

## GOOD MANAGEMENT PRACTICES IN INTERREG IIIB PROGRAMMES

Vienna, Austria, 10 – 11 July 2006

Museumstrasse 3/A/III

### SUMMARY DOCUMENT ON THE MAIN FINDINGS OF THE SEMINAR

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#### Seminar objectives:

To provide a **discussion forum on achievements and problems** occurred in the **current programming period**;

To collect **good practices examples to be reported in a summary document** in order to support **the preparation of the new programmes**.

#### Main expectations from the seminar:

- A good platform / exchange of experiences on the implementation of the current programmes and good practices in IIIB programmes for the preparation of the Territorial Cooperation Objective programmes / common approaches, in order to improve programme / project quality
- Discuss tools for project generation / development (feasibility, effective, costs, top-down elements)
- Methods of project assessment (time, role of JTS, expertise needed, costs)
- Cost effective and successful information tools / project communication
- Programme management bodies division of tasks
- State of development of other IIIB programmes
- Financial questions such as how to manage revenues, TCAs, Budget structure

#### Working session 1: Project development:

##### Open questions:

1. In order to comply with EU, national and regional policies does your programme proactively stimulate potential applicants to develop strategic projects (project generation)? If yes, what kind of top-down approaches does your programme use?
2. Besides the usual calls, does your programme use other bottom-up project development tools? What kind of tools?
3. What are main bottlenecks and practices in the project assessment procedure you applied?
4. Does your programme support partner search? How?
5. Does your programme also involve partners outside the EU borders? How does the partner search work there?
6. Private project partners: Are they eligible? What is their legal status? Under which conditions/requirements?

PROGRAMME	Practices which worked well under INTERREG III
Alpine Space	<p>1 Workshops, national seminars, manuals, project data base (available through the website)</p> <p>2 NCPs and regional contact points / individual consultations</p> <p>3 <u>Two steps application procedure. See below.</u></p> <p>4 Partner search forum (in 2001)</p> <p>5 Non-EU countries: Switzerland and Liechtenstein</p> <p>6 Private partners integrated as full PPs (project partners)</p>
Bottlenecks To be avoided	<p>3 Length of the assessment process. Lack of content expert.</p> <p>Private partners risks:</p> <p>6 <u>Private partners bottlenecks/risks: Revenues. Competition law. Risk of bankruptcy.</u></p>
Baltic Sea Region	<p>1 Top down approach: targeted calls (good evaluation by participants) + project ideas to be collected through project idea forms.</p> <p>Having a dense policy reference framework for the region / organisations.</p> <p><u>Specific calls to meet programme target (e.g. spending level) or other funding such as TACIS, have been carried out.</u></p> <p><u>Thematic workshops on programme priorities – also useful for partner search (good evaluation by participants).</u></p> <p>2 three days Individual Project Consultations (IPC) sessions in each JS location organised during the call; only applicants who register and submit project idea before the IPC can attend the session</p> <p>applicants may ask for pre-assessment of the project idea</p> <p>Detailed Programme Manual covering issues from project generation till implementation</p> <p>3 technical eligibility assessment carried out by JS. Project Quality assessment made by external experts – selected Assessment team. JS prepares the strategic assessment based on the analysis/comparison of the already approved projects in the programme and programme needs.</p> <p>4 project idea database available on the website – new idea added to the web is sent out to all other ideas owners who placed their idea on the web; partner search forums – conferences, seminars, info events</p> <p>5 Having Russian / Belarusian experts for programme information and advice on Tacis funding (Tacis TA)</p> <p>6 No private partners eligible (for ERDF funding), but public equivalent bodies as for example, associations, chambers of commerce could receive funds. Nevertheless private companies also participated without ERDF or Public funding.</p>

<p>Bottlenecks To be avoided</p>	<p>- <u>No sufficient TA funding for project development (strategic projects), not enough resources in the future programming period</u></p> <p>- Lack of commitment from national regional authorities</p> <p>- Seed money / micro projects: High administrative costs for project and programme</p> <p>- <u>Individual consultation/advice has the risk of unfair treatment of applicants. Transparency must be ensured.</u></p> <p>- Tools : too time / resource consuming</p>
<p>CADSES + North West EU</p>	<p>1 Individual consultation by CCPs. National Info-days and transnational seminars. Thematic seminars.</p> <p>2 Website-project ideas section. Handbook on management. Annual conference and thematic workshops.</p> <p>3 Transparency through <u>the project assessment manual</u>, which has been published and made available in the application pack.</p> <p>The technical assistance provided in the assessment (not always adequate for decision-making bodies) is not binding for the SC</p> <p>4 <u>Involvement and good networking of CADSES contact points +JTS in the support to partners</u></p> <p>5 Neighbourhood dimension in CADSES. <u>Contracting Authorities, Transnational contact points and CCPs in NMS support non-EU project partner search.</u></p> <p>6 Private partners are eligible (in compliance with the Regulations on State aid). If the LP is a legal entity or body under private law or a natural person, he has to submit a deficiency guarantee of a bank..</p>
<p>Bottlenecks To be avoided</p>	<p>3 Ranking by assessment (not always adequate for decision-making bodies)was not binding for the SC (sometimes results were reversed).</p> <p><u>Too many applications and too many stakeholders involved in the selection procedure – lead to delays and double work.</u></p> <p>This is due to the big programme areas (18 countries) and number of partners involved.</p> <p>4 Not always genuine cooperation, but rather fund raising</p>
<p>Archimed</p>	<p>Transantional info days, information sessions at a national level;</p> <p>Individual consultations on a national level whenever requested;</p> <p>Several non EU countires can participate in the Archimed programme, namely Turkey, Lebanon, Syria, Libya, Israel, Jordan, Egypt and the Palestinian Authority, However, under the first call, partners from such countries had to fund their own participation .</p> <p>Private partners are not eligible for funding under the Archimed programme. However, public equivalent bodies are eligible for participation and several public equivalent bodies applied for funding in the first call of proposals;</p>
<p>Bottlenecks To be avoided</p>	<p>No JTS (Archimed).</p>

## Main findings:

**Project development practices which worked well under INTERREG III:**

1 Alpine Space **Two steps application procedure** which was applied in the course of the targeted call 4. Description: The “terms of reference” specified what the partner states exactly expected from projects to be submitted in each priority of the OP. 40 project ideas were presented in a short form with key information on the project (4 pages)., 5 projects that were regarded to fit into the programme and meet the expectations were pre-selected and invited to submit a full application form. Pre-selection was made through SC written procedure. It roughly took 6 months from issue of ToR by JTS to final approval. No complaint from rejected applicants. This call was launched on basis of results gained through 3 thematic workshops that dealt with one programme priority each (presentation of project results, stimulation of exchange of experiences/networking between projects) which also proved to be a useful instrument.

This was voted by participants as the best practice in project development.

2 CADSES **project assessment manual**, published in order to ensure transparency in project selection procedures.

3 Baltic Sea Region **Thematic workshops on priorities** – which were also useful for partner search. Together with Transnational Working Groups of project partners (TWG : **workshops on project results in a certain thematic area**).

Working session 2: Programme implementation:

## Open questions (part 1):

1. Do you think that responsibilities of programme bodies for the implementation of your programme are always clearly set? What can be improved?
2. What are the most used ways of reporting implementation achievements among the programme bodies work? (E.g. reports, regular meetings, SC, MC). What role does informal communication (e.g. E-mail, informal gatherings) play?
3. What role does informal communication (e.g. E-mail, informal gatherings) play?
4. What support tools do you use for a smooth cooperation with project owners? (E.g. Monitoring system, individual advisory opportunity).
5. Do you hold meetings with lead partners /project partners on a regular basis?
6. What financial audit bodies do you have and which system is the most effective among centralized / decentralized / mixed systems?

PROGRAMME	Practices which worked well under INTERREG III
ALPINE SPACE	<p>Smooth communication between MA and NCP (national contact points), MA and Financial Control Group, JTS and Lead Partners.</p> <p><u>Regular NCPs and JTS meetings are identified good practice.</u></p> <p><u>Thematic workshops and Lead Partner seminars at project approval and at project closure (dedicated to presentation of project results, stimulation of exchange of experiences/networking between projects) as well, as they foster contacts and synergies between projects.</u></p> <p>Also PPs events at national level on FLC and eligibility, partner search and project closure.</p> <p>As for appeal procedures: the MA acts on basis of Austrian private law. According to this law applicants have no legal claim regarding the grant of ERDF- funding as long as the subsidy contract is not concluded.</p>
Bottlenecks to be avoided	<p>The Conference of Regions was regarded as very innovative approach to involve regional politicians, however it was not easy to animate politicians to participate. In the future programme the involvement of this level has to be ensured by other means.</p> <p><u>Overlapping of members of MC and SC –in the future a joint committee shall be installed as more efficient</u></p> <p>Other <u>major bottlenecks are connected to some centralised FLC</u> (delays in the certification of expenditures) and also in the coordination among national FLCs and between these and second level control.</p>
Baltic Sea Region	<p><u>Tight Structure and strong connection among MA + PA + JS ensured by the Investitionsbank Schleswig-Holstein (IB) Non profit, public institution.</u> There are regular internal staff meetings (one per two months) + targeted meetings, trainings + day-to-day emails and phone calls.. A monthly workplan is a useful tool.</p> <p><u>The IB allows also independency and transnationality in the common programme management structures.</u></p> <p>The most important communication tools among programme bodies are electronic communication, meetings (e.g. very helpful are working meetings for example SC Task Force before the SC) and written procedures.</p> <p>The results of SC decisions are public</p> <p>8000 brochures about the projects approved in the programme; 5500 newsletters, programme website.</p>
Bottlenecks to be avoided	<p>The responsibilities between SC and MC must be better defined to avoid double work.</p> <p>The cooperation with EC delegations concerning the TACIS funding needs to be improved</p> <p><u>Website protected areas for MC &amp; SC members are not very functional as it is very rarely used by the members of MC and SC.</u></p>

<p>CADSES + North West EU</p>	<p>1 The responsibilities of programme bodies are clearly set.</p> <p>2-3 Effective communication and mutual support among Cadses contact Points (CCPs) – Transnational contact points and JTS. Rather smooth communication and advisory between CCPs and Project partners, between Lead partner and JTS (through meetings as well), MA and PA. MC/SC meetings and written procedures. At the beginning there was the Troika working group also (among SC/MC members and MA).</p> <p>The transnational annual meeting between JTS and CCPs is a good practice.</p> <p>Quarterly report (bulletin) about open issues to be sent to all stakeholders.</p> <p>5 LP Seminar at least one after each call for proposal. National Seminar for PP. Thematic seminars.</p> <p><u>6 Decentralised first level control (FLC) systems are usually more effective and may be paid under the project budget. To ensure quality, this should be a list of identified FLCs by MS. On the other hand, the centralised system guarantees more the national coordinator.</u></p>
<p>Bottlenecks To be avoided</p>	<p><u>Difficult communication because of the geographical distance between MA and JTS. + Coordination among different national FLCs should be increased.</u></p> <p>The role of the Financial Control Group has been defined by the MS during the implementation of the programme; it wasn't foresee at the beginning.</p> <p>Lack of checks on the timing and procedures of transfer of ERDF funds between LPs and PPs.</p> <p>Activity report have to be sent to JTS, whilst payment claim to MA – difficult to check consistency.</p>
<p>MEDOCC + Archimed</p>	<p>Smooth cooperation among programme bodies (EC + MA + PA+ MSC + JTS + Lead Partners + PPs).</p> <p>Duties for the different implementing bodies of the programme are clearly set;</p> <p>Meeting with LPs are important in different moments of implementation to provide guidance and advice. Also after project closure for presentation of results.</p>
<p>Bottlenecks To be avoided</p>	<p>No JTS for Archimed, which has caused delays in the Archimed programme</p>

Open questions (part 2):

- 1 What is the good common procedure and requirements for approving project changes?
- 2 What were the best indicators to support you in the monitoring of project implementation?

PROGRAMME	Practices which worked well under INTERREG III
ALPINE SPACE	<p>1 AS has published a guidance note on possibilities of project changes and provides individual guidance.</p> <p><u>There is a standardised form for requests for project changes (e.g. as regards budget shifts and project duration)..</u></p> <p>It is important that the responsibilities between JTS and SC are clear.</p> <p>The projects are advised to submit as few requests for project changes as possible.</p> <p>2 Work packages and efficient financial audit system are good tools.</p> <p><u>The indicators (requested in the application form) are to be inserted and are checked in the financial, activity and Information and Publicity progress reports, as well as in the final report.</u></p> <p><u>On the spot progress assessment after the first year of project implementation is a suggestion for the next programming period.</u></p> <p>Wishes: Higher flexibility for projects as regards changes in terms of financial aspects.</p> <p>To collect more information for assessment and monitoring.</p> <p>Some good tools are LP seminars, financial seminars, thematic workshops and regular meetings and monitoring. Better defined output and result indicators.</p>
CADSES + North West EU	<p>1 Minor changes (e.g.: below the 20% of the total budget): Just information to JTS and MA is necessary. Major changes (e.g.: up the 20% of the total budget): written procedure at SC.</p> <p><u>CADSES published a manual on project changes.</u></p> <p>2 Financial performance (in % of total budget) is a good indicator to be used.</p> <p>The use and monitoring of achievement of milestones and the monitoring of the results indicators. Also the rate of changes is a good indicator to assess the project implementation.</p> <p>Managing and Monitoring System available on web</p> <p>On the spot checks are important too.</p>
MEDOCC	<p>1 Under 10 % automatic (no requirement), over 10% written procedure at SC.</p> <p>2 Good monitoring system together with individual consultation helps.</p> <p>Good indicators: - level of expenditures; - coherence with project application form.</p>
ARCHIMED	<ol style="list-style-type: none"> <li>1. Less than 10%, a request to be submitted to the MA of the programme; If less than 10%, but amount equals participation of one of the participants, the modification should be approved by the Steering Committee; For modifications over 10%, a request should be submitted to the MA for onward transmission to the Steering Committee for approval;</li> <li>2. Financial performance; progress report to be submitted to the MA every three months;</li> </ol>

<p>Baltic Sea Region</p>	<p>1 the LP shall submit the request for project change (standard form available on the programme website)</p> <ul style="list-style-type: none"> <li>- project changes up to 20% of total project budget within the same Objective are made by the JS;</li> <li>- all other project changes shall be approved by the SC (written procedure launched 4 times per year)</li> </ul> <p>2 Projects shall submit Progress Report every six months; JS organises the Quality workshops for the approved projects on specific teams;</p> <ul style="list-style-type: none"> <li>- the projects set indicators in the application form, their achievement is monitored by JS every Progress Report;</li> <li>- Main challenges concerning the indicators: setting targets for the outputs and results; the quality and correctness of reported outputs and results; lack of reference to “good indicators” for such soft programmes as INTERREG</li> </ul>
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Main findings:

**Programme management practices which worked well under INTERREG III:**

1 In general **decentralised first level control** (FLC) systems are more efficient and may be financed within the project budget. To ensure quality, the MS should provide a list of identified FLCs, up to this task. The coordination of different national FLCs and their rules must be increased.

2. **Strong connection and smooth communication** among programme bodies, e.g. JTS and MA, is the secret of success for some programme.

2 Alpine space and CADSES **manuals on project changes**, together with project changes procedure/form. Higher flexibility to be ensured.

3 Good set indicators, including **expenditure level check** but also coherence with application form information, should ensure a **good monitoring all along the project duration** (application-progress reports-closure/results). On the spot checks should be also planned.

Working session 3: Financial management

- 1 How does your programme handle Common Transnational Activities?
- 2 How does your programme handle revenues in the financial reporting and what should be provided in the budget plan of future programmes?
- 3 How does your programme assess and ensure the financial sustainability after project closure?

PROGRAMME	Practices which worked well under INTERREG III
ALPINE SPACE	CTA management description: See relevant documents
Common findings on CTAs practices	<ul style="list-style-type: none"> <li>- One project partner (PP) should be responsible towards the service provider for contracting.</li> <li>- Public procurement law requirements must be fulfilled.</li> <li>- The CTA should be identified in the application form (AF) from the very beginning and also laid down in the partnership agreement (PA).</li> <li>- Description of CTA in the AF and PA ensure transparency and more and better control of the implementation.</li> <li>- Major advantages of CTA : ensure transnationality of activities, balanced share of budgets, flexibility, effectiveness and cost efficiency,</li> <li>- The partner responsible for CTA will be reimbursed by other PP pro quota.</li> <li>- Reimbursement is better also in order to avoid VAT that should be paid out if the implementing PP issues an invoice instead of a mere certification.</li> <li>- JTS must provide guidance (through consultation or manuals) setting the principles and common understanding.</li> </ul>
CTAs as a bottleneck	<ul style="list-style-type: none"> <li>- For some programmes the project partners allocate funds and decide that a partner is responsible for a certain activity. This partner should spend and certify its own expenditures. No need of CTAs.</li> <li>- Less problems of certification of expenditures (some FLCs do not certify them).</li> <li>- Sometimes PPs cannot reach an agreement on CTAs.</li> <li>- They increase internal documentation and administrative work.</li> <li>- Difficult to match with other legal systems, lack of coordination among FLCs.</li> </ul>
Practices on revenues management	<ul style="list-style-type: none"> <li>- In some programmes, revenues (during project implementation) have to be identified in the Application form, reported in the progress and final report and confirmed in the certification of expenditure.</li> <li>- To foresee revenues in the application form increases awareness that these can be used, in order to cover some project costs. Profit must be excluded.</li> <li>- <u>Common understanding of programmes on revenues after project closure should be endeavoured.</u> To this end, public discussions can be useful.</li> <li>- Another way of handling them is to decide they have to be reported separately together with other not eligible costs. First level controllers can check this deduction.</li> <li>- For some programmes, no specific budget line in the application because PPs knows that revenues must be deducted from ERDF (they reduce the funding). Less administrative work.</li> <li>- Revenues could finance specific additional activities, such as project result dissemination.</li> <li>- <u>In general, future programmes should ensure more flexibility in the budgets, less budget lines and less detailed budgets (e.g. work package and annual spending are important, but not the cost category), in order to decrease the administrative workload connected to budget changes.</u></li> </ul>

<b>Bottleneck on revenues management</b>	<ul style="list-style-type: none"> <li>- Difficult definition.</li> <li>- Difficult check of revenues after project closures.</li> </ul>
<b>Practices on financial sustainability after project closure</b>	<ul style="list-style-type: none"> <li>- Financial sustainability should be part of the monitoring system and of quality assessment. It should be checked in the Application form and final report as well.</li> <li>- MA may check also this within 5 years from project closure. A procedure should be set up.</li> <li>- In the last year of the project, JTS should carry out on the spot checks on the investments and in order to discuss communication issues and audit after project closure, etc.</li> <li>- A way is the enhancement of partnerships, e.g. through association of project partners, which ensures also follow up activities, capitalisation and dissemination of project results.</li> </ul>
<b>Bottleneck on financial sustainability</b>	<ul style="list-style-type: none"> <li>- Ex-post evaluation has not been carried out.</li> <li>- No procedure has been established.</li> </ul>

Main findings:

**Financial management practices which worked well under INTERREG III:**

1 A standardised, pre-identified **Common Transnational Activities** management ensures: transparency, balanced share of costs, control, cost efficiency, transnational nature of activities, advantages from different partner expertise. Reimbursement among partners, instead of VAT connected invoicing.

2 A foreseen **management of revenues**, set up from the application form to the final report, enables more control and more awareness by project partners that revenues may cover some project costs, even though avoiding profit. On the other hand budget lines should be reduced, in order to reduce monitoring duties and administrative workload.

3 Capitalisation and dissemination of project results are connected **with the financial sustainability of projects** (after their closure). Stronger partnerships ensure more sustainability.

Working session 4: Information and publicity issues

1 What are the most innovative features of your programme in the communication policy?

2 What are your recommendations for the new programmes?

PROGRAMME	Practices which worked well under INTERREG III
Alpine Space	<p>1 Website / Project booklet on all projects in 5 languages / Programme brochures / Thematic workshops (with special thematic publications) / Gadgets / newsletter / Peak event – Alpine Space Summit with brochure on proceedings (follow up, dissemination for open public, not only participants).</p> <p>2 Programme kick off event / Videos on project results / Thematic events / Seminars regarding I&amp;P issues (with professional support)/ Corporate design/ Direct communication towards local media. <u>To increase visibility, the events should be more attractive for the target audience.</u></p>

Baltic Sea Region	<p>1 Combination of various tools are used. Newsletters, information events, brochures, programme website, publications on project outputs/results. Interactive transfer of results is very important. The main promoters of the programme are projects – their results therefore also Communication training was organised for project representatives dealing with communication issues</p> <p>2 <u>A market research</u> is necessary to plan communication tools.</p>
CADSES	<p>1 Country specific session of the web site / annual communication plan is presented to MC by the end of the year for approval, whilst monthly plan is not (this enables a smoother work for communication officer) / synchronisation between online project data base and the online section / annual conference and project exhibition</p> <p><u>Training of projec managers and guide on communication / web analyser</u> (number of visitor to the web page).</p>
MEDOCC and Archimed	<p>1 Dissemination tools (project guide, website forum, conference interpartenariale, newsletter, press releases at national level) / Communication channels (info days, thematic seminars, e-mailing)</p> <p>2 <u>Communication tools should increase stakeholders´commitment.</u></p>
North West EU	<p>1 <u>Major communication seminar</u> (2 days) for all projects. Sessions will include presentation and drafting skills, media interviews, press releases, slogans writing skills.</p>

Main findings:

**Information and publicity practices and suggestions:**

- 1 **Political awareness** on Territorial Cooperation programmes should be increased.
- 2 **Increased attractiveness** of information and dissemination events for the target audience.
- 3 Communication tools should be developed through a **market research** beforehand.
- 4 **Trainings on communication skills** are necessary (for programme and project partners).

**NEIGHBOURHOOD PROGRAMMES**

Open questions:

- 1 - How is the financial flow for EU and non-EU project partners?
- 2 - How do they manage the different financing sources? What kind of bottlenecks and overlapping come up?
- 3 - What procurement laws apply to non-EU project partners?
- 4 - Other bottlenecks occurred in neighbourhood programmes and possible way to solve them and recommendations for the new programming period.

PROGRAMME	Practices which worked well under INTERREG III
<b>Practices / recommendation</b>	<ol style="list-style-type: none"> <li>1 BSR joint procedures established to carry out the joint ERDF and TACIS call: Applicants submit one joint application form to require both ERDF and Tacis funding; joint assessment of applications, one funding decision</li> <li>2 BSR Active involvement of Russian and Belarusian partner in the programme, also high interest from participants especially in Russian regions</li> <li>3 BSR TACIS TA allows to carry out information events in Russian and Belarus, hire TACIS experts, translate main programme documents and info materials into Russian e.g. to create the website in Russian, to establish info point in Russian and Belarus</li> </ol>
<b>Bottleneck</b>	<ol style="list-style-type: none"> <li>4 Different authorities: ERDF Paying Authority for EU PP, on one side, contracting Authorities for non-EU PP, on the other.</li> <li>5 Different LPs for ERDF funds and financial LPs for external funds (PHARE, CARDS, TACIS CBC). Different contracts. Different rules (Structural funds Regulations for EU PP- PRAG Regulations for non-EU PP)</li> <li>6 It would be better to foresee the same rules for EU and non-EU project partners participating at the same Programme.</li> <li>7 Although the project shall submit one joint application contracting is done separately one contract for ERDF issued by the JS and one contract for external funds (PHARE, CARDS, TACIS CBC) issued by EC Delegations;</li> <li>8 Contracting takes longer time then expected and commencement of activities financed by external funds (PHARE, CARDS, TACIS CBC) are delayed</li> <li>9 Difficult coordination ERDF with external funds (PHARE, CARDS, TACIS CBC), which are managed by the European Commission / EC-Delegations according the PRAG rules.</li> <li>10 Quite complicated and time consuming procedure to apply for the external funds (PHARE, CARDS, TACIS CBC) TA funding</li> <li>11 For BSR: Although the projects that approved by the SC can receive the funding, each project partner from Belarus shall follow internal approval procedure in Belarus, and only after receiving the approval can start the project implementation; as the procedure is time consuming it causes delays in the project start</li> </ol>