006 is the year of programming in the two new areas. Both programmes formed a Task Force composed of the representatives of all participating countries. After drafting the new programme documents they will be submitted to the European Commission. The first calls for proposals will be launched probably in 2007. Here you can see the map of the South-East cooperation area.

At the beginning of the programming process, several basic principles of programme management were laid down: compliance with EU regulations, efficient and cost effective programme management, balance between national and transnational structures and accessibility. The last one means that Joint Technical Secretariat and the Managing and Certifying authorities will be set up in a same city.

The programme aims at equal and active participation of all countries of the area. Non-EU-member countries will most probably participate with the financial support of the Instrument for Pre-Accession (IPA).

It would be too early to talk about concrete priorities. The basis of those priorities, though, is laid down in a proposal put forward by the EC, which identifies relevant fields of transnational cooperation as follows: innovation, environment, accessibility and sustainable urban development.

New EC regulation provide some flexibility to allow cooperation among transnational programmes: 20 percent of the programme's ERDF budget can be spent outside the programme area. Application of this flexibility rule will be regulated in the SEES Operational Programme document.

I would now like to invite my colleagues to briefly present their experiences. Thank you.

## **Lodovico Gherardi**

### *European Policies, Emilia Romagna Region, Italy*

Good morning, my name is Federico Gherardi. As an Official of the Emilia-Romagna Region, I am in charge of coordinating the Interreg III Initiative and the Objective 3 on Territorial Cooperation.

During the current INTERREG III programming, I have covered the position of vice president of the CADSES National Committee. As such, I tried to coordinate the talks between the Italian regions and the central government and to promote the Italian position in the various stages of the INTERREG programming.

Within the 2000-2006 INTERREG programmes, my region actively participated in the Community Initiative. To this date, the "Region System" – intended as Regional Administration and Territorial Bodies – participates in 135 projects, 33 of which as leader and 102 as partner. 15 projects, in particular, belong to the Adriatic Cross-Border space, 41 to the transnational CADSES space, 31 to MEDOCC, 45 to the INTERREGIONAL INTERREG III C space and, finally, 2 projects concern the INTERACT programme.

This experience gave rise to relations with 1,140 partners of 44 different countries. 934 of these partnerships concern Public Administrations and private subject from the Member States, 93 from Candidate Countries and 113 from Third Countries. Within the "Region System", participation involved both the various technical sectors of the Regional Administration and the regional territorial Bodies, particularly the Provinces (45 projects) and the Municipalities (34 projects).

In addition to the development of a significant knowledge and relationship network, which, as underlined above, involved different regional bodies, this experience led to a deeper knowledge of community instruments and created – over the territory – high expectations for the 2007-2013 programming.

In the light of the results achieved during the last programming period, we wonder over a number of questions now being in the current crucial phase of implementation of the operational instruments for the new programming period. Especially, we are attempting to assess the concrete results of the INTERREG programmes on our region, the real advantages, the added value obtained. Basically, we are trying to understand whether the efforts made and the allocated financial resources proved useful to the "Region System".

No roads were built within INTERREG, however, methodologies and experiences were developed and shared. Moreover, relationships were established and operational agreements strengthened. Assessing the real effectiveness of implemented programmes and their direct consequences on the territory is not an easy task. The INTERREG programme does not underpin material actions, but it has set useful actions and experiences with numerous partners, fostering new relations which proved sound for other territorial development actions.

In the near future, for example, one of the main tasks of INTERACT will be the assessment of the best INTERREG projects at regional level.

To this date, I do not yet exactly know – in quality of Administration – what is meant with "good project", with reference to the pursue of territorial development policies, thus I am not aware of which were the "best" projects achieved. Many good projects, in terms of actions undertaken, in spite of the problems and implementation difficulties encountered – brought positive results. Therefore, I reject the narrow concept of "good project" as a project that is able to better spend - within

Lodovico Gherardi

the set time span - the entire amount, hence reducing the risk of automatic disengagement of resources.

During the first stages of INTERREG programmes, many territorial bodies preferred the concept of “participating in projects, always and at all times” to the concept of “promoting one’s own strategies through the participation in projects”. These financial instruments have thus been used as pure source of income. In fact we realised, that very often, behind the participation in INTERREG, there was no real need for the programmes. Rather it was a way of not losing resources and an opportunity to broaden the relations’ horizon.

After the first calls, in later stages of the programming, it was instead realised that the best partnerships and the projects producing best performances (also in terms of expenditure ability), emerged and developed with the will to pursue those policies that had already been devised within the regional strategies.

As far as programmes are concerned, awareness on the appropriateness of the Commission’s requests for the future management of structural funds was achieved. I mean, the opportunity to introduce them in a national strategic framework, at least.

By means of the experience acquired and with this resolution in mind, we have actively participated in the national tables for a strategic approach and definition of the Strategic National Framework. Within the Strategic National Framework, an attempt has been made to share action prospects with the State and the other Regions, as well as to outline an Italian standing to be presented to the various transnational tables for the definition of community instruments belonging to the Territorial Cooperation objective. In this national governance process, the different programmes that will replace INTERREG and continue its operational experience, are being developed.

In particular, the South East Cooperation Space, for which I am directly responsible, will replace CADSES in its southern component.

This new space aims at being a junction with the Balkan Danube area and in general with the countries interested in the new Instrument for Pre-accession Assistance (IPA). A specific element of interest for Italy will be the evaluation of the area’s integrated development opportunities, considered in all its components, avoiding to concentrate on the Danube component, to the detriment of the Adriatic - and in general - of the Western part of the area. Especially for the Adriatic Italian regions, a strategic move will be the strengthening of relations with the Balkan countries not involved in other IPA programmes, with which establishing relationships would otherwise be difficult. I refer in particular to Serbia, to the part of Bosnia Herzegovina, to the internal area of Croatia not directly interested in the New Cross-Border programme called “IPA Adriatic”. Of similar strategic importance are the chances to develop relations with Romania and Bulgaria. Currently in their accession phase (January 2007), they have been provided with relevant financial resources and are therefore able to fully participate with concrete operational opportunities to the future programming period.

**Giovanna Andreola**  
*International Activities, Abruzzo Region, Italy*

My name is Giovanna Andreola, from the Abruzzo region. As director of the Managing Authority for the Adriatic Cross-border Programme, I have an important role within the Adriatic – Balkan cooperation process. I am currently responsible for coordinating the next Adriatic IPA.

I would like to briefly outline the state of the art of the ongoing Programme and our actions for the future.

In the initial implementation phase of INTERREG IIIA, 73 million euro were allocated for strategic regional projects. A total 67 million were employed in 51 projects with Croatia, 33 with Albania, 30 with Serbia and Montenegro and 17 with Bosnia and Herzegovina.

We then opened a call for proposal, which closed on March 7, 2006, where 450 projects were submitted. As provided for by the call, the pre-eligibility stage of the projects is now closed. The proposing leader partners are currently receiving letters reporting on the state of their project proposals. Moreover, we are evaluating the second phase, namely the allocation of funds.

Starting from the issues connected to the Adriatic Cross-Border Programme, which in the past few years were the object of our debates with both the Italian friends and those of the other shore of the Adriatic, we asked ourselves which features should a project have. Should a project focus on considerable financial figures to be invested in the shortest time possible, or, rather, should it carry out a cross-border cooperation with a concrete area impact, which, in turn would lead to the construction of an Adriatic European macro region? This was the strategic objective foreshadowed in the programme. In order to resolve the question, it is necessary to start from the evaluation not only of the single project, but of the whole programme.

The importance of evaluation lays in that it allows to define both the objectives to be achieved by the programme and the characteristics of the single projects. An in itinere evaluation allows us to understand whether things are working or not. At the meeting held by the Ministry of Foreign Affairs in Rome, our friends of the European Commission informed us on the deadline – April 30, 2006 – for the setting up of the drafting team, the selection of the evaluator and the definition of a work programme.

In the Adriatic Programme, we take things seriously, as we are aware of the many difficulties encountered in the initial phase of this programme. We aim at avoiding to repeat the mistakes that slowed down the starting phase of the programme. We decided to forge ahead and have therefore already set up the drafting team and selected the evaluator, in compliance with regulation 92-50.

Therefore, we are ready to close the evaluation of the ERDF quota. However, our friends from Croatia and the other States, know that the times to evaluate the CADSES allocation, thus the implementation of known rules, will be long, since this will concern a sort of field training.

We hope that the regulation - as was often suggested - will use the ERDF rules, as that would prove extremely useful.

Not only have we already selected the evaluator, but also we thought it advisable that the evaluator carried out a strategic environmental evaluation.

The need for such evaluation within an Adriatic cooperation programme was not clear. However, if we strongly believe that

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the next programme has to implement structural interventions to the benefit of environment, of accessibility of transports and of culture, then we certainly need a strategic environmental evaluation. We are already working on that. As Giovanni Ballette mentioned earlier, we will have a meeting on the 5th and 6th. Especially this second day in Split, aims at making the stock of the situation, as far as the programme is concerned.

From today's questions and speeches, it is clear that, in order to establish the timing, it is necessary to resolve a few issues, particularly that of eligibility of geographic areas. In relation to this subject, I would like to stress the importance of not restricting cooperation simply to the maritime side, which is just a small part of the whole area. I am saying this consistently with my commitment as team leader, with my pledge to the friends of the other Eastern Adriatic countries and with the requests of Bosnia-Herzegovina. We have to consider the requests of Bosnia and Montenegro, which in this initial programming phase, are totally excluded. Similarly, we need to consider the problems of Albania, which wants to avoid a restricted cooperation, involving only its Adriatic band.

Our past experience must be an instructive experience. We strongly believe in the role of the Adriatic programme, all the more because we are convinced that - as mentioned before - this programme entails to an equal treatment and to the possibility to spend on both sides of the sea, with no geographic and especially financial border. Therefore, for us it is important to have single funds, single management, single authority. We are already working along this line. There is an agreement between the partners and we strongly believe in the school of life represented by the Adriatic in this phase. It allowed cooperation among the Italian regions - which is something new - and most of all, it allowed us to develop active and long lasting cooperation relations with the friends of Croatia, Bosnia, Montenegro and Albania. We hope the same will happen again for the next programming period. Thank you.

## **Maria Dimitrova**

### *Project and Program Management Directorate, Ministry of State Administration and Administrative Reform, Bulgaria*

First of all, I would like to express my gratitude: I am very happy to be here today to be able to share territorial cooperation experiences with you and speak about the challenges and the prospects that we have before us.

I'm going to start with a brief introduction to explain why I am here: My name is Maria Dimitrova and I work for the Bulgarian Ministry Project and Programme Management Directorate, Ministry of State Administration and Administrative Reform. Considering my role, I would like to underline two things in particular: firstly, what Bulgaria's position is in the preparation process in the next 2007-2013 programming; secondly, I would like to share Bulgaria's experience in Cross-Border Cooperation with you.

As you know, Europe has achieved stability thanks to the spread of values based on the principles of Humanism – related in the preamble of the European Constitution -, according to which Europe is to be understood as a territory of safety and freedom.

The European Union is made up of regional entities that are not only distinguished by a particular administrative structure, but also by their culture and identity.

In this framework, Cross-Border Cooperation has always been an important instrument for cooperation among Union countries, its creation being connected to the founding of the European Economic Community. As you will all recall, as a matter of fact, in 1951 France, Germany, Belgium, Italy, Luxembourg and the Netherlands signed the Paris Treaty, thus instituting the European Coal and Steel Community (ECSC), with the aim of cooperating in a common institutional framework characterized by the principle of equality. In 1957 there followed the Rome Treaty, with which the six founding countries decided to build a European Economic Community (EEC). Looking back at its origins, it is therefore easy to understand that at the roots of the European Union there are forms of transnational cooperation.

Having said this, I would now like to move on to speak about Bulgaria's position with regards to the European Union: the country, which is not large, but does have a lot of natural riches (in particular water and mountains), would like to become a European Union partner and has thus applied for accession. In view of this aim, it is trying to conform its legal framework to the Union's one, and to meet European requirements in various sectors, such as the environment, development, human resources, regional development, etc. It is also trying to prepare the instruments for moving towards cross-border programmes with Serbia, Turkey and Macedonia. These operative programmes of cross-border cooperation will be developed by the Ministry for Regional Development and Public Employment, which up to now has been responsible for programme management in Bulgaria.

Also under discussion is how to develop and manage cross-border programmes: the most accredited opinion is that of having a single Managing Authority, that is a single body to manage projects of collaboration and subsequently take on the monitoring of the accomplishment of the Programme. At the basis of this position is the awareness that in Bulgaria the ability to manage at regional and local level is not optimal and, moreover, neither is the ability to use the existing structures for the best. However, precisely for these reasons it is also true that it is important to create good territorial cooperation, in order to assist Bulgaria in its accession process.

**Maria Dimitrova**

A fundamental requirement for Bulgaria's future accession is that it should be furnished with solid administrative ability, which is what the Ministry I am part of deals with. The improvement process for Bulgarian administration is split into three separate phases:

- 1) the phase in which the principles of the new administrative and socio-economic structure are established;
- 2) the phase of development of human resources, which is the most important aspect of the entire administrative modernization process;
- 3) the phase of improvement in the use of information technology.

I will stop here with my presentation on Bulgaria, to move on to say a few words about my experience in the cross-border cooperation sector: I believe it is important for my country, being interested in transnational cooperation, to implement an adjustment of its administrative ability, both on a local and regional level. I also feel that cooperation is important on the one hand for the civil society – and it is essential for citizens to be involved in this process –, and on the other hand for the development of the bordering regions, especially at a local level. Cooperation may thus help the border regions to improve and transform themselves into objects of exchange, developing their own economic potentiality.

I would like to conclude by presenting a concrete example on this issue: I come from a Region situated on the border with Turkey. Until a few years ago, it was considered a utopia that there could be negotiations with the Turks, whereas now this is not so: thanks to our governments' politics, we have been able to create conditions that allow for good cooperation between us and Turkey today. Giant steps have been made to generate the idea that future generations in that region may be able to create bonds of friendship with those who are beyond the border and this can only be an incentive for other countries too. My Region has carried out 850 projects, cultural activities and joint events with Turkey, and also simple ludic and entertainment activities, all aimed at learning to get to know each other.

The most important thing now is that these activities should not remain on sterile ground, because they are exactly what can stimulate further joint contacts.

To see Bulgarian and Turkish children playing together has been a very strong emotion: I would like to end my presentation with this image, because I feel that it really represents what I would like the future of cooperation to be. Thank you.

## **Hrvoje Franusic**

### *Ministry of Foreign Affairs and European Integration, Croatia*

Dear ladies and gentlemen, dear colleagues distinguished audience,

I'm pleased to address you in the capacity of the representatives of the Ministry of Foreign Affairs and European Integration of the Republic of Croatia which still acts as national coordinator body for INTERREG Initiative but not for long time because, very soon, recently established Central State Office for Development strategy and Co-ordination of EU Fonds is going to assume the competence of the afore mentioned body in the field of EU fonds. It is important to add that in this process the Ministry of Sea, Tourism, Transport and Development is going to act as the body which coordinates European territorial cooperation programmes. It is very natural because mentioned Ministry is main Croatian institution responsible for regional development and we all know that Croatia is in the irreversible process of renewing its regional and structural policy and adopting EU standards.

Full membership in the European Union is a strategic policy goal of the Republic of Croatia, while the values underlying European democracies and their economies represent the principal guidelines for the development of the country. The tasks that we must accomplish to achieve this objective continue to occupy a central place in the Government's programme and plan for action.

Now, allow me to make a brief overview of the Croatian participation into cross border, transnational and interregional programs. I would like to emphasize that the Republic of Croatia has been included into aforementioned programs since the year 2000.

At the moment the Republic of Croatia is participating in four European regional programmes. There is Trilateral Cross border programme Slovenia-Hungary-Croatia and there is also multilateral programme Italy, Croatia, Bosnia and hercegovina, Serbia, Montenegro and Albania. Then there is Croatian participation in the transnational INTERREH CADSES programme and finally our project partners are participating in the interregional programme.

In the past two years, we have made significant efforts to obtain financial support from the CARDS and PHARE programmes in order to enable and enhance the participation of the Croatian partners in the INTERREG III Initiative. Numerous projects dealing with the transnational and cross-border cooperation under INTERREG III programme are being financed by grant schemes.

We have high expectations regarding our participation in afore mentioned programmes in period from the year 2007 to the year 2013 and it is crucial that we prepare good Joint operational programmes as a basis for the efficient project cooperation.

It is good to state that IPA is also a clear sign that all legislative, procedural and financial assumptions for participation of candidate and potential candidate countries, in cross border and transnational projects, are meant to be on equal basis. This process will also contribute to the more intensified cooperation with visible results.

The fact that in future prospective CBC programmes will have a single pot of money gives the added value to the full financial involvement in the project implementation of the all countries that are not yet part of the EU.

The timing of this conference is also very good, at the moment we can see results from the current project implementation and are intensively preparing for the new programming period.

Hrvoje Franusic

Experience collected during past few years are very useful for the Croatian partners, because being active participant in concrete project, one can get direct insight in modalities and complexity of the programming phase and especially in implementation process of cross border, transnational and interregional projects.

The Ministry of Sea, Tourism, Transport and Development will undertake further steps in order to increase the institutional capacity of regional and local self-government for the participations in future project cooperation. In the light of above mentioned, Croatian institutions is going to continue concrete actions as organisation of seminars and workshops, publishing brochures and manuals, updating database and systematic education of regional and local officials and related representatives of civil society.

Since the principle of subsidiarity in EU context will be also embodied in the future programmes of territorial cooperation as "the bottom-up approach", it means that solutions for existing problems are found from the level where they are generated - on the local and regional level.

Conference like this is an exceptional opportunity to exchange experience and to reinforce network for the future cooperation. It is our common challenge to meet the preconditions for the competitive but also balanced and therefore sustainable future regional cooperation and development.

Participation in the common projects requires considerable work in enabling the partnership to function – building the skills, know-how and networks necessary within and across the different groups involved in the process of the implementation of the projects. The knowledge and information base for effective development must be strengthened.

In Croatia we firmly believe that future available IPA fund will also contribute to reduce disparities in the level of development between regions and states and in the same time contributing to the competitiveness of the EU as a whole.

We in Croatia are quite ambitious, but also realistic when stating that we will be capable of proving not only that Croatia deserves the European Union, but also that the European Union will not only be bigger but also better with Croatia among its ranks. Thank you for your kind attention.

## Third Round Table: Mediterranean Area

**Alexandre Kamarotos**

*MEDOCC JTS*

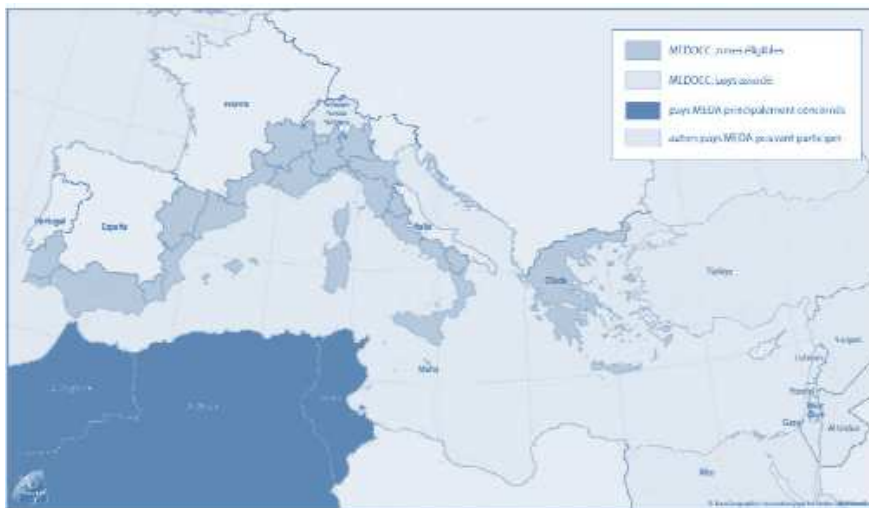
Good morning. I will begin by talking about the past experience of the Western Mediterranean Programme, in order to outline a possible framework of the future programming in the Mediterranean area.

The Western Mediterranean INTERREG B programme followed a previous programme called “Western Mediterranean and Latin Alps”, with a much more limited budget. I believe that an analysis of the “Western Mediterranean” programme development will help us highlight significant elements to understand its future.

During its initial phase, Mediterranean transnational cooperation did not have enough background experience in the field of joint actions. Those responsible for projects believed that transnational cooperation mainly dealt with the management of budgets to be earmarked to various countries and the consequent drafting of a joint report on the activities carried out, to be forwarded to the Managing Authority. Over time, it became clear that international cooperation must also embed a knowledge-related added value for the Partners.

As far as the territorial extension of MEDOCC is concerned, it should be noted that, despite its name – “Western Mediterranean” – the programme embraces a much larger area. In fact, it spans from the West (Portugal) to Switzerland – that is not exactly “Mediterranean” – and continues to the East (Greece).

In the future 2007-2013 Programming, this space will be called “Space Med” and it will imply a synergy between the MEDOCC and Archimed Programmes. This means the involvement of the almost entire Italian territory, Cyprus and Slovenia, leading to a total of 9 countries.



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The logic framework of MEDOCC is mainly based on two strategic objectives:

- 1) to improve the territorial cooperation of Southern Europe, with the aim to make this area an economic integration area of worldwide importance;
- 2) to follow the Barcelona process, contributing to the achievement of greater integration between the European regions of the MEDOCC space and third countries of the Mediterranean Basin.

To use a metaphor, we could say that in the past few years, MEDOCC gave birth to two "twins". The first one is the Med Programme, that is growing with 9 Member States. The second is the Neighbourhood Process, that started in parallel for the same 2007-2013 period. Our challenge lies in the "education of the two twins".

When the MEDOCC was launched, no specific neighbourhood instrument existed. There were only the European Funds for Regional Development (ERDF), which were used by the EU countries for the development of the European regions. On the basis of our past experience, it will be important to introduce in the strategic lines of the new Programmes, the expected practical results of cooperation.

The current MEDOCC establishes four main financing areas, corresponding to the following four priorities:

- 1) the first priority aims at creating connections between the north and the south of the Mediterranean Basin, through the setting up of cultural and neighbouring relations.

[71] In this context, a series of projects were achieved, while others are still running. They range from artistic to political pro-

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jects. A 26-million euro budget was allocated to this relations priority and financed 23 projects (including the last call). Let us hope that the results of this MEDOCC priority will be integrated in future programming, namely in the neighbourhood instrument.

2) the second priority within MEDOCC – as well as the core of ERDF – concerns the strategy of spatial development of urban system, through spatial perspectives within the MEDOCC area and the promotion of cooperation with the end of managing the territory at different levels. We are currently attempting to define the successors of these principles for the future Space Med.

3) the third priority concerns the transport and information systems and aims to improve competitiveness and cohesion in the MEDOCC area at economic, territorial and social level.

At the beginning of next month, we will hold a seminar in the Liguria region in order to analyze the results of the 26 projects carried out within this priority (with a total budget of 45 million euro). We have noticed that priority 3 did not attract the kind of projects we had expected at the time of definition of the priority. Therefore, we seek to understand the reason behind this unexpected result.

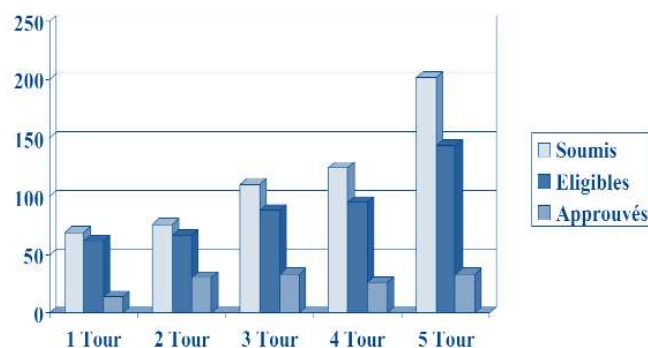
4) the fourth priority is addressed to environmental protection, development of assets and sustainable development. It includes the following 4 Measures. Measure 4.1: protection and development of cultural heritage, biodiversity and landscape management, landscape heritage. Measure 4.2: promoting sustainable tourism. Measure 4.3: natural risks protection and prevention. Measure 4.4: water management and fight against desertification.

The 4 Measures of Priority 4 received a total budget of 94 million euro, which financed 63 projects.

Within MEDOCC, 44 projects were financed and terminated by 2006. Other 33 – financed by the second call – will be concluded during this year. 26 projects were selected during the third call. The last 33 projects were selected in Malta on 10th May, 2006 for a total of 136 projects involving over 1,000 Partners. In total, 214 million euro were spent. Around 110 million euro come from the ERDF.

The MEDOCC Programme has been guided by a bottom-up logic, also connected to the technical approach of structural funds for the 2000-2006 period. Today we started working with the new Member States for the future programming period, with an eye to more strategic and space related projects.

As far as the Southern Mediterranean is concerned, we have involved as partners, countries such as Algeria, Egypt, Israel,



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Jordan, Lebanon, Syria, the Palestinian Territories, Tunisia and Turkey. A majority of these countries participated as observers. Some of them succeeded in finding their own funds or funds belonging to other European initiatives.

I would now talk about the difficulties we have encountered during these years' action. As other speakers have pointed out this morning, one obstacle concerned the difference between the organizational models and the management systems of the various countries involved. With MEDOCC we even found inconsistencies in rules and deadlines among different European programmes – for example MEDA and MEDOCC.

A further obstacle was represented by the inability to finance Partners of the Southern Mediterranean shore, with the aim to concretely and actively involve them in the project activities. I am referring to problems in getting visas or budget restrictions that prevented partners of the Southern Mediterranean from taking part in project meetings. A further hindrance was the difficulty of Mediterranean countries to obtain funds to participate in meetings. For example, last month the Pilot Committee gathered in Malta. The person appointed to participate on behalf of Algeria could not come due to visa and consulate problems.

Moreover, without sounding offensive towards the partners of the Southern Mediterranean, I have to say that their quality often was not the best. The problem in fact was the preliminary selection. Countries that joined the MEDA Programme did not adequately verify the correctness of contacts within the institutions to involve in the projects, and consequently the efficiency of the same contacts.

I would now like to briefly talk about the neighbourhood policy and the difficulties faced in this context. The first rules of the MEDOCC Programme for the financing of Partners coming from three MEDA countries, especially, were set in July 2005. These are Algeria, Tunisia and Morocco. The allocated budget was 4,5 million euro: 1,5 million euro for each country.

The problems recorded are in comparison to those connected to the use of structural funds. They are related to the learning of new mechanisms and to the differences between the rules of structural funds and the neighbouring rules of MEDA. For example, difficulties were due to the delays in negotiations and in the signing of the financing convention, or in the appointment of a coordinator in the beneficiary countries. Of the three countries mentioned above, only Morocco appointed a national coordinator, as provided for by the agreement of July 2005. Moreover, we noticed a certain reluctance to take on responsibilities. For the MEDA countries their responsibilities vis-à-vis a project were not very clear. Finally, the restricted budget allocated to this transition period meant a serious limit.

Which are, then, the challenges for the future? I deem positively the accession of new Member States, especially such countries as Slovenia and Cyprus, which can rightly be considered Mediterranean. A positive element is then this holistic approach to the Mediterranean. The different interests must be borne in mind, since they may be – at the same time - a source of ideas and a threat or a challenge.

As for third countries, it is necessary to identify those to which we should destine 10% of the future programme. Until now, the Member States have not expressed their opinion. However, Switzerland, which was historically associated to MEDOCC, recently expressed the desire not to be part, as associated country, of the next MED programme.

As for the neighbourhood instrument, I believe that the finances to it allocated have not been sufficient. I see positively the rise of funds established by the new programming phase – the amount of the budget is equivalent to that of the future MED programme, financed by the ERDF\* - since it will give the possibility to create a real partnership between the two

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shores of the Mediterranean.

There are issues to be looked into detail, such as that of having a hybrid organizational model that can really work.

We are still in an experimental phase. The numerous differences characterizing the Mediterranean countries represent a challenge for the future programming. Therefore it will be necessary to see the relation between the MED space and the future neighbourhood instrument, which is the core of the development of the Mediterranean area.

I thank you for your attention.

Bernardo Notarangelo

**Bernardo Notarangelo,**  
*Mediterranean Department, Puglia Region, Italy*

Good morning, my name is Bernardo Notarangelo, Director of the Mediterranean Department of the Puglia Region, Managing Authority of the Italy – Albania PIC INTERREG IIIA and National Managing Body of the Greece – Italy PIC INTERREG IIIA.

I would like to talk to you about the Mediterranean Department of the Puglia Region, how it was created and its areas of action, with the aim of giving my contribution to this Conference debate and of tackling the issues Mayor Cacciari has put forward.

The Mediterranean Department was created thanks to the political will of the new Regional Administration which took office in Puglia last year, as evidence of the renewed commitment in the Mediterranean area of both the region and its President Vendola. The Mediterranean Department embraces all of the international activities in the region concerning the fields of cooperation, cross culture, peace. Through the setting up of the Mediterranean Department, the Puglia region meant to open a new season of reciprocity relations with the Mediterranean peoples. This aimed at an interaction with those countries in the framework of a common project of cultural and economic development, through concrete shared plans.

How are we going to translate such a project into action? We are trying to coordinate and connect the different levels of governance - national, regional and sub-regional, which includes provinces and municipalities.

How are we doing it? We used the great opportunity offered to regions by the Ministry of Foreign Affairs, namely the Technical Unit for Internationalization, with which we have started a profitable cooperation since last September. Thanks to this kind of support and to the active role of the Department, we succeeded in the development and implementation of a number of initiatives at a regional level, as well as in the accomplishment of cooperation initiatives with the Mediterranean countries. The Ministry of Foreign Affairs' support proved extremely useful in the goal of attaining synergic initiatives, consistent with and complementary to national initiatives.

At a regional level, we promoted a dialogue with both the social and economic partners who, in addition to being involved in a number of initiatives during the implementation phase, have also participated in the drafting of the Regional Strategy Document of the Puglia Region. The dialogue with the partnership not only added value to the strategic document, but also led the actors of the partnership to a systemic discussion, thus providing them with opportunities for coordination.

Resuming this morning's question "How can we help the local authorities, municipalities and cities build together the European Community starting from the bottom?", I am convinced that our action starts from the bottom, that is from the coordination of initiatives at a local level. The Direction of the Puglia Region aims at avoiding duplicates and overlapping, at the same time encouraging a synergic cooperation at a regional level, in order to effectively and efficiently draft plausible projects able to meet the territorial needs. That is to say projects that in particular guarantee tangible results and impacts on the territory. I could quote a series of examples where such a coordination procedure has produced satisfying results. A remarkable example is represented by the work carried out with the Ports Authorities in the various Community programmes.

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**Bernardo Notarangelo**

As for the IONAS project, we believe that regions coordination is an essential function, together with that of the Ports Authorities. In such a way isolated and non-coordinated actions can be avoided, while it allows for the Ports network to be ideated and accomplished within a regional programming firstly, and then within the complex national system.

The Mediterranean Department's efforts were also directed towards the goal of coordinating and entwining cooperation actions with internationalization ones. To this end a regional steering committee, comprising all local government departments involved in cooperation and internationalization activities, was set up. This procedure too, was adopted in order to avoid isolated initiatives and maintain an exhaustive overview on the various activities.

To sum up, at a regional level, we are acting through a steering committee which coordinates all actions on the territory with the support and coordination of the partnership, at national level, with the technical support of the Ministry of Foreign Affairs and in line with the initiatives of the other regions.

This is a very simple model which we put forward to your attention as a platform for discussion and debate.

**Rosanna Semerdjian**  
*Ministry of Economy and Finance, Greece*  
*Managing Authority of C.I.P Interreg III Unit B2*

Good morning Ladies and Gentlemen, unfortunately I was asked to be as brief as possible so I promise not to keep you too long.

My name is Rosanna Semerdjian and I work for the Managing Authority of CIP Interreg in Greece. I would like to talk about the Current and New Programming period the Greek experience and its perspectives.

Let me give you some general information concerning the Managing Authority. The Managing Authority of Interreg is responsible for 7 programs, (6 cross border and one transnational). We are national coordinators of other 7 programs.

The six Cross border programs are between:

1. Greece and Bulgaria with an overall budget of 268.655.499€, dealing with the opening up of new paths to trade and investment,
2. Greece and FYROM with an overall budget of 102.333.333€ and an emphasis on infrastructure, environment and security along the borders,
3. Greece and Cyprus with an overall budget of 78.043.878€ which bolsters security across maritime routes,
4. Greece and Albania with an overall budget of 123.500.000€ focusing on regional integration of infrastructure,
5. Greece and Italy with an overall budget of 157.940.670€ and a special focus on trade investments, and
6. Greece and Turkey with an overall budget of 46.664.002€ giving opportunities for communication and partnership with the other side of the Aegean.

Greece participates in two Strand B programmes. Strand B programmes deal with the transnational cooperation. The Hellenic Managing Authority has a very active participation in the CADSES NP programme. CADSES is a programme of great complexity and amazing diversity with the participation of 18 countries. The CADSES programme had 4 calls of proposals. Greek participation has been very high. Greece participates in 72 CADSES projects with 187 partners with many of them being best practices. The total ERDF towards Greek partners is 26.527.719,45€.

Greece also participates in the Meddoc programme with 57 projects and 86 Greek partners. Last but not least Greece manages the Archimed programme of strand B. We have just ended the first call with 72 approved projects.

The next chart gives you an idea of the number of projects with Greek partners involved in Interregional (strand C) and other INTERREG programmes. It is evident from the chart below that Greece has participated in the rest of the INTERREG programmes with the same devoutness and that a large number of ERDF funds is allocated towards the implementation of these projects to Greek partners.

<b>CIP INTEREG</b>	<b>Number of Projects with Greek Partners Approved / Greek Partners</b>	<b>Total Budget allocated to Greek Partners</b>
INTERACT	13/29	3.675.973 euro
South	56/56	17.910.128 euro
East	31/49	9.288.829 euro
West	21/30	3.887.941 euro
North	8/18	1.466.028 euro

However what is most important is the experience gained from the management and participation in programmes specified above. Greece has successfully implemented the existing regulations and guidelines. This has given the country a great advantage. We are in the position now, not only to follow the new rules and regulations (of the next programming period 2007-2013) but also, to develop increased efficiency in programme planning and implementation. Greece has an active role in the Drafting Teams and Task Force of the SEES programme as well as the Interact programme and it also participates either in the Task force or Drafting groups of the rest of the transnational programmes.

The management of one of the transnational programmes has given us the opportunity to eliminate bottlenecks that were created during the implementation of the approved projects. In addition we have gained experience in dealing with different funds (internal and external component).

Experience has been gained not only through the management of interregional and transnational programmes but also through the implementation of projects by the Greek final beneficiaries. A great number of project partners have received valuable experience in project management and they have also served as lead partners. They have achieved great deliverables and the results and impacts achieved through these projects have in many cases given added value to the programmes. The implementation of the Interreg programmes has also given an extreme opportunity to Greek bodies to cooperate either with their neighbors or other countries in order to exchange experience. It is evident to us as the Managing Authority of CIP Interreg that Greece is moving along from the transnational project to a transnational way of thinking. This has given us a great advantage and the opportunity to speak the new "European language"!

Thank you very much, I will be happy to answer your questions.

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**Progetto grafico**

SeTai, Venezia

**Traduzioni**

Just!Venice, Venezia

**Stampa**

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