



A Study of the Mid Term Evaluations  
of INTERREG programmes  
for the programming period 2000 until 2006



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## **A Study of the Mid Term Evaluations of INTERREG Programmes for the Programming Period 2000-2006**

The INTERACT Programme seeks to build on the experience and lessons of INTERREG I and II to increase the effectiveness of INTERREG III during the current programming period and to provide technical contributions to the Reform of the Structural Funds for the programming period 2007-2013, with particular regard to European Territorial Cooperation. The objectives of the INTERACT Programme is to develop management tools for effective territorial cooperation across the EU, to set up and manage communications networks, to define information frameworks and flows and to facilitate the exchange of INTERREG experiences.

In order to set and adapt the services of the Programme and to address the emerging needs of the numerous actors involved, both at programme and project management level, a survey – “INTERREG – An Assessment of Needs by INTERACT” – was conducted in 2003. The survey confirmed the importance of seeking regular feedback from the community targeted by services of the INTERACT Programme. This is especially necessary since it is likely that needs will evolve rapidly among the EU Member States, and in a particular way the new Member States, as the latter begin to gain hands-on experience with INTERREG.

A source of potential learning was represented by the Mid Term Evaluations of the INTERREG III programmes across Strands A, B and C. These were prepared per programme in accordance with Article 42 of Council Regulation (EC) No 1260/1999 of 21 June 1999 and were carried out under the responsibility of the Managing Authorities and the Member States concerned. A comprehensive collection of these Evaluations was published for the first time on the INTERACT Programme website in June 2004, thanks to the collaboration of all Managing Authorities involved in these programmes and the Directorate General for Regional Policy of the European Commission.

The carrying out of a detailed analysis of the Mid Term Evaluations was agreed by the INTERACT Monitoring and Steering Committee in order to provide the INTERACT Secretariat and the INTERREG community with a synthesis of the main conclusions and recommendations for influencing and guiding the operations in the current programming period. A strong focus also was on having a strategic input into the debate over the reform of the Structural Funds, in particular on territorial cooperation for the 2007-2013 round of Structural Funds.

The research was launched in 2004 and conducted by Professor John Bachtler, Sandra Taylor and Karol Olejniczak at the European Policies Research Centre of the University of Strathclyde in Glasgow (UK), having been contracted by the INTERACT Secretariat on behalf of the Austrian Federal Chancellery (the INTERACT Managing Authority). While studying the Mid Term Evaluations and drawing conclusions, the researchers constantly consulted and were assisted by the INTERACT Secretariat staff members. The main findings, the conclusions, the sources of information, the companies and research institutes that conducted the Mid Term Evaluations, and the people interviewed are presented and named in this Study.

I would like to acknowledge the constructive contributions of the members of the INTERACT Monitoring and Steering Committee, the support and inputs received from the desk officers of the INTERREG Unit in the Directorate General for Regional Policy of the European Commission and the useful advice of our colleagues from the INTERACT Points.

Finally, I would like to thank my predecessor Patrick Colgan and my colleagues Mattia Agnetti, Gianluca Spinaci, Inge De Prins, Luise Wascher and Helena Nejedla in the INTERACT Secretariat without whom this work would not have been completed.

Timothy O'Sullivan  
Head of Secretariat



Glasgow, January 2005

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The authors are grateful to the INTERACT Secretariat for their constructive support to the research process, including coordinating the collection of documentation. Thanks are also due to those who agreed to allow their studies to be considered in the course of this work and to DG Regio desk officers who provided valuable feedback.

While every effort has been made to ensure accuracy in our reflection of MTE findings, any errors of fact or interpretation are entirely our responsibility.

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# EXECUTIVE SUMMARY

## AIMS AND METHODOLOGY OF THE SYNTHESIS

This study comprises a synthesis of the findings of the Mid Term Evaluations of 67 Strand A, B and C INTERREG III programmes which were undertaken in 2003. The study has three aims:

- to take stock of progress to date in INTERREG programming, highlighting strategic, structural and operational strengths and weaknesses;
- to help inform the priorities of the INTERACT Community Initiative, a new Technical Assistance programme established in 2002 to support effective INTERREG programming;
- to identify any lessons which could inform provisions for territorial cooperation in the post-2006 Structural Fund programming period.

The report attempts to give an overview of the state of play of INTERREG and to allow programmes to place their experiences in context. It is hoped that it will be of interest to the many different INTERREG stakeholders.

## SETTING THE CONTEXT: INTERREG III

The INTERREG Community Initiative is now in its third programming period. It has evolved in terms of design, management and delivery over almost 15 years to reach its current configuration. Strand A programmes for cross-border integration are the most numerous and have been in existence for longest. Strand B programmes for transnational cooperation emerged in the late 1990s out of INTERREG IIC transnational cooperation programmes and Article 10 pilot actions. Strand C programmes were newly introduced in 2000 and enable interregional exchange about policy design and delivery. In the current round, these strands have been newly complemented by the INTERACT Technical Assistance programme and the European Spatial Planning Observation Network (ESPON).

To set the context for INTERREG programmes, of which there were 72 in 2003, Chapter 2 provides an overview of the programmes and proposes some straightforward groupings which are used later in the report to help understand different INTERREG experiences.

In particular, the 53 INTERREG IIIA programmes are divided into four categories based on the types of border involved: internal borders and three types of external border – with ‘neighbouring’ countries (notably Switzerland and Norway), with new Member States and with other third countries (e.g. Bulgaria, Morocco and Russia).

The 13 INTERREG IIIB programmes are subdivided into three groups: homogeneous (operating largely within the EU-15); diversified (involving the largest numbers of external and new Member State countries); and development-oriented (in the outermost regions).

## **EVALUATING INTERREG III**

This is the first time all INTERREG programmes have undertaken a Mid Term Evaluation. There is an opportunity to draw out lessons from these studies about the practice of INTERREG evaluation, and so to enhance the quality and usefulness of the 2005 follow-up studies.

In terms of the overall scope of studies, most programmes systematically addressed the issues proposed by DG Regio, with a clear emphasis on operational aspects and monitoring indicators. In some cases, there was too much emphasis placed on contextual analysis which added little value and not enough on (even preliminary) analyses of likely programme effectiveness.

The techniques used in studies were diverse, but with more emphasis than might have been expected on desk research rather than interactive methods such as surveys, interviews and focus groups. Interactive techniques have good potential to generate genuinely new information and to strengthen partnership, and they were used to good effect in many evaluations. Examples are given here to illustrate the potential applicability of more participatory styles of evaluation.

With respect to the overall usefulness of the MTEs, most provided a balanced summary of programme progress, highlighted key unresolved issues and set out pertinent and justified recommendations to improve future programming. However, a minority of studies (of programmes whose implementation had not yet gained momentum) failed to reflect the urgency of addressing this situation.

The review identified three areas in which there is scope for INTERACT to support future evaluation efforts: facilitating lesson-learning about the 2003 evaluations; developing a community of practice around INTERREG evaluation; and underpinning this by providing a resource hub and common services.

## **THE EVOLVING CONTEXT AND STRATEGIC RELEVANCE OF THE PROGRAMMES**

*Contextual reviews.* Two related tasks of the MTEs were to identify: (i) how the programme context had changed since programmes were developed; and (ii) to use this information to reflect on the continuing appropriateness of strategies, proposing adjustments if necessary.

The optimal scope of an INTERREG contextual analysis incorporates socio-economic analysis, but also reflection on changed or better-understood geopolitical, strategic and institutional circumstances. A danger of contextual analysis is that it becomes an academic exercise, only loosely related to the concerns of the relevant INTERREG programme. Illustrating good practice, two contextual analyses are described, which were shaped in a targeted way to generate useful insights and improve programming.

There is scope for INTERACT to build capacity in the INTERREG community in terms of high-quality contextual analysis and to provide services which make tracking contextual changes a more efficient and effective process.

*Strategic relevance.* Evaluators were charged with assessing the continuing relevance of INTERREG strategies, based in part on the contextual analyses, and proposing adjustments to programmes as appropriate. Overall, the process has led to the fine-tuning of programmes rather than significant changes; continuity has been the preferred policy unless there are compelling reasons to make adjustments.

Where adjustments were proposed, these were variously justified, including: the need to increase uptake of selected opportunities; responding to a changing economic environment by prioritising economic development; prioritising areas where INTERREG added most value; and adjusting to wider strategic changes.

There is scope for INTERACT to facilitate a process of learning and exchange about the optimal design and steering of INTERREG strategies, but this activity will be most relevant once the process of developing INTERREG programmes for the 2007-13 period is underway.

## **PROGRAMME EFFECTIVENESS**

Measuring effectiveness involves consideration of the financial and physical progress of programmes, comparing this with available budgets and the targets set for the programmes at the outset.

The amount of progress made by the time the MTEs were undertaken was partly conditioned by how long they had been running. Many programmes had been approved for around two years by the time the evaluations had to be delivered, although some had been approved for less time than this.

*Financial progress.* Figures compiled from MTEs suggest that financial progress is very variable. For around 10 per cent of programmes, both commitments and spending are on track. In a second large group, however, while commitments are progressing healthily, spending is low. A final group includes programmes which are barely underway. Of these, some are clearly facing intractable barriers to implementation.

The latter two groups face potential decommitment of funds under the n+2 rule if their European Regional Development Fund (ERDF) spending rates do not increase. Too few evaluations gave this issue sufficient priority, but some did generate some useful insights into the reasons for slow progress as well as recommendations to accelerate commitments and spending.

*Physical progress.* The MTEs provided patchy analysis of physical progress. Programme performance was generally measured in terms of the number and distribution of approved projects. In addition, many evaluations addressed participation, finding that the programmes had been good with respect to overall participation levels and partner diversity. However, the evaluations supplied less information about physical commitments and achievements.

The MTEs provided some analysis of the horizontal themes, noting that the concepts were not always well understood or seen as relevant by programme and project actors. Similarly, some

evaluations addressed the Community value added of the programmes, noting the considerable added value associated with INTERREG, but also highlighting the administrative burden which detracts from this to some extent.

## **PROGRAMME MANAGEMENT**

Unique among Structural Fund programmes, INTERREG programmes face a number of difficulties arising from their international nature, including issues relating to the geographical spread of the programmes, the diverse political, legal and administrative contexts they must accommodate and their need to remain accessible to partners. For the most part, programmes have risen to these challenges, providing a range of good practice in integrated programme management, with the most integrated or inclusive models in place in the IIIA programmes on internal borders and the IIIB and IIIC programmes.

Different programmes are characterised by different management structures, especially with respect to the location, coordination and operation of Managing and Paying Authorities and the Joint Technical Secretariats. Several models appear to offer effective solutions, but each presents its own challenges. Evaluations also explored the different approaches to Monitoring and Steering Committees. MTEs generally appraised them as effective structures, although with some potential for improvement, for example in terms of the strategic orientation of Monitoring Committees. A range of other bodies contributing to INTERREG management are also highlighted. The use of additional support structures at the local level is particularly common in IIIB programmes and there are opportunities to learn about the contribution made by these different institutions.

The diversity and international character of INTERREG programmes provides a good platform for exchange of experience between different programmes. There is ample scope for INTERACT to provide a range of common services in the areas of recruitment, induction training, brokerage of staff exchange and providing background information on the institutional contexts of the EU-25 countries.

## **PROGRAMME IMPLEMENTATION**

Three aspects of implementation are pivotal to progressing INTERREG programmes: publicity and communication; project generation; and project selection. Overall, programmes appear to be progressing well in these three areas, with most MTE recommendations aiming to refine existing systems based on stakeholder feedback.

INTERREG programmes are actively engaged in publicity and communication, but they face problems not encountered by other Structural Funds programmes. Their international dimension requires the provision of consistent information in different languages. Nevertheless, the programmes provide a range of good practice in terms of improving the quality and accessibility of information, raising their profile, and targeting potential applicants.

Project generation is another significant challenge, not least as it often requires the development of project partnerships among organisations with limited experience in Structural Fund projects. The time required for the application process, the complexity of multiple partner projects and the variable support to applicants have proven critical factors in this area of programme implementation.

A related issue is project appraisal and selection, which has been of variable quality across the programmes, largely reflecting the maturity and embeddedness of existing approaches by programmes. Nevertheless, evaluators have drawn out good practice in a number of areas, especially the use of techniques to make programmes more accessible to more organisations, including: Small Project Funds; grading of project types by capacity; and using two-step application procedures.

## **MONITORING INTERREG PROGRAMMES**

The MTEs were tasked with assessing the quality and suitability of the monitoring arrangements in place for INTERREG programmes. Most concluded that, although monitoring of INTERREG programmes has improved significantly since the previous programming period, this is an area in which further development is desirable and indeed necessary. The aim is not to pursue monitoring for its own sake but to improve the management information available to programmes.

Many monitoring systems are still not yet mature, with databases still being finalised and indicator sets being tested by their use to quantify the outcomes of real projects. Many evaluators dedicated significant effort to making proposals to improve monitoring arrangements. Some recommendations were very practice-oriented, relating to improving definitions, simplifying indicator sets or improving communication with applicants about indicators.

A recurring issue (for wider debate) is the question of whether Structural Fund monitoring practices, and quantified indicators in particular, fit well with the soft and innovative aims of INTERREG programmes. Some programmes aim to capture INTERREG-specific achievements by extending their monitoring indicators to cover the interactions encouraged by the programme, but an alternative approach involves using more qualitative techniques at the evaluation stage including interviews and case studies to capture such outcomes.

INTERACT can clearly play a role in facilitating further development of monitoring practices in INTERREG programmes. However, it is important that, at this late stage in the current programming period, the emphasis is on refining rather than revising existing monitoring frameworks.

## **CONCLUSIONS: IMPLICATIONS FOR INTERACT AND FOR POST-2006 TERRITORIAL COOPERATION**

The last chapter of the report provides a summary of the report's findings, and then goes on to address two questions: (i) What are the implications of the synthesis of MTE findings for INTERACT's priorities over the remainder of the current programming period? and (ii) How does it inform the debate about the future of EU-supported territorial cooperation?

In providing support to INTERREG programmes, it is important to recognise the significance of a range of contextual factors which condition and influence their performance. By way of illustration, five parameters are described, relating to: administrative culture; the conditions in the border regions; the status of regional and local self-government; the availability of alternative funding sources; and the extent of experience.

Following this, recommendations about future INTERACT Priorities are presented, structured around five key questions, considering: (i) how INTERACT can focus its strategic approach; (ii) how it should structure its response to programme needs; (iii) how learning opportunities can be maximised; (iv) what the highest priorities for intervention are; and (v) how INTERACT can support actors at the project level. These broad proposals are supplemented by sections at the end of every chapter of the report which identify more specific themes or issues where INTERACT Intervention could be beneficial. The most urgent priorities highlighted for INTERACT include facilitating the successful launch of the new Member State programmes and averting the threat of automatic decommitment. A strong overall theme is the importance of interaction in both learning and codifying as well as generating new knowledge. This points towards investment in creating focused communities of practice.

In terms of the reform debate, the Commission's continuing commitment to territorial cooperation is clear. This is an area in which the Structural Funds achieve undisputed added value. As the details of future provisions become clearer, however, it will be important for INTERREG actors to participate actively in the debate to ensure that future instruments are both strategically effective and practical, ideally introducing changes which address some of the problematic features of the current INTERREG programming environment. In addition to raising some overall issues of concern, including the appropriateness of applying the n+2 rule to INTERREG programmes, the chapter highlights some issues for debate relating to the future provisions for INTERREG Strands A, B and C.

# 1 AIMS AND METHODOLOGY OF THE STUDY

## Summary

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This study comprises a synthesis of the findings of the Mid Term Evaluations of 67 Strand A, B and C INTERREG III programmes which were undertaken in 2003. The study has three aims:

- to take stock of progress to date in INTERREG programming, highlighting strategic, structural and operational strengths and weaknesses;
- to help inform the priorities of the INTERACT Community Initiative, a new Technical Assistance programme established in 2002 to support effective INTERREG programming;
- to identify any lessons which could inform provisions for territorial cooperation in the post-2006 Structural Fund programming period.

The report attempts to give an overview of the state of play of INTERREG and to allow programmes to place their experiences in context. It is hoped that it will be of interest to the many different INTERREG stakeholders.

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This is the third Structural Fund programming period in which the INTERREG Community Initiative has operated, but it is only the first in which Mid Term Evaluations (MTEs) have been undertaken for all of the programmes and the first in which they have had the benefit of a dedicated Technical Assistance programme in the form of INTERACT. The MTEs are potentially valuable to individual programmes, as they were timed to provide useful analysis, reflection and recommendations for enhancing their future success. At the same time, there is an opportunity to identify the common lessons of these reports and to share them more widely. The current study was proposed as a means to do this. It was undertaken using all the INTERREG III A, B and C MTEs available by 31 October 2004.

62 MTE reports were analysed, addressing 67 programmes (one covered the three programmes along the Danish-German border and one covered all four Strand C programmes). Three programmes were not addressed, either because the evaluation was not available by November 2004 (Italy-Albania IIIA) or because an evaluation was not undertaken (Greece-Turkey IIIA and Italy-Croatia-Bosnia-Yugoslavia IIIA).

The study has three aims:

- To take stock of progress to date in INTERREG programming, highlighting strategic, structural and operational strengths and weaknesses.
- To help inform the work of INTERACT by identifying or confirming development priorities for the INTERREG community over the second half of the programming period, both in terms of INTERREG programming itself and the practice of evaluation. The latter issue has special relevance in terms of the updates of the 2003 MTEs, which have to be delivered by the end of 2005.

- To reflect on what can be learned that could inform the design of future territorial cooperation initiatives in the post-2006 period.

The review of MTEs has been undertaken within the context of the wider body of INTERREG-relevant documentation, including regulations, communications, working documents, guidance notes and other resources. It has also been informed by the *ex post* evaluation of INTERREG II 1994-99, which helps to provide an evolutionary and historical perspective on experiences in the current round.

In order to undertake the synthesis, a questionnaire was designed to extract information from the INTERREG III MTEs and collate it in an Access database. To facilitate the rapid extraction of information, the structure of the questionnaire was guided by the MTE structure suggested in Working Paper 8. The analysis not only covered the findings of the evaluations, but also reflected on the nature of the evaluation studies themselves, enabling an overview of methodological choices and resulting outcomes to be compiled. At a very straightforward level, programmes were categorised into sub-groupings to facilitate a more structured discussion and to draw more informed comparisons between more comparable programmes.

This document constitutes the Final Report of the study. Given the number of programmes being discussed, the volume of information being synthesised and the diverse ways in which similar issues have been addressed in different MTEs, the report does not aim to be comprehensive, but instead attempts to identify and illustrate key trends and some distinctive experiences. Examples of programmes are given where possible to illustrate points, but they are only provided as examples and they do not constitute comprehensive lists of programmes sharing particular circumstances. It should also be noted that the study draws on the assessments of evaluators rather than on primary information from programme actors themselves.

Following this introduction, the report is structured into eight sections. Chapter 2 provides a contextual overview of the INTERREG III programmes and presents key features which help to categorise them. Moving on from this, Chapter 3 focuses on the practice of evaluation itself, reflecting on the methods used and what can be learned about evaluating INTERREG-type programmes. The next five chapters of the report address the core issues covered by the Mid Term Evaluations: the evolving context and strategic relevance of the programmes; programme effectiveness; management arrangements; implementation experiences and monitoring practices.

Each of these five sections starts by setting out the nature and relevance of the issue being addressed. It goes on to provide an overview of the range of findings presented in the MTEs, focusing on the main commonalities and contrasts identified in terms of circumstances, performance and issues. The nature of available evaluation material is also considered here in that it conditions what can be said about programmes. The sections discuss the explanations offered by evaluators for the phenomena observed and the recommendations made to address them. Each chapter finishes with some brief remarks about the implications of the findings for the INTERREG community, and, by implication, for the potential services to be provided by the INTERACT Service delivery architecture, comprising the Secretariat, based in Vienna, and the five recently established INTERACT Points:

- **Information and Animation.** Länsstyrelsen Jämtlands Län (County Administration Board Jämtland, Sweden)

- **Tool Box.** Generalitat Valenciana, Spain and Euregio Meuse-Rhine Foundation, Maastricht, Netherlands
- **Qualification and Transfer.** INTERREG IIIB North Sea Region Programme, Viborg, Denmark
- **IIIC Coordination.** INTERREG IIIC North Joint Technical Secretariat, located in Rostock, is the Lead Partner of a consortium consisting of four Joint Technical Secretariats and Managing Authorities based in Rostock, Vienna, Lille and Valencia and supported by the Investitionsbank Schleswig-Holstein, in Kiel, Germany.
- **Managing Transition and External Cooperation.** INTERREG IIIC East, City of Vienna, and Regional Council of Southwest Finland, Turku in Finland

The final chapter in this report summarises the findings of the synthesis and sets out its implications, both for the remainder of the current programming period and for future INTERREG programming in the 2007-13 period.

The report attempts to give an overview of the state of play of INTERREG and to allow programmes to place their experiences in context. It is hoped that it will be of interest to a diversity of INTERREG stakeholders. To facilitate this, the table below provides a 'reading guide' to the report for different audiences, notably strategic, programme and project level actors and evaluators.

Table 1.1: Reading guide for INTERREG actors

Chapter	Strategic level actors (EC, national)	Programme level actors	Project level actors	Evaluators
2. INTERREG III	✓✓	✓✓	✓✓	✓
3. Evaluating INTERREG III	✓✓	✓✓✓	✓	✓✓✓
4. Context and strategic relevance	✓✓	✓✓✓		✓
5. Programme effectiveness	✓✓	✓✓✓	✓✓	✓✓
6. Programme management	✓✓	✓✓✓		✓
7. Implementing INTERREG programmes	✓✓	✓✓✓	✓✓	✓✓
8. Monitoring INTERREG programmes	✓✓	✓✓✓	✓✓	✓✓
9. Conclusions and recommendations	✓✓	✓✓✓	✓✓✓	✓

A further point to note concerns the overall treatment of INTERREG programmes in this report. The three current strands of INTERREG programming (IIIA cross-border, IIIB transnational and IIIC interregional) are often addressed as separate and distinct instruments. Whilst acknowledging the distinctiveness of the different strands, this study also explores to what extent there is commonality of experience between them. Just as there is a continuum between Objectives 1 and 2, for example, it is argued that INTERREG programmes – and their projects in many cases – are also distinct, yet interrelated in terms of their structure, capacities and experiences. They are all complex,

international initiatives, but some more so than others. Likewise, within strands – and IIIA especially – there are such strong contrasts between certain sub-groups of programme that their experiences and challenges might only be compared with difficulty. Findings here have clear implications for the way that INTERACT targets, organises and delivers its support services and information exchanges.

In addition to this final report, a further output from this study is a password-protected database based on Access/Coldfusion, which provides access to the databank of MTE analyses. The database is accessible through web browsers and allows the information to be read selectively, edited and searched. The database is structured into several sections, describing programme content, evaluation methods used, quality of the evaluation and evaluation content (strategy and relevance, effectiveness, management, monitoring and case studies). The information entered into the database has been led in each case by the content of the particular MTE.

## 2 SETTING THE CONTEXT: INTERREG III

### Summary

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The INTERREG Community Initiative is now in its third programming period. It has evolved in terms of design, management and delivery over almost 15 years to reach its current configuration. Strand A programmes for cross-border integration are the most numerous and have been in existence for longest. Strand B programmes for transnational cooperation emerged in the late 1990s out of INTERREG IIC transnational cooperation programmes and Article 10 pilot actions. Strand C programmes were newly introduced in 2000 and enable interregional exchange about policy design and delivery. In the current round, these strands have been newly complemented by the INTERACT Technical Assistance programme and the European Spatial Planning Observation Network (ESPON).

To set the context for INTERREG programmes, of which there were 72 in 2003, Chapter 2 provides an overview of the programmes and proposes some straightforward groupings which are used later in the report to help understand different INTERREG experiences.

In particular, the 53 INTERREG IIIA programmes are divided into four categories based on the types of border involved: internal borders; and three types of external border – with ‘neighbouring’ countries (notably Switzerland and Norway), with new Member States and with other third countries (e.g. Bulgaria, Morocco and Russia).

The 13 INTERREG IIIB programmes are subdivided into three groups: homogeneous (operating largely within the EU-15); diversified (involving the largest numbers of external and new Member State countries); and development-oriented (in the outermost regions).

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### 2.1 A BRIEF HISTORY OF INTERREG

Before looking at how the MTEs were undertaken and what they found, it is useful to examine briefly the current community of INTERREG programmes. This is the third round of INTERREG programming. INTERREG I was introduced in 1990, and supported 31 cross-border programmes. It introduced an international dimension to Structural Fund programming, and, in the context of the Single Market, was a tangible expression of the objective of European integration.<sup>1</sup>

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<sup>1</sup> The account of the first two phases of INTERREG was informed largely by LRDP *et al* (2003) *Ex Post Evaluation of the INTERREG II Community Initiative (1994-99)*, Commission of the European Communities, Brussels.

The initiative was both expanded and diversified for the 1994-99 programming period, embracing three different types of multinational programme:

- Strand A was focused on cross-border cooperation and so extended the activities of INTERREG I;
- Strand B, which would only exist in this programming period, involved the completion of energy networks; and
- Strand C, introduced in 1996, addressed cooperation in regional and spatial planning, building on increased European policy interest in this field in the context of the European Spatial Development Perspective.

By the end of the 1994-99 period, 75 INTERREG II programmes were being implemented. The introduction of Phare CBC in 1994 and Tacis CBC in 1996 also offered scope for external integration efforts, with INTERREG IIA and Tacis or Phare CBC programmes attempting to mirror each other across the two sides of relevant borders.

In the 2000-06 period, INTERREG has continued into a third phase and, as in the previous phase, is the largest Community Initiative, but now receiving significantly more resources. It has an ERDF allocation of EUR 4 875 billion (1000 million = one billion) (1999 prices) and is divided into three strands.

- A Cross-border cooperation.** This strand promotes cooperation between adjacent regions with the aim of developing social and economic cross-border integration through common development strategies. This is equivalent to INTERREG IIA and includes the longest-running INTERREG programmes.
- B Transnational cooperation.** Involving national, regional and local authorities, this strand aims to promote better integration within the Union through the formation of large groups of European regions whose integration is strengthened through a range of strategic and conceptual initiatives. These programmes build on activities piloted under INTERREG IIC.
- C Interregional cooperation.** This strand is new and aims to improve the effectiveness of regional development policies and instruments through large-scale information exchange and sharing of experience (networks). It is focused on learning about policy rather than delivering it.

Two additional related programmes are operated under Article 53 of the INTERREG guidelines, each of which was also subject to an MTE in 2003.

- **ESPON.** The European Spatial Planning Observation Network (ESPON) is financed jointly by the European Union and the fifteen Member States, as well as other neighbouring states. It is a cooperation network involving national spatial planning institutes and focuses on the observation and analysis of territorial and regional development trends in Europe. It operates by financing research studies in the field of spatial planning and is generating results and learning of potential relevance to all INTERREG Strands.
- **INTERACT.** This programme (the contractor of this study) was launched in 2002 and seeks to build on the experience and lessons of INTERREG I and II. It aims to improve the effectiveness of implementation of INTERREG III during the current programming period by enabling exchanges of experience, networking and information dissemination about INTERREG program-

ming. It will also offer support to those involved in managing INTERREG III programmes and projects.

Leaving aside ESPON and INTERACT, Table 2.1 summarises the transition in the scope of INTERREG through the three phases described above. Arrows indicate where initiatives have been carried over into a subsequent programming phase. Table 2.1 shows that Strand A has seen the greatest overall continuity across all three rounds of INTERREG programming, while the current Strand B builds on INTERREG II activity and Strand C is new. Within the two continuing Strands (A and B), however, the longevity of programmes varies, with only a minority having been operated with the same structures and geographical scope for the maximum period for which these strands of activity have been operating.

Table 2.1: Scope and numbers of INTERREG I, II and III programmes

NB: Arrows indicate initiatives continued into a subsequent programming period.

Theme	INTERREG I 1990-93	INTERREG II 1994-99	INTERREG III 2000-06
<b>Total</b>	<b>31 programmes</b>	<b>79 programmes</b>	<b>72 programmes</b>
<b>Cross-border cooperation</b>	<b>INTERREG I</b>	<b>INTERREG IIA</b>	<b>INTERREG IIIA</b>
	31 programmes (4 maritime) ⇒	59 programmes (16 maritime), of which: ⇒ 31 internal border programmes 28 external border programmes <sup>2</sup>	53 programmes (14 maritime), of which: 24 internal border programmes 29 external border programmes (12 of which are with new Member States, therefore internal by 2004)
<b>Completion of energy networks</b>	n/a	<b>INTERREG IIB</b> Continuation of the Regen Community Initiative 3 programmes Operated as collections of projects rather than 'programmes' in the rounder sense	n/a
<b>Transnational cooperation</b>	n/a	<b>INTERREG IIC and Article 10 Pilot Actions</b> 13 INTERREG IIC programmes focused on regional and spatial planning – context of ESDP 7 transnational cooperation programmes ⇒ 2 flood mitigation programmes 4 drought prevention programmes 4 Article 20 Pilot Actions	<b>INTERREG IIIB</b> 13 INTERREG IIIB programmes (Most relate to previous transnational cooperation and Article 20 pilot actions. Two new programmes target outermost regions.)
<b>Interregional cooperation</b>	n/a	n/a ⇒	<b>INTERREG IIIC</b> Pan-European programme 4 programmes to divide the EU administratively into four sectors.

Source: Compiled by EPRC from multiple sources.

<sup>2</sup> Counting programmes including internal and external borders as external.

The number of Strand A programmes decreased overall between INTERREG II and III, although more borders are now covered by the programme. This change in programme numbers reflects less fragmentation of programmes along national borders (mainly those internal to the EU-15). There were mergers between the following groups of programmes to form single programmes, taking 17 programmes down to seven: three German-Dutch, three Belgian-French, three Swedish-Norwegian, two French-British, two French-Italian, two French-Swiss and two Belgian-Dutch programmes. At the same time, the number of external border programmes increased, with a sub-division of the Greece/external borders programme and Sachsen's Germany-Poland-Czech Republic programme, and the addition of a small number of programmes involving Balkan states following the end of conflict in that region.

There has also been evolution from the INTERREG IIC to INTERREG IIIB programmes. The IIC flood mitigation and drought prevention programmes were not continued. Instead, the current programmes mark a broad continuation of those programmes supported under the INTERREG IIC transnational cooperation and Article 10 pilot action headings, with the addition of transnational programmes for two remoter areas – the Caribbean and Réunion.

INTERREG retains a high level of political importance in 2000-06, providing an instrument which promotes the deepening of European integration in tangible ways, at different scales and in different fields. This is further reflected in the proposed continuation of INTERREG into the 2007-13 programming period, as set out in the Third Cohesion Report, where a territorial cooperation strand is one of three pillars of proposed future cohesion policy.<sup>3</sup> The Community Added Value of INTERREG is difficult to dispute. Supporting enhanced integration between EU Member States and the balanced and sustainable development of the European space is clearly a distinctive area where supranational frameworks and initiatives can come into their own.

## 2.2 INTERREG III

There were 72 INTERREG III programmes operating in 2003: 53 INTERREG IIIA, 13 INTERREG IIIB, four INTERREG IIIC (which are effectively all part of one overall programme), INTERACT and ESPON. In order to facilitate comparative discussion and exploration of these programmes, this section characterises them in ways which suggest more manageable and memorable sub-groupings.

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<sup>3</sup> CEC (2004) *A new Partnership for Cohesion: Convergence, Competitiveness, Cooperation*, (The 'Third Cohesion Report'), Commission of the European Communities, Luxembourg.

### 2.2.1 INTERREG IIIA

Turning first to the IIIA cross-border integration programmes, these are a diverse group in many ways. The programmes are largely determined by geography and national institutional and territorial structures. Four straightforward sub-groupings can be identified based on the geopolitical context of the borders – internal borders to the EU-15 and three types of external border.

- **Internal EU-15 border programmes.** There are 24 programmes along borders between the EU-15 Member States. Some of the programmes along these internal borders enjoy the best prospects for successful and integrated cross-border activities. Many, especially on the north-west European mainland (BeNeLux area, plus Germany and France), have been the subject of a wide and active process of progressive integration over many years supported both within and parallel to INTERREG. Prospects along some other internal borders are more challenging, e.g. where there are physical barriers impeding interaction (such as sea borders, high mountains or infrastructural deficits) or political or cultural tensions. It should also be noted that some internal borders have not had this status for long: Finland, Sweden and Austria only acceded to the EU in 1995.
- **External border programmes with ‘neighbouring’ countries.** This group of six programmes involves Switzerland, Norway and Liechtenstein. The non-EU partners which have high levels of development, resources and organisational capacity and they are therefore able to cooperate very effectively with EU countries. These programmes combine EU and neighbouring country resources and the best of them are comparable with good internal EU-15 border programmes in terms of their capacity to undertake effective development, coordination and integration activities.
- **External border programmes with New Member States (NMS).** These 12 programmes are different from the ‘neighbouring country’ programmes because, until the end of 2003, they only applied in practice to the EU-15 half of an external border area. In this sense, they were ‘border oriented’ rather than being fully cross-border. They operated on one side of a border, while a parallel Phare CBC programme was operated on the other – with different calendars, rules and policy scope. This clearly makes the arrangements for programme management and delivery distinct from internal border programmes. In practice, these programmes tended to be mono-country programmes but were required to consult and co-ordinate with those involved in a parallel initiative. Following EU enlargement, these programmes now face the challenge of transforming themselves into full multinational cross-border programmes, extending to embrace relevant areas of new Member States where Phare CBC no longer operates, and making what might be a challenging transition to becoming joint programmes which are genuinely ‘owned’ and steered by stakeholders from both sides of the border. The programmes do not all have the same starting point, although some have managed to create very solid foundations in terms of management systems and cooperation arrangements on which they will be able to build rapidly.
- **External border programmes with third countries.** These 11 programmes involve regions on the external borders of the EU, including those bordering the Balkans, Bulgaria, Morocco and Russia. As with the new Member State programmes, they effectively only operate on the EU side of the relevant border, while aiming to coordinate their activities with a parallel external instrument (under Phare, Tacis, MEDA, CARDS or EDF). These programmes are the most severely challenged in terms of their ability to undertake efficient and meaningful programmes of activity within the context of INTERREG. As will be seen later, they are impeded by some seri-

ous difficulties not least: (i) the challenge of working with parallel instruments which are in some ways incompatible; (ii) resource limitations in less-affluent partner regions; (iii) the sometimes sensitive political and historical contexts in which programmes are being operated; and (iv) some domestic organisational challenges.

This categorisation of programmes is valid for 2000-03, but two key changes took place in 2004, with EU enlargement and the introduction of the new Neighbourhood Instrument. EU enlargement meant that the status of the new Member State programmes described above changed. These programmes must now be progressively transformed into full INTERREG IIIA internal border programmes. At the same time, EU enlargement brought two further changes to the INTERREG map, increasing the population of INTERREG IIIA programmes through:

- the creation of new *internal* INTERREG IIIA programmes on all-new internal borders of the EU, such as between Poland and Slovakia; and
- the creation of new *external* border programmes, e.g. for Poland with Belarus and the Ukraine.

These programmes are beyond the scope of this study, but they are highlighted because the issues arising from this report are potentially relevant to them. The significant difficulties being faced in progressing some experienced and established INTERREG programmes have clear implications for what can be expected in the short term from this group, and the need to promote simplified and focused approaches, accompanied by a strong programme of capacity building and ongoing problem solving.

The second change, effective in 2004, was the introduction of the 'Neighbourhood Instrument' in new and continuing external border areas. This mechanism, which has been designed to allow more integrated cooperative working, was introduced in an attempt to address the difficulties associated with operating parallel incompatible instruments on either side of external borders (INTERREG on the EU side and MEDA, Tacis CBC or Phare CBC on the other side).

The groups of programmes highlighted above are listed in Table 2.2, in order of size of their ERDF financial allocation. This table also categorises the programmes according to the 'level of isolation' of their borders. This categorisation was used for the Strand A programmes in the 1994-99 *ex post* evaluation and it exclusively addresses the degree of *physical isolation* along borders, for example, based on their cross-border infrastructure endowment. As there is traceable continuity between the IIA and IIIA programmes, we have opted to use the same categorisation in this study, since it provides an additional, accessible dimension of overall understanding of the nature of the challenges faced by programmes. A grading needed to be chosen for the new Balkan programmes and 'high isolation' was selected.

The state of isolation is represented in words in the first column and using shading: high isolation (dark grey); medium (mid grey); and low (light grey). What quickly becomes clear from the table is that, although circumstances vary within groups, it is the internal and neighbouring country programmes which are characterised by least physical isolation. The external programmes, both new Member States and others, generally face higher levels of isolation. This underlines the basic physical barriers to enhanced integration. It was beyond the scope of the current study to design a more sophisticated, multi-criteria classification system for the level of integration in different border

zones, but this work might be worth undertaking. Some of the research undertaken by ESPON could provide useful inputs to this, e.g. mapping the economic disparities across borders.<sup>4</sup>

The financial size of programmes is provided to give some idea of scale, but interpretation is not straightforward, especially for IIIA. Figures need to be related to factors such as the length and nature of borders. Spain-Portugal is the single largest programme, but in other parts of the EU this might have been subdivided into several smaller ones (as on the German-Danish and German-Polish borders which both have three programmes). In addition, budgetary comparisons need to be made with care. First, some of the larger IIIA programmes place a strong emphasis on high-cost, physical infrastructure measures, which means they may not be bigger in terms of anticipated numbers of projects than some of the financially smaller programmes and may even be more straightforward to implement. Second, for internal borders, the ERDF budget reflects the whole EU contribution, whereas on external borders, many programmes are operating with parallel, EU co-funded external instruments which effectively means that additional EU funding is deployed in those border areas (notably Phare, Tacis, MEDA, CARDS and EDF). Third, the allocations on each side of any given border are not necessarily related to need *per se* but are determined by how the countries involved choose to allocate their INTERREG resources across all the programmes in which they are involved. Fourth, the intervention rates of programmes vary, with higher rates in Objective 1 type regions (e.g. along the Spanish-Portuguese border).

Table 2.2: 2000-06 INTERREG Community Initiative programmes

Key: nature of border areas

Low isolation Medium isolation High isolation

**Source of isolation categorisation:** LRDP *et al* (2003) *Ex Post Evaluation of the INTERREG II Community Initiative (1994-99)*, Commission of the European Communities, Brussels.

**Source of figures:** Compiled primarily from DG Regio Inforegio information.

Table 2.2a: INTERREG IIIA: Internal EU-15 Borders

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU-15 (EU-15 + non-EU-15)
Spain-Portugal	Medium	806.92	1 075.88	2
Ireland-Northern Ireland	Medium	134.41	179.21	2
Kent-Sussex – Nord Pas de Calais-Picardie	Medium	108.17	206.91	2
Rhein Maas Nord/Rijn Waal/ Euregio	Low	98.37		2
France-Wallonie-Flandre	Low	86.50	160.56	2
Greece-Italy	High	84.48	157.94	2
France-Spain	Medium	84.30	168.60	2
Flanders-Netherlands	Low	84.21	152.16	2
Italy-France Alps	Medium	58.59	148.04	2

<sup>4</sup> DG Regio (2004) *Rapport Interimaire sur la Cohésion Territoriale* (Résultats préliminaires des Études de l'ORATE et de a Commission Européen), Official Publications Office for the European Communities, Luxembourg.

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU-15 (EU-15 + non-EU-15)
Euregio Maas Rhein (Germany, Netherlands, Belgium)	Low	52.71	97.50	3
Italy-France Islands (Sardegna-Corsica-Toscana)	Medium	52.34	104.68	2
Ireland-Wales	Medium	47.57	65.46	2
Germany (Bayern)-Austria	Low	47.29	89.60	2
Ems-Dollart-Region	Low	35.45	81.14	2
Italy-Austria	Medium	33.63	65.41	2
Öresundsregionen	Medium	30.84	61.68	2
Saarland-Moselle-Westpfalz	Low	28.46	56.92	2
Wallonie-Lorraine-Luxembourg	Low	24.47	48.56	3
Pamina (France-Germany)	Low	14.77	29.53	2
Sønderjylland/Schleswig	Low	13.80	28.33	2
Germany-Luxembourg-Germanophone Belgium	Low	11.38	22.76	3
Fyn/KERN	Low	9.87	20.08	2
Storstrøm/Ostholstein-Lübeck	Low	9.56	19.13	2
Skärgården	Medium	8.60	17.20	2
<b>IIIA Internal borders – Total</b>		<b>1 899.21</b>	<b>3 130.43</b>	

Table 2.2b: INTERREG IIIA: External borders with neighbouring countries (Norway, Switzerland)

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU-15 (EU-15 + non-EU-15)
Sweden-Norway	Medium	32.00	57.24	1 (2)
Oberrhein-Mitte Süd (France, Germany, Switzerland)	Low	31.58	63.20	2 (3)
Italy-Switzerland	Medium	25.56	51.12	1 (2)
Kvarken-Mittskandia (Sweden, Finland, Norway)	Medium	23.90	47.80	2 (3)
France-Switzerland	Medium	20.70	37.26	1 (2)
Alperhein-Bodensee-Hochrhein (Germany, Austria, Switzerland, Liechtenstein)	Low	17.48	31.90	2 (4)
<b>INTERREG IIIA External – Neighbouring countries - Total</b>		<b>151.22</b>	<b>288.52</b>	

Table 2.2c: INTERREG IIIA: New Member State borders

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU (EU+ non-EU)
Sachsen-Czech Republic	High	170.72	227.63	1 (2)
Brandenburg-Lubuskie	High	96.21	127.92	1 (2)
Mecklenburg Vorpommern-Poland	High	83.09	110.58	1 (2)
Bayern-Czech Republic	High	63.82	124.52	1 (2)
Greece-Cyprus	High	48.50	63.77	1 (2)

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU (EU+ non- EU)
Italy-Slovenia	High	44.58	96.06	1 (2)
Saxony-Poland	High	42.68	56.91	1 (2)
Austria-Hungary	High	37.36	63.61	1 (2)
Austria-Slovenia	High	28.13	56.27	1 (2)
Austria-Slovakia	High	27.09	54.18	1 (2)
Austria-Czech Republic	High	26.71	53.46	1 (2)
South Finland-Estonia	Medium	14.55	29.10	1 (2)
<b>IIIA New Member State borders – Total</b>		<b>683.44</b>	<b>1 064.01</b>	

Table 2.2d: INTERREG IIIA: External borders with third countries

	Isolation	ERDF (EUR Million)	Total public (EUR Million)	Countries: EU-15 (EU-15 + non-EU-15)
Greece-Bulgaria	High	175.44	233.92	1 (2)
Spain-Morocco	Medium	169.40	225.87	1 (2)
Greece-Albania	High	90.00	120.00	1 (2)
Greece-Former Yugoslav Republic of Macedonia	High	73.00	97.92	1 (2)
Italy-Balkans	High	50.51	101.03	1 (5)
Nord (Finland, Sweden, Norway, Russia)	High	47.00	80.00	2 (4)
Greece-Turkey	High	35.00	66.00	1 (2)
Italy-Albania	High	33.23	66.45	1 (2)
Karelia (Finland-Russia)	High	28.20	56.40	1 (2)
South East Finland-Russia	High	21.80	55.78	1 (2)
Gibraltar-Morocco	Medium	0.43	0.85	1 (2)
<b>INTERREG IIIA External borders with third countries – Total</b>		<b>724.00</b>	<b>1 104.22</b>	

The table also shows the number of countries involved in the programmes. The highest number of countries involved in an internal border programme is three, but two is more usual. Neighbouring country programmes involve one or two EU countries with the addition of one or two external ones. Italy-Balkans IIIA involves the highest number of external partners (four). Most external programmes are distinctive. In the table, they are shown as usually involving one EU Member State and one external partner. In reality, however, EU countries work in parallel with the external partner, so many could be thought of as mono-country programmes but with an obligation to coordinate and consult with another party.

## 2.2.2 INTERREG IIIB

The focus of INTERREG IIIB is on improved territorial integration across a large group of regions and the achievement of sustainable, harmonious and balanced development and spatial integration with neighbouring countries. Strand B is the successor to INTERREG IIC and the pilot spatial planning projects funded under Article 10 of the 1994-99 ERDF regulation, and it follows the recommendations of the European Spatial Development Perspective (ESDP). A special emphasis is placed on involving the most remote regions – promoting better economic integration and strengthening cooperation between these regions as well as between them and Member States.

Table 2.3: 2000-06 INTERREG IIIB programmes

INTERREG IIIB	ERDF (EUR Million)	Total public (EUR Million)	EU-15	NMS	Neighbour	External	Total	% EU-15	% EU-15 + Neighbour
<b>Homogeneous</b>									
North West Europe	329.68	655.79	7	-	1	-	8	88	100
North Sea Region	129.22	254.44	6	-	1	-	7	86	100
Atlantic Rim	118.98	203.94	5	5	-	-	5	100	100
South West Europe	66.16	109.90	4	-	-	-	4	100	100
Northern Periphery	21.28	30.02	3	-	4	-	7	43	100
<b>Diversified</b>									
CADSES	128.72	237.49	4	5	-	9	18	22	22
Western Mediterranean	103.83	194.34	5	-	1	3	9	56	67
Baltic Sea	97.11	182.51	4	4	1	2	11	36	45
ARCHIMED	78.70		2	2	-	8	12	17	17
Alpine Space	59.72	119.44	4	1	2	-	7	57	86
<b>Development-oriented</b>									
Acores-Madeira-Canarias	145.12	168.94	2	-	-	?	2	n/a	n/a
Caribbean	12.00	24.00	1	-	-	?	1 +	n/a	n/a
Réunion (FR) FR	5.00	5.88	1	-	-	?	1 +	n/a	n/a
<b>IIIB – Total</b>	<b>1 295.52</b>	<b>2 186.69</b>							

Source: Compiled primarily from DG Regio Inforegio information.

The 13 current INTERREG IIIB programmes are presented in Table 2.3 below, again ranked in order of ERDF allocation and showing the number of countries involved, divided into EU-15, New Member States, neighbouring countries (Switzerland, Liechtenstein, Norway, Iceland and Greenland) and other external countries.

The average number of countries potentially participating in any given IIIB programme is seven, but there are significant contrasts between programmes (see Table 2.3). The smallest programmes, in terms of the number of EU participants, are Réunion and the Caribbean, although they involve an unspecified number of partners from third countries. Other programmes which are narrowly defined are Acores-Madeira-Canarias, which involves two EU countries, and South West Europe, involving four. The most extensive programmes are the Baltic Sea (11), ARCHIMED (12) and CADSES (18). In practice, the evaluations showed that not all countries which could theoretically be involved in programmes have been active in practice. The involvement of some external countries has been symbolic in some cases (e.g. minimal involvement of Gibraltar in South West Europe and no participation of Moldova or Bosnia and Herzegovina in CADSES projects).

As well as considering the number of countries involved, the composition of groupings needs to be taken into account. This enables three types of programme to be identified.

- **Homogeneous.** The first group comprises the most homogeneous programmes. These embrace countries from the EU-15 and additionally, partners from the so-called neighbouring countries. These partners have high levels of development, available resources, good organisational capacities, experience and a good record of earlier cooperation. They are likely to enjoy the most favourable conditions for cooperation. Examples, shaded in light grey, are: North West Europe, North Sea, Atlantic Rim and South West Europe.
- **Diversified.** The second group comprises more diversified programmes. These have the largest number of participating countries overall and they involve highest participation from New Member States and external countries other than the neighbouring countries. Examples here are CADSES, ARCHIMED, Baltic Sea and, to a lesser extent, Western Mediterranean and Alpine Space. These programmes face particular challenges in terms of complexity and coordination.
- **Development oriented.** The third group comprises Acores-Madeira-Canarias, Réunion and Caribbean. These programmes could be considered similar to external IIIA programmes in that they face significant challenges in working with parallel external funding instruments to achieve their ambitions. They are also being operated in remote areas, with partners from less developed environments with limited capacity and resources.

The number and composition of participating countries has important implications for programme performance. In general, the evaluation studies reveal that the smaller, more homogeneous programmes have the potential to perform most smoothly. The more countries that are involved in programmes and the more diverse they are (with a large number of external countries), the greater the complexity of management.<sup>5</sup> The breakdown of countries involved in programmes also indicates, for example, which programmes have needed to adjust to EU enlargement (e.g. Baltic Sea and ARCHIMED).

For IIIA border groupings, the rationale is obvious and based on physical geography. However, this is not necessarily the case for the country groupings brought together under IIIB programmes. Only a minority of IIIB programmes reflect strong, pre-existing groupings, rooted in earlier cooperation

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<sup>5</sup> In practice, it should be remembered that a key feature of management performance is the stability of programme structures. Where these were changed between programming periods, then delays have occurred, even in the most favourable environments.

outside EU funding frameworks and a strong sense of common interest or identity. The strongest commonality is perhaps reflected in the Baltic, North Sea and Alpine Space programmes and to a lesser extent, in the Alpine Space, Mediterranean and Northern Periphery. Other groupings are less clear and to an extent, artificial, although some do appear to have become progressively embedded as a result of their INTERREG activities. This is helped by the fact that most IIIB programmes are continuations of previous IIC or Article 10 initiatives (with the exception of the three 'development-oriented' programmes). Even some programmes which could have been perceived as artificial appear to have developed a sense of ownership among their participants. Participation in INTERREG groupings appears in some cases to have been given momentum by a perceived need to counterbalance other, stronger regional groupings and to ensure that the interests of all geographies are represented in policy debates about the European space.

With the current overlap among IIIB zones, many regions of Europe are involved concurrently in more than one IIIB programme. The evaluation studies do not cite this as being problematic, in spite of its potential to cause confusion among applicants. Indeed, in some areas, overlaps could be interpreted as reflecting the multiple identities which apply in certain geographical areas (e.g. Danish regions involved the North Sea and Baltic zones).

As with other INTERREG programmes, the financial size of IIIB programmes is not directly related to the size, coverage or content of programmes, but instead to choices made by the countries involved in terms of how to allocate available resources between INTERREG programmes relevant to them.

Two dimensions which help to explain what distinguishes IIIB from the other INTERREG Strands are the activities being funded and the nature of participation in the programmes.

- **What is funded?** Despite its spatial orientation, INTERREG IIIB can currently only fund small-scale physical infrastructure. Instead, it focuses on developing common frameworks, networks and strategies to tackle spatial problems and constraints, promoting new modes of transport, transport plans, environmental management, etc. A challenge facing IIIB has been to achieve tangible outcomes from its activities. Theoretical studies into the management of space, for example, can help to encourage debate, however they will only lead to genuine change if the competent authorities are involved in legitimising, endorsing and taking forward their findings. It appears that some projects may move towards more tangible activities through successive rounds of project funding.
- **The nature of activities supported.** The level of conformity of projects with the aim of transnational cooperation is a central selection criterion for programmes. Of course, 'transnational' implies the participation of authorities or bodies from at least two countries. Beyond this, transnational projects should be genuinely connected around a shared issue in a shared geography, influencing the development of a common space or resource. An example would be addressing environmental issues, including flooding or ecological diversity connected with the same major river basin. If partners were each addressing different river basins, and exchanging methods to address similar problems, then this would fit better with IIC.
- **The nature of participation.** A further priority of transnational cooperation is to ensure the involvement of organisations working at a sufficiently strategic level to make significant changes as a result of their participation in IIIB projects. This might involve going beyond undertaking theoretical studies about particular spaces to adjusting the content of regional plan-

ning frameworks and beyond this, to adjusting the overall regulations governing these instruments. This would require the participation of those authorities which have the responsibility to make changes happen (i.e. national authorities or agencies).

### 2.2.3 INTERREG IIIC<sup>6</sup>

Turning finally to the IIIC programmes, these have been an innovation of the current programming period. While there are four programmes (for North, East, South and West Europe), in reality they constitute a single pan-European initiative whose aim is *“to improve the effectiveness of policies and instruments for regional development and cohesion”* through structured and large-scale information exchange and sharing of experience (networks).

Table 2.4: 2000-06 INTERREG IIIC programmes

INTERREG IIIC	ERDF budget for operations (EUR Million)	Total public (EUR Million)	Countries: EU-15 (EU-15 + non-EU-15)
South	131.45	207.59	6 (6)
West	89.42	147.05	7 (7)
East	44.30	71.09	4 (11)
North	27.39	44.67	4 (10)
<b>IIIC – Total</b>	<b>292.56</b>	<b>470.40</b>	

Source: Compiled primarily from DG Regio Inforegio information.

The idea underpinning the programmes is that INTERREG IIIC operations should enhance the effectiveness of other regional development policies. Five broad thematic areas have been designated for IIIC exchange of experience: Structural Funds Objectives 1 and 2; INTERREG programmes; urban development; innovative actions; and other appropriate subjects. An additional topic for cooperation included in the North, East and South programmes has been border region operations.

Cooperation is between regional public authorities and equivalent public bodies and can take the following forms.

- **Regional framework operations (RFO).** These are large-scale regional cooperation activities comprising various sub-projects; they should include partners from at least three countries (at least two of them from the EU).
- **Networks.** Cooperation activities mainly directed at structured exchange of experience; these should include partners from at least five countries (at least three of them in the EU).

<sup>6</sup> Based on materials presented on the INTERREG IIIC webpage: <http://www.interreg3c.net>

- **Individual projects.** These are cooperation activities addressing a single topic; they should include partners from at least three countries (two of them in the EU).

The four programme zones matter only for administrative purposes (application processes and funding). The zoning does not affect or determine the range of participants that can participate in any initiative, and they can be selected freely on the basis of interest and relevance.

The programme covers all EU countries (including new Member States and outermost regions), applicant countries (Romania, Bulgaria, Turkey), neighbouring countries (Norway and Switzerland), MEDA countries and other interested countries. However, financing from INTERREG can only be obtained by EU regions, with external partners having to secure financing from other sources.

#### 2.2.4 RELATING THE THREE STRANDS

The three Strands of INTERREG tend to be addressed separately, but it can be argued that there are similarities between them which sometimes make it useful to consider them collectively.

First, more so than other Structural Fund programmes, INTERREG programmes are *additional to domestic policy initiatives*. They are catalysts – providing opportunities which lead either to new and additional activities or to pre-existing priorities being taken forward in a different way, opening up new opportunities for strategic coherence and coordination, synergies, learning, new economic development directions and economies of scale. Being additional to mainstream policy means that they all require dedicated delivery structures and strong promotional activities in order to be delivered successfully.

A second distinctive feature is their *international dimension* which, from a management perspective, brings both the challenge of reflecting and representing the interests of a sometimes very broad and diverse constituency and of overcoming the administrative complexities posed by delivering programmes spanning multiple national regulatory environments. INTERREG programmes are delivered in accordance with most of the same rules which govern more straightforward Structural Fund programmes, including the application of the n+2 automatic decommitment rule however, they face particular difficulties in conforming with them. Complexity also characterises INTERREG projects, which are usually joint in their conception and delivery, and potentially also jointly-funded, bringing a parallel set of challenges for programme participants across all three INTERREG strands.

A third area of similarity relates to the *content of programmes*. Clearly, there are significant contrasts between the policy mix between Strands, and within Strands A and B, influenced by the scope of allowed interventions in each Strand, the current level of integration in target areas and the potential to deepen integration. In addition, different cross-border objectives reflect diverse historical and political contexts. Nonetheless, there is some overlap between the activities undertaken under the different Strands and the form of the projects supported.

Strand A is focused on enhancing integration in specific border zones. In less-developed border areas, much of this activity is focused on physical infrastructure. In more developed areas, a significant strand of activity is focused around developing shared, strategic frameworks, in fields including environmental and spatial management, integrated or sustainable transport, tourism con-

cepts and service delivery. In some cases, partners undertaking such projects are not even in adjoining regions, but are linked by a common thematic concern (especially on maritime or mountainous borders). This strategic investment has strong commonalities with Strand B activities focused around developing new, shared spatial visions in similar fields, including spatial management and planning, resource use, environmental management, transport and tourism. In this way, some INTERREG IIIA programmes in integrated border regions may have more in common with IIIB programmes (albeit that their projects are on a more modest scale) than with IIIA programmes on less-integrated internal or external borders.

A fourth area of shared concern is the need for *learning and exchange of experience*. This is a particular goal of Strand C, which aims to generate learning in a range of policy areas (including spatial planning and cross-border development) and which needs to be fed back into programmes from all three strands so as to achieve its full potential. The same applies to ESPON and INTERACT, part of whose function is to generate and disseminate information and new perspectives.

Finally, there is commonality in the types of project being supported. Notwithstanding the limited integration and partnership in some IIIA external border programmes, all other programmes share the common challenge of generating joint projects, creating partnerships and managing the implementation of projects. To illustrate this, the types of projects seen in different programmes are shown in Table 2.5.

Table 2.5: Nature of the projects supported

	IIIA External borders	IIIA Internal borders and neighbouring countries	Strand B – Transnational	Strand C – Interregional
<b>Cross-border 'oriented' projects.</b> One funding partner. Often take place on one side of a border. Evidence of consultation, endorsement, mutual benefit.				
<b>Parallel projects.</b> Conceived as a single cross-border project but delivered as two or more parallel projects				
<b>Joint cross-border projects.</b> Targeting contained, spatially contiguous areas.				
<b>Narrow joint transnational and interregional projects.</b> Small numbers of partners. Thematic focus or logic. May have spatial dimension or be creating or contributing to a common resource.				
<b>Broad joint transnational and interregional projects.</b> As above, more partners. Thematic focus.				

Having provided a contextual overview of the INTERREG III programmes, the next section goes on to address how the mid term evaluations of these programmes were undertaken in the course of 2003, and what can be learned about the practice of evaluating cross-border, transnational and interregional programmes.

## 3 EVALUATING INTERREG III

### Summary

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This is the first time all INTERREG programmes have undertaken a Mid Term Evaluation. There is an opportunity to draw out lessons from these studies about the practice of INTERREG evaluation, and so enhance the quality and usefulness of the 2005 follow-up studies.

In terms of the overall scope of studies, most systematically addressed the issues proposed by DG Regio with a clear emphasis on operational aspects and monitoring indicators. In some cases, there was too much emphasis placed on contextual analysis which added little value and not enough on (even preliminary) analyses of likely programme effectiveness.

The techniques used in studies were diverse, but with more emphasis than might have been expected on desk research rather than interactive methods such as surveys, interviews and focus groups. Interactive techniques have good potential to generate genuinely new information and to strengthen partnership and they were used to good effect in many evaluations. Examples are given here to illustrate the potential applicability of more participatory styles of evaluation.

With respect to the overall usefulness of the MTEs, most provided a balanced summary of programme progress, highlighted key unresolved issues and set out pertinent and justified recommendations to improve future programming. However, a minority of studies (of programmes whose implementation had not yet gained momentum) failed to reflect the urgency of addressing this situation.

The review identified three areas in which there is scope for INTERACT to support future evaluation efforts: facilitating lesson-learning about the 2003 evaluations; developing a community of practice around INTERREG evaluation; and underpinning this by providing a resource hub and common services.

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### 3.1 INTRODUCTION

As a result of the regulatory requirement, almost all INTERREG III programmes completed an MTE in 2003.<sup>7</sup> This marks a major step forward in INTERREG evaluation. All but one of the MTEs were complete and available by the November 2004 and many were of good quality. 62 MTE reports were analysed for this study, covering 67 programmes.

The cross-programme analysis for this study examined the content of the MTEs and sought to understand more about evaluation practices in this difficult field. The essential questions are whether

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<sup>7</sup> The exceptions were the most recently approved programmes, e.g. Greece-Turkey IIIA.

and how evaluators managed to capture the specificity of INTERREG programmes and to provide inputs able to improve programming.

First, we consider this issue by reviewing evaluator responses to the evaluation issues listed by DG Regio in its Mid Term Evaluation guidance and second, by reviewing the methodologies used in evaluations. The toolbox of methods used in each evaluation was assessed, as were its scope, overall style and the utility of its findings.

There will be an update of the MTEs in 2005. Leading up to this, there is clear scope for INTERACT to facilitate useful exchanges about evaluation which could enhance the quality and usefulness of these follow-up studies.

### **3.2 EVALUATION OVERVIEW**

The Mid Term Evaluations of all Structural Fund programmes were undertaken simultaneously across Europe to meet a deadline of 31 December 2003. This does not appear to have caused major difficulties for INTERREG programmes in that they were all able to secure the services of appropriately qualified evaluators. However, anecdotal evidence indicates that some compromises were made, e.g. where programmes could not secure their 'first choice' of evaluator. More positively, this may have allowed new entrants into Structural Fund evaluation. It is difficult to draw conclusions about this however, without evidence from the tendering process.

A more fundamental issue about timing is whether imposing a standard calendar on the MTEs was counterproductive, given that programmes were approved late and had not reached their real 'mid point' by the time the evaluations had to be undertaken in 2003. For some, there was relatively little progress to analyse. There are several options here. A more rational 'standard' rule could have allowed the studies to be delivered (for example) 36 months from the start date of each programme. This would also have staggered the preparation of the studies, spreading evaluation activity over a longer period (an improved scenario for the evaluation community). However, it could also be argued that there are benefits to be gained, at national and European levels, from taking stock of all programmes at the same time by imposing a standard deadline (except, of course, for those programmes approved very late, e.g. in 2003), and that the studies could have been tailored more closely to the circumstances of individual programmes to take account of the limited progress in some programmes. Small-scale studies could have been undertaken by the least advanced programmes, establishing the groundwork for more detailed follow-up evaluations in 2005. It is also arguable that, for a number of programmes facing intractable problems in their start-up phase, the lack of programme progress was not a reason to postpone the evaluation. Instead, it could be seen as an urgent justification for using it as a 'trouble-shooting' exercise focused on targeted problem solving.

Most MTEs appear to have been undertaken in broadly favourable circumstances. They proceeded well, with constructive dialogue between evaluators and their clients and satisfactory outcomes. It also appears that the geographical and linguistic challenges posed by INTERREG evaluation were successfully addressed, with many evaluation teams consisting of more than one organisation to

ensure sufficient language coverage and more in-depth understanding of the geographical areas involved.

Some evaluators highlighted difficulties faced during the evaluation process, but these were mainly generic issues rather than specific to the INTERREG. Probably the most frequently cited issue was the lack of mature monitoring systems able to deliver a clear and accessible overview of programme progress (see Chapter 8 for more detail). Other issues included sometimes (very) short deadlines, difficulties experienced in accessing key respondents, low survey response rates and difficulties in obtaining updated contextual statistics about relevant eligible areas. Lessons could be learned in preparation for the 2005 updates in order to reduce the impact of some of these practical difficulties by addressing issues such as forward planning, how to maximise participation, etc.

Many MTEs were self-contained. However, some benefited from being able to take a broader view, allowing programmes to be compared with others and for ideas to be transferred. There were several mechanisms for this.

- Several evaluators undertook multiple, unrelated INTERREG evaluations, allowing the evaluators at least to benefit from a cross-fertilisation of ideas between programmes (although an overt exchange was not undertaken).
- In two cases, contractors were commissioned to evaluate multiple programmes as part of the same study, allowing commonalities and contrasts to be explicitly identified, generating comparative learning opportunities (the four INTERREG IIIC and three German-Danish INTERREG IIIA programmes).
- In some cases, consultations took place between evaluation teams. This applied to INTERREG IIIB, where evaluators undertook exchanges to share their findings – particularly about management issues – and to reflect on their implications (see box below). Exchanges also took place between a small number of neighbouring IIIA programmes. For example, the evaluators of the Bayern-Czech Republic, Sachsen-Czech Republic and Austria-Czech Republic programmes exchanged information to identify inter-dependencies.
- A number of *ad hoc* single country studies about INTERREG also have the potential to provide a comparative perspective. Beyond the scope of this study, the Swiss authorities commissioned an overall evaluation of their participation in INTERREG, which provided additional insights to mid term evaluators working on programmes involving Switzerland. In the UK, a three-year study has been commissioned by the Office of the Deputy Prime Minister (ODPM), evaluating UK participation in the three Strand IIIB programmes covering the UK. This has not yet informed wider evaluation research, but it could do so in future. In Sweden and Germany, the findings of all the Structural Fund MTEs have been summarised in a single document in order to facilitate their wide dissemination. This process led to the identification of common issues and conclusions.

The value of comparative analysis is illustrated by the box below, which shows that comparative positioning of programmes can be a powerful tool. For example, it has potential uses in: identifying unresolved issues for further research at a European level; underlining the relative urgency of selected issues; testing hypotheses, especially about the reasons for difficulties being faced; and opening up communication around some of the most sensitive and difficult issues being faced in partnership contexts.

One of the lessons for future evaluation exercises is the need to explore the scope for enriching individual studies through *ad hoc* exchanges or explicitly comparative approaches. In addition, in several IIIA programme areas, undertaking multi-programme studies could offer economies and greater learning.

*Box 3.1: INTERREG IIIB programmes – benchmarking and cooperation in the approach to evaluation*

In many INTERREG IIIB evaluations, comparisons were made with other IIIB programmes. In some cases, this went further with evaluation teams contacting each other to exchange their findings and to explore solutions to identified problems. This allowed opportunities for transferring good practices and solutions between programmes as well as for identifying unresolved problems.

**North West Europe IIIB – initiating exchange with similar programmes**

The North West Europe evaluation devotes a section of the report to cooperation with other INTERREG IIIB programmes. The evaluators contacted the Mid Term Evaluation teams of three other INTERREG IIIB programmes which they considered similar because of their relatively large budget and geographical proximity to the region – North Sea, Baltic Sea and Alpine Space.

Key programme issues and experiences were discussed during a number of telephone conferences. These discussions revealed mutual concerns about a lack of useful indicators and different experiences with n+2, while they also highlighted the lack of systematic good practice exchange between programmes.

**CADSES IIIB – desk-based comparison helping to explore reasons for the slow start made in the CADSES programme**

The CADSES IIIB MTE also devotes a section to comparing aspects of the programme with five other related INTERREG programmes – Alpine Space, Atlantic Area, Baltic Sea, North Sea and North West Europe.

Comparisons with the Baltic Sea, North Sea and North West were made with information drawn from the MTEs, while information about the Alpine Space and Atlantic Area was drawn from the programme websites. Tables are used to compare major aspects of the programmes, e.g. date of approval, financial commitments, number of calls for proposals, numbers of partners per project, secretariat staff etc. The section then goes on to analyse levels of performance of the programme relative to these benchmarks (e.g. calls for proposals, rate of progress).

The comparison helped CADSES to be positioned relative to similar programmes and also helped to identify factors which might explain how other programmes had progressed more quickly. Interestingly, it also underlined the lack of potential for simply transferring organisational solutions from elsewhere.

The evaluators suggest that: *“the brief comparative analysis that has been carried out...demonstrates that the programmes are similar to some extent in their objectives, procedures and management structures. The question remains then as to the identification of reasons hindering the efficient and effective implementation of CADSES. It remains difficult to identify ‘clear-cut’ best practices existing in other Community Initiative Programmes (CIPs) or an invented solution that could apply to CADSES with similar effects. Programmes that fare better than CADSES are the ones that have decisively worked on the interrelations between the various units of the programme and have arrived at clearly defined roles and responsibilities.”*

The evaluators then outline two examples from other programmes, and conclude: *“since similar parameters prevailing in the other CIPs have not hindered programme implementation to the same degree, the setback in CADSES lies in the ineffective coordination of decision-making and programme monitoring activities and the lack of sufficient cooperation between the institutions entrusted with management responsibilities.”*

A potential issue for INTERACT is that all INTERREG evaluations would benefit from the subject programme being put into context (even in the broadest sense) relative to other INTERREG programmes. How large, complex, integrated and established is each programme compared to the others? How do experiences compare with similar programmes? This study goes some way to placing programmes relative to each other. However, the provision of some contextual information on programmes, in advance of evaluation studies being undertaken, might make starting points clearer and enrich findings.

In addition to the commissioning of this study, the fact that the 2003 INTERREG MTEs have been made available as a common resource on the INTERACT Website may help to facilitate this broader perspective.<sup>8</sup> The recent publication of the wide-ranging *ex post* evaluation of INTERREG II 1994-99 by DG Regio is also welcome.<sup>9</sup> INTERACT will also increasingly be compiling basic comparative data across all programmes, which should allow for 'relative positioning' to take place.

The language in which studies are written clearly influences the extent to which they are accessible to others, but the picture here is positive in that almost half the studies were available in the Commission's official languages of French and English (see Table 3.1). A further quarter of the studies were available in German. In addition, many reports written in less widely spoken languages had English language summaries. This provides a reasonable degree of accessibility to interested parties provided that they have some knowledge of official EU languages, which is likely for staff on international programmes.

Table 3.1: Languages in which MTEs were made available for this study

Language of MTE	IIIA	IIIB	IIIC	Total %
Dutch	1		-	1 (1.7%)
English	11	7	1	19 (30%)
French	7	4	-	11 (18.3%)
German	15	-	-	15 (25%)
Greek	4	-	-	4 (6.6%)
Italian	3	-	-	3 (5%)
Norwegian	1	-	-	1 (1.7%)
Spanish	2	1	-	3 (5%)
Swedish	4	-	-	4 (6.6%)
Unavailable studies	(4)	(1)	-	(5) (8.3%)
<b>Total available</b>	<b>48</b>	<b>12</b>	<b>1</b>	<b>61</b>

Source: Compiled by EPRC based on documents supplied for this study rather than a comprehensive review of the original language of all documents. NB: Note that some reports may have been supplied to EPRC in translation but were originally written in another language e.g. Finnish.

<sup>8</sup> The studies can be accessed here: <http://www.interact-eu.net>

<sup>9</sup> The INTERREG II *ex post* evaluation is available here: [http://europa.eu.int/comm/regional\\_policy/sources/docgener/evaluation/rado\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/docgener/evaluation/rado_en.htm)

Evaluations were strongly guided in their overall structure and aims by DG Regio Working Paper 8a (WP8a). The consistent approach encouraged by this guidance has facilitated the current analysis and should assist INTERREG actors in engaging easily with the outcomes of other MTEs now that these are freely available.

Within the broad WP8a structure, there was significant variation in how evaluation effort was divided between the different elements to be covered and how common questions were addressed and results presented. Table 3.2 summarises how the key elements of the MTEs, as requested by DG Regio, were addressed – issues which are discussed in more detail in the later sections of this report. Of the various elements to be covered, the simplified Mid Term Evaluation guidance prepared for INTERREG<sup>10</sup> recommended that emphasis should be placed on implementation systems and indicators, and this advice was broadly followed. However, some evaluations arguably placed too much emphasis on addressing the continuing strategic relevance of strategies and many devoted too little effort to discussing potential programme effectiveness.

Table 3.2: Overall balance and emphasis of activity in the MTEs

Element of the MTE	Response
Continuing validity of the SWOT and follow-up of <i>ex ante</i> recommendations (See Chapter 4)	All evaluators addressed this, but perhaps too much evaluation effort was sometimes expended here, given the short time which had elapsed since contextual analysis and <i>ex ante</i> evaluation were undertaken and SWOTs completed.  Some good examples where evaluators highlighted important developments in the context or considered trends very relevant to the prospects for successful delivery of INTERREG programmes.
Relevance and consistency of the strategy (See Chapter 4)	All addressed this issue. Most concluded that the strategy remains relevant or needs more time before the need for change can be judged. Reallocation of funds was rarely recommended, but additional marketing or promotion of selected areas were frequently suggested.  Some identified issues which might need strategic adjustment, but then proposed further investigation rather than specific options or solutions.
Quantification of objectives (See Chapters 6 and 9)	Most evaluations assessed the quality of indicators. Not all did so in a way which left programmes better equipped for their second half, but some made pragmatic and useful proposals.
Effectiveness and socio-economic impacts (See Chapter 6)	Both the financial and physical analyses of programme progress were weak in many MTEs, for a variety of reasons.  While the limited progress made by many programmes constrains meaningful analysis, many evaluators failed to exploit available data. For example, some did not explicitly quantify the level of financial commitments or spending and few undertook any form of analysis of the specific physical targets agreed for projects, or compared these with overall programme targets. The best of the evaluations used data on approved, but as yet unimplemented, projects to enhance understanding of the realism and feasibility of programme targets.

<sup>10</sup> DG Regio (2002) *The Mid Term Evaluation of Structural Fund Interventions – INTERREG III*, Working Paper 8a, DG Regio, European Commission, Brussels.

Element of the MTE	Response
Joint implementation and monitoring arrangements (See Chapters 7, 8 and 9)	Addressed in all cases and, as anticipated, often a major focus of studies. Consultation with stakeholders and applicants/grant-holders generated useful additional understanding of how well systems and structures were working. Some recommendations were detailed, practical and highly targeted. Others simply identified operational weaknesses rather than the means to address them.
Horizontal priorities (See Chapters 6 and 8)	Addressed to some extent in most MTEs, but given limited prominence and priority. Responses were fuller for environmental sustainability, which is more obviously relevant to the scope of INTERREG programmes. There is some evidence of underreporting in this area, with more being achieved by INTERREG for the horizontal themes than is reflected in the studies.
Community Added Value (See Chapter 6)	Addressed explicitly in a minority of MTEs. However, INTERREG as a whole represents Community Added Value, supporting cross-border, transnational and interregional activities which for the most part, would not otherwise have been undertaken.
Additional elements	Understanding the experiences of project partners in designing and running INTERREG projects is not a formal element of the evaluation process (except insofar as it reflects on the administration of the programme itself). However, a small number of MTEs extended their enquiries to this area. Where this was done, their findings provide new insights for the programmes, and they give an incentive for project-level actors to engage actively in evaluation. They also offer a wider justification for INTERACT Technical Assistance efforts targeting the project as well as the programme level.

The effort invested in the MTEs will only really be worthwhile if recommendations are taken forward. This raises two questions: first, how relevant were evaluation findings; and, second, what features of an evaluation process make it more likely that outcomes will be influential?

In terms of the relevance of findings, most studies appeared to show good coherence between the issues discussed and the recommendations made to steer programmes on a successful course. There was arguably more scope to tailor evaluation efforts to the circumstances of the individual programmes being evaluated, focusing more effort on understanding and ideally resolving their most significant difficulties. DG Regio Working Paper 9, prepared to guide the 2005 MTE updates, highlights the scope for identifying and addressing programme-specific questions.<sup>11</sup>

In practice in a minority of cases, particularly where programmes were failing to progress, some important issues were not given sufficient emphasis. The scale and nature of problems were not always analysed, nor were the implications of slow progress communicated with sufficient urgency. Even where programmes were facing intractable issues, some evaluators focused effort elsewhere (e.g. on detailed contextual analysis) or identified shortcomings in the wider regulatory framework rather than focusing on what programme actors could do directly to address their situation. Focusing studies on the key issues is the responsibility of both programmes themselves and their evaluators. It is clear that a more proactive, empowering response could have been preferable in some

<sup>11</sup> DG Regio (2004) *The Update of the Mid Term Evaluation of Structural Fund Interventions*, Working Paper No 9, The 2000-06 Programming Period Methodological Working Papers, DG Regio, European Commission, Brussels.

cases; here, the evaluations were a wasted opportunity to resolve issues which may lead to automatic decommitment of funds.

Notwithstanding these exceptions, most studies did generate pertinent recommendations. The following lessons were identified in terms of how to ensure that recommendations are carried forward and lead to improvements in programme performance.

- **Specific, implementable recommendations.** The most useful recommendations were specific and clearly framed, rather than being vague statements about a need for further research. Some studies set out recommendations in ways tailored for them to be implemented: prioritisation of recommendations; responsibility for implementation; and mechanisms for action. For North West Europe IIIB, the evaluators provided exceptional operational detail, including time-tables and approximate costings for their recommendations. In France-Spain IIIA, final tables set out the key issues, what needed to be done about them (sometimes proposing options for discussion) and how this could be done (who needed to be mobilised, what they needed to do and in what order). In France-Wallonie-Flandre IIIA, recommendations were scored in order of priority to guide the programme's prioritisation.
- **Thematic groupings.** Recommendations were sometimes structured into thematic groups to make them easier to address coherently. The Atlantic Rim IIIB programme grouped recommendations into four streams: improving programme management; improving the functioning of the Joint Technical Secretariats (JTS) and national correspondents; closer steering of the future development of the programme; and improving project selection procedures.
- **Credibility.** Ideally, there needs to be transparency in terms of how conclusions were reached: interviewees listed; copies of questionnaires provided (e.g. Caribbean IIIB); and survey evidence presented. Validating and verifying findings, for example through an evaluation steering group, is also important to ensure that they ring true and can be taken on board by main institutions. In the North West Europe IIIB MTE, the initial list of recommendations was developed and tested during the interviews with stakeholders. Then, a second more specific list was discussed during a workshop with programme participants. This led to draft final recommendations being presented for comments to the MTE Working Group and then to the programme's Monitoring Committee.
- **Ownership.** A wide consultation process arguably helps raise awareness and builds a sense of ownership of MTE outcomes (North West Europe IIIB). The Atlantic Rim IIIB programme emphasises the need to kick-off a dialogue around the MTE to create a shared culture for the programme, including understanding of each other's difficulties and agreeing a common way forward.

Likewise, in terms of the presentation of the studies, a range of good practices were found, a sample of which are presented in Table 3.3.

Table 3.3: Good practices in the presentation of MTEs

MTE	Selected good practices
France-Spain IIIA	<p>MTE is fresh and focused, addressing issues clearly and intelligently. Presentation is very visual, maximising use of charts, tables and maps. Every page brings increased understanding. The study focuses on what needs to be done to enhance the programme. It is likely to benefit a wide range of actors, if exploited fully, to kick off discussion and problem solving.</p> <p>It dedicates a lot of attention to the experiences of projects – both their interactions with the programme and their experiences as projects in their own right.</p>
France-Switzerland IIIA	<p>The evaluation is short, focused and visual. Clearly presented, it provides a clear flavour of INTERREG in the issues addressed and the way they are approached. Chapter headings are phrased as questions, which helps to focus the reader's attention.</p>
PAMINA IIIA	<p>A traffic light method used to focus attention. Colour is used in the report to indicate, along the lines of traffic lights, how different aspects of the programme are progressing. Green issues are fine, yellow need to be watched and red require action.</p> <p>The whole report also uses a PowerPoint slide style of presentation in landscape format. While not ideal for all users, this keeps the text short, focuses the evaluation on key findings and makes it more accessible.</p>
North West Europe IIIB	<p>The MTE is easy to read, with some excellent solutions in layout and presentation.</p> <p>One or two key points are presented in the margins of each page to summarise the whole page or section.</p> <p>There are guidelines to direct different types of reader to the sections of most interest to them (the EC, project partners, main stakeholders, etc).</p> <p>Presentation is very visual, with boxes, illustrations and maps.</p>

### 3.3 METHODOLOGICAL APPROACH

INTERREG is not a traditional economic development instrument. It aims to strengthen cooperation and the coordination of initiatives at the cross-border, transnational and interregional scale. Thus, a central challenge for evaluation methodologies is to capture specifics of INTERREG, usually expressed at least in part through 'soft' effects such as the depth, breadth and quality of networking, cooperation and coordination.

Evaluations used a range of investigative methods, which were usually clearly set out in a methodological chapter. For example, the Ireland-Wales IIIA programme used a simple visual tool to relate the methods used in the study to the aims of the evaluation (see box).

Box 3.2: Ireland-Wales IIIA – evaluation methodology designed to respond to specific evaluation questions

The Ireland-Wales IIIA evaluation provided a matrix, reproduced below, to show how and to what extent, each analytical element contributed to meeting the study requirements outlined in the Terms of Reference.

Relationship between the work programme and key study requirements						
● major source ○ contributory source						
Key requirements	(a) Continued relevance	(b) Cross-cutting themes	(c) Progress against targets	(d) Effectiveness of process	(e) Promotion and awareness	(f) Further benefit/ Added value
Methods						
Phases						
1. Inception						
2. Document/procedures review	○	●	○	●		●
3. Socio-economic situation/SWOT	●					○
4. Key informants	●	○	○	●	○	●
5. Review of indicators			●			○
6. Review of applications		●	●		●	●
7. Survey of successful applicants	○	○	○	●	●	○
8. Survey of unsuccessful applicants				○	●	
9. Survey of potential applicants	○		○		○	

Source: Mid Term Evaluation of the Ireland-Wales INTERREG IIIA Programme, p5.

### 3.3.1 THE BALANCE BETWEEN DESK AND INTERACTIVE METHODS

Top down, macro-economic evaluation approaches are clearly unsuitable for this type of programme and so do not figure in these studies. In terms of the bottom-up approaches employed, several different methods were used. Dividing methods used into desk-based and interactive, the review found that all the MTEs included both desk research and contact with at least core programme management staff. There were three main responses in terms of the balance between these two types of investigative method.

- Largely desk-based approaches with key stakeholders used to steer the study or verify findings, but with written sources predominating. This was often a deliberate choice where few pro-

jects had yet been approved and little progress made, but it also (to a certain extent) reflects recognised national evaluation styles.<sup>12</sup>

- Desk research, supplemented by a broader programme of interactive research, but still confined to key stakeholders (programme administrators and managers, and core partners, e.g. committee members).
- Desk research supplemented by a more extensive programme of surveys, including not only core stakeholders, but also applicants and grant-holders and in some cases, potential or unsuccessful applicants to the programme. Survey results sometimes formed a large proportion of report contents.

Table 3.4: Commitment to Structural Fund evaluation in EU Member States (2000)

Member State	Commitment to evaluation	Comment
Austria	Evolving	Evaluation generally restricted to regulatory requirements. However, it is gradually being seen less as an obligation and valued as a management tool and integrated in the programming process.
Belgium	Evolving	Evaluation goes beyond regulatory requirements. Extensive investment in interactive monitoring system for programme management and modelling for impact assessment.
Denmark	Strong	Evaluation goes beyond the regulatory requirements. Studies have been conducted independently to improve the effectiveness of the programmes.
Finland	Evolving	Evaluation generally restricted to regulatory requirements, but active efforts to improve quality and relevance.
France	Variable	Evaluation organised to meet regulatory requirements, but examples of regions using studies also to address programming issues.
Germany	Variable	Evaluation organised to meet regulatory requirements, but examples of regions using studies also to address programming issues.
Greece	Evolving	Evaluation generally restricted to regulatory requirements.
Ireland	Strong	Evaluation goes beyond regulatory requirements. Institutionalised management of evaluation and extensive investment in modelling for impact assessment.
Italy	Evolving	Evaluation generally restricted to regulatory requirements.
Luxembourg	Evolving	Meet regulatory requirements.
Netherlands	Strong	Evaluation generally restricted to regulatory requirements. Effort to establish national frameworks.
Portugal	Evolving	Evaluation generally restricted to regulatory requirements.
Spain	Variable	Evaluation generally restricted to regulatory requirements.

<sup>12</sup> Bachtler J, Polverari L, Taylor S, Ashcroft B and Swales K (2000) *Methodologies used in the Evaluation of the Effectiveness of European Structural Funds: A Comparative Assessment*, Final Report to the Scottish Executive Development Department, Edinburgh.

Member State	Commitment to evaluation	Comment
Sweden	Evolving	Evaluation generally restricted to regulatory requirements, but pro-active responses.
United Kingdom	Strong	Evaluation organised to meet regulatory requirements, but regions frequently use studies to address programming issues.

Source: Bachtler J, Polverari L, Taylor S, Ashcroft B and Swales K (2000) Methodologies used in the Evaluation of the Effectiveness of European Structural Funds: A Comparative Assessment, Final Report to the Scottish Executive Development Department, Edinburgh.

Desk research is more likely to predominate where administrative cultures see evaluation as a regulatory requirement rather than a management tool. By way of illustration, perceived national approaches to Structural Fund evaluation at the start of the current programming period are summarised in Table 3.4 above. Of course under INTERREG, outcomes may need to be a compromise between the contrasting outlooks of their participants.

### 3.3.2 SCOPE OF DESK RESEARCH

In terms of the range of activity, certain elements of desk research were common to virtually all MTEs:

- analysis of **programme-related documents** (annual implementation reports, application forms, etc);
- analysis of **wider strategic documentation**;
- accessing updated **statistics**; and
- **reviewing the original SWOT analysis** and *ex ante* evaluation.

Other elements were undertaken more sporadically. In particular, it appears that not all programmes undertook a coherent **analysis of financial programme progress** and that very few undertook a full analysis of the **profile of approved projects** and their anticipated and achieved physical targets, using either application and claims forms or monitoring system data. Although little could be said about programme effectiveness at this stage using these data, such analyses could have provided timely inputs helping to inform priorities for future project selection. Commitment levels are already fairly high in many programmes, making it important to target remaining resources towards areas where programmes have not so far secured sufficient projects. A minority of evaluators did address this area to some extent, however.

Also surprising was the limited use of methods which could have helped to capture more **elements of INTERREG specificity**, including the use of **maps** to show the geographical distribution of projects or reviews of the organisational and geographical distribution of programme participants. The latter analysis was undertaken in some programmes, especially IIIB (e.g. CADSES IIIB), but this was not common. Likewise, limited formal attention was given to comparative techniques such as **benchmarking** between programmes, although there were some interesting initiatives to trace synergies and common problems.

Updating of **statistics** about programme areas was attempted in most cases and used diverse sources. In Öresundsregionen IIIA, use was made of Örestat data, regional reports of the Öresundsinstitut, an OECD Territorial Review and Öresundskompass for the first quarter of 2003. Statistics were compiled on economic development, unemployment, population movement, higher education students, travel, labour market integration and industrial sectors. The most useful of these reviews drew out key messages or established baselines against which to assess the impact of future activities. A coefficient was used in some Greek evaluations to measure the degree of cohesion.

Some INTERREG programmes have (relatively) significant budgets for infrastructure investment, e.g. Greek IIIA programmes. A small number of such programmes proposed the use of evaluation techniques such as **cost-benefit analysis**, but ultimately these were not used because programmes were at such an early stage of development. Whether in any case they would be successful is debatable given that INTERREG tends to fund 'gaps' in infrastructure provision, e.g. completing networks, rather than large or more self-contained investments whose impact can be captured reliably.

Unusual or useful methodological additions included the following.

- **Documentary analysis:** Thorough documentary analysis in external programme MTEs included relevant reports about parallel programmes (e.g. Phare CBC for the Austrian IIIA external programmes).
- **Analysis of processes:** In CADSES IIIB, 'process metrics' techniques were used to assess the timing of all stages of administrative procedures.
- **Benchmarking:** Sachsen-Poland IIIA benchmarked implementation arrangements with INTERREG programmes in Germany, Austria and Wales. Likewise, for CADSES, comparative analysis was carried out looking at other IIIB programmes. Evaluators started by comparing basic programme information (number of countries, start date, budget) and then considered programme management structures and process metrics; this was used to identify best practices in management structures and procedures which could be applied in a limited way to the programme.
- **Cost effectiveness:** Some Greek evaluations developed indicators to compare the initial unit cost of investments with their final unit cost, although these were not used because of the early stage of the programmes.

### 3.3.3 USE OF INTERACTIVE OR PARTICIPATIVE METHODS

With regard to interactive methods, there was less emphasis overall on very inclusive or participative styles of evaluation than might have been anticipated for initiatives which operate on the basis of dialogue and cooperation and for which broadening participation and building partnerships are frequently primary aims. To understand the nature and extent of interaction, it is worthwhile considering the constituencies which were consulted and how this was done.

Less interactive approaches confined their consultations to core programme actors (managers and administrators), while more interactive ones also encompassed other stakeholders, including

committee members or intermediary bodies and the applicant/grant holder population. Among this latter group, some consultations were confined to organisations which had been successful in winning funding, while others also addressed unsuccessful applicants or organisations which had so far not got involved but would potentially be eligible.

In terms of techniques, evaluations demonstrated the value of a range of interactive methods, including **written surveys**, individual **face-to-face or telephone interviews** using semi-structured questionnaires and more free-flowing group events such as **focus groups** and **workshops**.

An analysis of the INTERREG III MTEs and reference to the wider evaluation literature suggests that interactive evaluation methods, encompassing programme managers, stakeholders and applicants/grant-holders, could offer a range of benefits which make their wider use worth considering.

- **Ensuring full understanding.** It was emphasised in South West Europe IIIB that, while structures and management principles were documented, it was only by interviewing the actors involved that a real understanding emerged of the processes by which the programme is now delivered.
- **More robust findings.** Obtaining an independent viewpoint on programmes from the client group provides the opportunity for the triangulation of views between actors with different perspectives, leading to more robust findings. In particular, views are elicited from the client group which might not otherwise have been expressed to programme managers, so genuinely deepening understanding of the way the programme is performing.
- **Sense of ownership.** Interactive approaches ensure that there is broad awareness that the evaluation is taking place, they build a sense of ownership of the evaluation and of the well-being of the programme itself and they help to ensure that results are anticipated, well-founded and therefore more likely to be taken forward.
- **Home-grown solutions.** Where evaluation is very interactive, involving both individual and group dialogue, evaluation can shift from an 'expert-oriented' approach in which evaluators act as detached experts charged with scrutinising a programme and delivering their conclusions for consideration by programme actors, towards a 'participative' one where they act as facilitators.<sup>13</sup> Here, the emphasis is placed on the knowledge and expertise of programme actors as well as their abilities to understand the different dimensions of issues and to undertake joint problem solving. The evaluator facilitates interaction, reflection and problem solving, and this process is seen as being as important as the final report itself.
- **Marketing the programme.** As a by-product, targeted surveys and interviews with non-participants can raise awareness about the programme among potential future participants or help to identify the reasons why they have so far not got involved.

Taking up participative approaches has implications for the organisation of evaluation. More time may be needed at the preparation stage in order for programme managers to communicate with the partnership about the aims of evaluation, to draft terms of reference reflecting a more participative approach and to secure the services of evaluators with appropriate skills. During the study

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<sup>13</sup> Raines P and Taylor S (2002) *Mid Term Evaluation of the 2000-06 Structural Fund Programmes*, IQ-Net Thematic Paper, 11(2), European Policies Research Centre, University of Strathclyde, Glasgow, p41-42.

itself, more time may be needed to enable the chosen evaluators to engage in dialogue, verify impressions including allowing criticisms to be answered, disseminate conclusions and assist in the development of action plans.<sup>14</sup> INTERACT could play a role in helping to drive debate and ensuring those programmes which are considering taking or continuing with this approach are well prepared.

The following sections highlight some interesting features of the consultations undertaken by evaluators in the 2003 INTERREG MTEs.

### 3.3.4 STAKEHOLDER INTERVIEWS

Stakeholder interviews were those involving programme managers, administrators and sometimes, committee members, including representatives from the European Commission, national authorities and regional and local-level partner organisations. Some distinctive approaches to the stakeholder interviews are highlighted below.

- **Inclusivity.** Some programmes were exceptionally inclusive in the scope of their surveys. The North West Europe IIIB process included 34 interviews (24 face-to-face) with representatives of Contact Points (nine out of ten), North West Europe Committee members, the Joint Technical Secretariat, the Managing Authority, the Paying Authority, regional and municipal representatives, the European Commission, the ESPON office and three project partners.
- **Workshops.** Workshops or focus groups were used to test consensus and explore the reasons for differing opinions. In Austria-Slovenia IIIA, there were two workshops with Austrian grant-holders, during which opinions were shared about the programme and aspects of programme delivery, as well as management issues pertaining to projects. Focus groups were also used for the Germany-Denmark IIIA programmes (see box).

*Box 3.3: Focus groups in the German-Danish IIIA programmes*

A range of experts were involved in the three German-Danish IIIA evaluation exercises through the use of focus groups. The aim was to gain an impression of participant views about the quality of the programme and a qualitatively important picture of the cooperation between the different actors involved in single projects.

In two of the three regions, cross-border focus groups were set up, while in the third region, time constraints meant that separate groups were set up on either side of the border. The groups involved:

- stakeholders (members of monitoring and management committees as well as secretariat staff);
- all project implementers;
- all those involved in a single project.

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<sup>14</sup> For a fuller discussion, see: Taylor S, Bachtler J and Polverari L (2001) Structural Fund Evaluation as a Programme Management Tool: Comparative Assessment and Reflections on Germany, *Informationen zur Raumentwicklung*, Special issue: Evaluation und Qualitätsmanagement der EU-Strukturpolitik, Heft 6/7, Bonn, p341-357, pp353.

The focus groups addressed the following themes:

- the relevance and coherence of the strategy;
- outputs, results, effects so far;
- the quality of implementation and monitoring.

### 3.3.5 SURVEYS OF PROJECT MANAGERS

Project manager surveys often took the form of written questionnaires. These were often distributed electronically, but in some cases they were more interactive, involving telephone or face-to-face interviews and project visits. Among the interesting examples of project manager surveys were the following.

- **Gathering multiple partner views.** Some evaluators interviewed more than one project actor per project to capture the views of both lead and supplementary partners. In Nord IIIA, 73 project participants were interviewed, the aim being to get an impression of how project owners experienced the interplay with their national implementation organisations at the start of the programming period. Where possible, more than one person was interviewed per project since this provides input about the relationship to the programme of actors on different sides of the border.
- **Interviewing unsuccessful applicants.** A small number of surveys encompassed not only successful applicants but also unsuccessful ones as well as those organisations which could have applied to the programme but had not yet done so (see box). This enables more information to be captured about weaknesses in programme marketing, project development support or decision-making.
- **Understanding INTERREG project management.** A further idea was to undertake surveys which included not just opinions about the operation and performance of the programme, but also explored the experience of designing and delivering an INTERREG project (e.g. France-Spain IIIA). This creates a genuinely new information resource for programme managers and administrators, and enables them to better target their future support activities. Programmes rarely have a mechanism to capture the experiences of projects, so evaluations can provide a valuable service here.

#### *Box 3.4: Ireland-Wales IIIA – applicant surveys*

The Ireland-Wales IIIA evaluation provided an unusual example of the effective use of a wide range of surveys, including of successful, unsuccessful and potential applicants.

- **Visits to successful applicants:** This phase involved interviews held at the offices or project sites of successful applicants, to obtain information on key aspects such as progress to date, views on programme processes, treatment of cross-cutting themes, feedback on the effectiveness of promotion and awareness activities, and further benefits/Community Added Value. A total of 25 projects were visited, drawn from the first two application rounds, taking account of: the spread of projects between full approvals and approvals in principle; the spread of projects between Irish and Welsh lead partners; and the size of projects, with a spread between projects that are receiving large and small levels of grant.

- **Interviews with unsuccessful applicants:** This phase involved telephone interviews with unsuccessful applicants under the first two application rounds. The interviews sought to obtain views on programme processes and on promotion and awareness for the programme. There were 16 applicants turned down under the first two rounds of applications for the Programme, each of which was contacted, with ten applicants being interviewed.
- **Survey of potential applicants:** The survey of potential applicants was an interesting use of evaluation as a promotion and awareness raising tool. This phase involved a survey of identified “potential applicants” using a written questionnaire. The purpose of this survey was to obtain information on the quality of promotion and information for the Programme, perceived relevance of the Programme and likely level of activity up to 2006. A sample of 650 potential applicants was identified, drawn from organisations who might reasonably be regarded as potential applicants or pre-disposed to be such, but who had not yet made an application (as a lead or other partner). This type of survey not only captures information about perceived programme relevance and the effectiveness of programme publicity, but it also markets INTERREG opportunities to new groups.

### 3.3.6 SOCIAL SURVEYS

INTERREG IIIA programmes aim, in part, to change public perceptions of border areas and to reduce barriers in a range of spheres of life. Some of them undertake a significant number of small, people-to-people projects. Surveys of the public, the business community, etc, provide a means to understand the profile and impact of such initiatives. Nonetheless, very few programmes actually undertook any form of wider survey, potentially because of the resource implications of such initiatives. An exception to this was the Sachsen-Czech Republic IIIA programme – recorded in the box below.

*Box 3.5: Sachsen-Czech Republic IIIA – use of social surveys to investigate effectiveness*

A survey was undertaken of 1 878 community councils, educational institutions, social partners and businesses, which achieved a response rate of 35 per cent. The survey tested general perceptions of border relations and their development since 2000, the extent of contacts with cross-border partners, the importance and intensity of such contact and awareness of or participation in INTERREG. The main use of the findings in the main report was to inform discussion of the potential for future cooperation and to assess the overall level of awareness of the INTERREG programme.

### 3.3.7 USE OF CASE STUDIES

Full case studies of projects funded, whether based on desk research or interview evidence, were rarely undertaken by evaluators. More often, the fact that there were so few projects, and that they were at an early stage, led evaluators to provide basic descriptive information on all of them (e.g. France-Switzerland and Saarland-Moselle-Westpfalz IIIA as well as CADSES, Alpine Space and South West Europe IIIB). Few programmes went much beyond presenting descriptive information already available to the programme. In South West Europe IIIB, this descriptive information was also presented in text form, leaving the identification and interpretation of patterns to the reader. There was potential here to gain more benefit from the evaluation effort. By contrast, France-Spain

IIIA illustrates how even short case studies can add value to an evaluation study if they are carefully designed (see box).

*Box 3.6: Case studies in the France-Spain IIIA programme*

In the France-Spain IIIA evaluation, 27 projects are profiled in one-page tables in the evaluation study. They are short but nevertheless rank as case studies in that the information presented is analytical rather than descriptive. They provide a structured understanding of the challenges faced when INTERREG projects are underway, generating genuinely new information of practical use to programme managers and administrators as well as providing a means to share experience between project actors.

Four sets of information are presented for each project, on: (i) the project, including its partnership structure, how it is managed, and how far it has progressed; (ii) the management difficulties met; (iii) the functioning of the project partnership; and (iv) the transnational value added brought by the project. Together, they give a good indication of how a project is performing and why. Examples of difficulties faced and partnership experiences are highlighted below to give a flavour of the issues.

**Difficulties highlighted in selected projects**

- Practical issues: high numbers of partners, changes in the contact person in some partner organisations, differences in working methods, status and structure between partners.
- Project management: complex project development phase, launch phase difficulties, technical difficulties in establishing an Internet portal, management formalities e.g. certification of expenses taking precedence over progressing the content of the project, benefit of a clear allocation of tasks between partners.
- Financial management: financial difficulties for selected partners awaiting payments, general challenge of managing financial information and compiling accounts, lack of co-finance leading to project being downsized.
- Content issues: lack of availability of certain data essential to the project, differences in the competencies of partner organisations affecting the potential scope of their cooperation.

**Aspects of partnership working highlighted**

- Benefit of having been involved in previous INTERREG projects
- Some imbalanced partnerships where partners on one side of the border are more active drivers or have different responsibilities and priorities
- Impact of 'lagging partners' on the ability of projects to progress
- Underestimation of real time inputs which were required from partners
- Value of ICTs in facilitating contact and exchange
- Positive impact of a common language in the French and Spanish Basque areas
- Importance of regular contact driving progress forward and deepening cooperation

Of the more detailed case studies identified, most were in programmes led by German partners, and were undertaken primarily to generate feedback on programme processes and to understand better the challenges faced by project implementers. This is illustrated in Table 3.5. It was not always clear how case studies were selected (e.g. Wallonie-Lorraine-Luxembourg IIIA, where the five case studies did not include the largest and most advanced project which was responsible for most spending to date).

Table 3.5: Examples of case studies

Programme	Aim of case studies
Sachsen-Czech Republic IIIA	Eleven case studies were researched and profiled in the detailed report. They are not structured, but do bring out some of the issues experienced, e.g. in project development, management, cross-border relationships and differences etc.
Bayern-Czech Republic IIIA	Examination of one major case study with respect to project development, project selection procedures and implementation problems in order to understand operational problems better.
Bayern-Austria IIIA	Two case studies used to demonstrate application process – not detailed but provide some insight.
Mecklenburg Vorpommern–Poland IIIA	Case study used to demonstrate implementation barriers (study used Measures A-1 and B-1 as examples).
Brandenburg-Lubuskie and Mecklenburg–Poland IIIA	Case study used to demonstrate implementation barriers.
Öresundsregionen IIIA	Three case studies were undertaken to clarify what must be done to improve progress of programme and achieve objectives on time.
Wallonie-Lorraine-Luxembourg IIIA	Five case studies of projects – involving speaking to some 15 project leaders and partners
Italy-Switzerland IIIA	Case studies undertaken on a few important projects

### 3.4 SCOPE FOR LEARNING

The review of INTERREG MTEs found considerable diversity in the scope and presentation of studies, with a wide range of good practice ideas being generated. There will be a subsequent Mid Term Evaluation exercise in 2005, updating the 2003 studies. To optimise this process and also to strengthen INTERREG evaluation on a longer-term basis, action can be taken in three areas: (1) integration of the lessons from current studies into future evaluation practices; (2) encouraging the formation of a community of practice around INTERREG evaluation; and (3) creating an evaluation 'resource hub'.

#### 1. Integration of lessons from the current studies into INTERREG evaluation practice to benefit the 2005 update MTEs

It would be useful to allow programmes to undertake an exchange about what they have learnt about INTERREG programming as a result of the Mid Term Evaluations. In addition, there is a clear opportunity for targeted exchanges to improve the practice of evaluation itself.

The next major evaluation exercise for INTERREG takes place in 2005, when the 2003 MTE studies will be updated. Lessons from the current round of studies should be shared as a matter of urgency in order to benefit this exercise, preparations for which will get underway in late 2004 or early 2005. General guidance has already been issued on the exercise by DG Regio in the form of Working Paper 9. There is an opportunity to supplement this brief paper with INTERREG-specific orientations. Any process of exchange would be enriched by including not only evaluation manag-

ers within programmes, but also national Structural Fund evaluation experts and evaluators themselves.

Important issues which could be addressed to benefit INTERREG evaluation include the following:

- **What overall evaluation styles best suit INTERREG?** There is the potential to explore the wider application of a range of evaluation options which could enrich INTERREG evaluation:
  - using participatory evaluation techniques to engage, empower and inform programme stakeholders;
  - using comparative techniques to place programmes in context, deepen understanding of key issues and generate new solutions.
- **What can be learned about the evaluation process?** Topics here include how the process of selecting and working with evaluators can be optimised and how evaluation studies can be made more useful.
- **How can INTERREG effectiveness be measured?** Working Paper 9 advises that evaluator effort should be focused on those parts of evaluations where the evaluator can bring genuine added value, including generating an understanding of programme effectiveness to date. What are the essential analyses which enable effectiveness to be judged? Chapter 5 of this report indicates that the following analyses are useful:
  - a clearly presented review of financial progress, presenting the situation for the ERDF in terms of commitments, spending and likely n+2 implications;
  - an analysis of participation in the programme by geography and type of organisation;
  - a summary of physical commitments made by approved projects (i.e. what will be delivered if projects are implemented to plan);
  - a summary of physical achievements to date by approved projects (i.e. what has been delivered in practice);
  - a comparison of the above with overall programme targets;
  - a comparison of financial and physical achievements with financial and physical commitments.

Would these be enough, or are other techniques needed to really understand INTERREG impacts (e.g. social surveys, detailed case studies capturing qualitative insights, analyses of participation)?

## 2. Developing a community of practice

INTERACT can usefully promote exchanges of experience about INTERREG evaluation, including through the organisation of a dedicated conference and the establishment of a mailing list and discussion board. The aim here is to start to create a community of practice around evaluation.

A conference could be part of the DG Regio conference series on evaluation or it could be a strand at one of these events. Building on wider Structural Fund knowledge, the event would focus on the distinctive aspects of INTERREG evaluation and could include programme managers, evaluators and academics. If it were run in late 2004 or early 2005, it could feed directly into improving the quality of the 2005 MTE updates. INTERACT would be enabling exchanges of experience between programme actors and evaluators to disseminate good practices.

### 3. Creation of a resource hub for INTERREG evaluations

The aim here would be to provide resources which help to sustain a community of practice, encouraging ongoing exchange and ensuring that the maximum number of personnel involved with evaluation benefit from investments made in this field. These activities should also collectively promote recognition of the distinctiveness of INTERREG evaluation.

- **Access to evaluations.** INTERACT has already started to create an evaluation hub by publishing the recent round of INTERREG MTEs on its website.
- **Signposting service.** This could be supplemented by a signposting service to other practical and reflective resources, including resources developed in the course of the MEANS project.
- **Publicity for calls for tender.** In the run-up to the 2005 updates, INTERACT could also offer a common space through which to publicise relevant calls for tender, enabling them to reach a wider pool of evaluators.
- **List of evaluators.** There is also the potential to compile a list of evaluators interested in INTERREG programming issues. However, listing open calls for evaluation studies would have a greater impact on opening up the market.



## 4 THE EVOLVING CONTEXT AND STRATEGIC RELEVANCE OF THE PROGRAMMES

### Summary

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*Contextual reviews.* Two related tasks of the MTEs were to identify: (i) how the programme context had changed since programmes were developed; and (ii) to use this information to reflect on the continuing appropriateness of strategies, proposing adjustments if necessary.

The optimal scope of an INTERREG contextual analysis incorporates socio-economic analysis, but also reflection on changed or better-understood geopolitical, strategic and institutional circumstances. A danger of contextual analysis is that it becomes an academic exercise, only loosely related to the concerns of the relevant INTERREG programme. Illustrating good practice, two contextual analyses are described which were shaped in a targeted way to generate useful insights and improve programming.

There is scope for INTERACT to build capacity in the INTERREG community in terms of high-quality contextual analysis, and to provide services which make tracking contextual changes a more efficient and effective process.

*Strategic relevance.* Evaluators were charged with assessing the continuing relevance of INTERREG strategies, based in part on the contextual analyses, and proposing adjustments to programmes as appropriate. Overall, the process has led to the fine-tuning of programmes rather than significant changes; continuity has been the preferred policy unless there are compelling reasons to make adjustments.

Where adjustments were proposed, these were variously justified, including: the need to increase uptake of selected opportunities; responding to a changing economic environment by prioritising economic development; prioritising areas where INTERREG added most value; and adjusting to wider strategic changes.

There is scope for INTERACT to facilitate a process of learning and exchange about the optimal design and steering of INTERREG strategies, but this activity will be most relevant once the process of developing INTERREG programmes for the 2007-13 period is underway.

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### 4.1 INTRODUCTION

The Mid Term Evaluations provided an opportunity for programmes to take stock of contextual changes and progress with implementation and to use these sets of evidence to make strategic adjustments as programmes move into the second half of the programming period. As suggested

in Working Paper 8a<sup>15</sup>, all the MTEs included a contextual review and used this to reflect on the continuing appropriateness of the programme strategy. The evidence base for adjustments which this process generates is critical in the case of strategic changes which require European Commission endorsement before they can proceed, e.g. where reallocation of funds between priorities is argued to be necessary.<sup>16</sup>

## 4.2 THE CONTEXTUAL REVIEW

All INTERREG programmes are distinctive in having a broader range of aims than mainstream, more tightly focused economic development programmes. This has implications for the scope of the contextual analysis which is undertaken in an MTE. Tracking overall economic trends is of broad interest, but this activity ideally needs to be confined to those areas which are directly relevant to the fields of intervention available to the programme in question. It also needs to be balanced against other elements relevant to understanding the INTERREG environment. These elements include policy, strategic and institutional changes. As such, in many MTEs, the socio-economic analysis was only part of the contextual review. This was exemplified in the North West Europe IIIB contextual analysis, which was structured around eight headings: economy, IT, governance, transport, enlargement, tourism, safety and public finance.

### 4.2.1 ISSUES ARISING FROM THE CONTEXTUAL ANALYSIS

An important observation about the contextual reviews is that some brought greater understanding than others about how the programme's context was changing and thus how the programme needed to evolve. The following aspects of the contextual analysis were seen relatively frequently and brought useful insights:

- **Socio-economic analysis.** Evaluations addressed broad economic trends in target areas and also identified a number of specific issues of local importance, e.g. the potential impact of the loss of a key ferry service in the Kvarken-Mittskandia IIIA area, and the impact of the Czech floods of 2002 on relevant IIIA programmes. Overall, the predominant finding was that there had been relatively few changes to the external environment since the programmes were launched and that, if anything, patterns had intensified, particularly with the worsening economic situation.

While INTERREG programmes are not as sensitive to economic change as Objectives 1 and 2 programmes, an economic review has particular relevance in that economic downturns tend to lead to a reduction in the available resources of public authorities and increased insularity, with a refocusing of effort on high-priority domestic issues. INTERREG is particularly vulnerable to such shifts, since its activities are usually supplementary to the core activities of participating agencies. However, while documenting such trends brings increased understanding, there is relatively little INTERREG programmes can do to counter these effects.

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<sup>15</sup> DG Regio (2002) *op. cit.*

<sup>16</sup> Programme Monitoring Committees can agree reallocation of funds *within* priorities, within certain limits.

A small number of evaluations highlighted areas where further socio-economic analysis could be helpful – including to enhance understanding of horizontal-theme related issues which have received little attention.

- **Geopolitical change:** EU enlargement is a significant change for former ‘external’ cross-border programmes with new Member States, requiring policy, management, communication and procedural adjustments. The implications of EU enlargement were not addressed fully for all relevant programmes, even though the studies were being completed during the year leading up to accession. In the case of the Austrian IIIA programmes with new Member States, this was a deliberate strategy: the 2003 evaluation was intended to address short-term issues, while further studies in 2004 and 2005 were to focus more specifically on the changes brought about following accession and the adjustment of programmes to this new environment. Political difficulties have blighted a small number of programmes, Spain-Morocco IIIA being one where a range of recent developments (e.g. in the fishing and agricultural sectors), have made the climate for cooperation less favourable.
- **Strategies and policies:** The revision or creation of parallel strategic frameworks can have a strong relevance for INTERREG. INTERREG itself supports the development of new, integrated strategies with potential relevance as a context for future projects. In addition, regional, national and EU level strategies change – with possible implications for the continuing relevance of INTERREG priorities. Relevant examples of European strategies cited in the MTEs include: (i) the Sixth Community Action Plan for the Environment, which addresses themes relevant to INTERREG (e.g. climate change, biodiversity, health, resource management and waste); (ii) the most recent European White Paper on Transport; and (iii) ESPON perspectives. Some shifts in priorities have also taken place because of responses to events, such as an increase in maritime security initiatives driven by recent oil disasters. In terms of policies, the introduction of the Neighbourhood Instrument for third countries is a major change for relevant external border programmes.
- **Institutional review:** Some programmes found it useful to review the participation of target groups in INTERREG so far, and their continuing ability to participate, which depends on their remit and resource availability. As already mentioned, the worsening economic climate has meant lower budgets for public authorities, with the consequence that non-essential activities are being rationalised and new commitments discouraged in some contexts. The Oberrhein-Mitte Süd IIIA programme highlights this issue for German authorities. Reduced availability of Norwegian co-finance was also highlighted as a key risk in relevant programmes. In addition, some programmes are finding that the range of participation in different measures is strongly shaped by the remits of relevant public authorities, leading to potential imbalances across borders.

Two case study boxes below explore examples of contextual reviews. The France-Spain IIIA MTE took a rounded yet focused approach to its contextual analysis which brought significant added value to the study. In turn, the contextual analysis in the Alpine Space IIIB evaluation helped to address a key strategic issue for this programme – the sustainability of its activities. It was argued that the greater the interconnection of the programme with other initiatives in the Alpine Space, the greater the potential impact and sustainability of the programme. A contextual analysis reviewing wider activities was essential to this discussion.

*Box 4.1: France-Spain IIIA – useful elements in a contextual review*

The France-Spain MTE took a focused approach to updating the contextual analysis of the eligible area at the mid-way point. The programme can be considered as comprising three distinctive border zones, and the evaluator addressed each in turn, identifying new trends, but also reminding the reader about the most important or relevant aspects of continuing patterns and highlighting patterns about which more is now understood thanks to programming experiences to date.

The review covered the economic situation, but went beyond this to consider factors which shape the prospects of success of the programme. In particular, it underlined the importance of physical and socio-cultural conditions in achieving high levels of cooperation.

- Participation in the programme so far was covered, e.g. explaining that district councils in Spain tend to be more oriented towards infrastructure spending than soft projects, so are not very well represented, while regional councils, e.g. the Generalitat de Catalunya, are strongly present.
- Those features were highlighted which: impede cooperation (e.g. the mountains); or encourage it (e.g. the Eurocity initiative uniting the French and Spanish Basque cities into a wider coherent city network).
- The review also considered the position of this programme relative to other sources of funding in the region. As a small programme, it cannot hope to regenerate the whole region, but can help to support the early stages of frameworks, ideas and initiatives which can go forward under other funding headings later on. Achieving this requires programme actors to be aware of wider funding opportunities and potential complementarities.

In terms of cross-border projects, the study highlighted the geographic realities of the programming area (with plains at either extreme, rising to a mountain chain in the centre of the border) which point towards two types of project emerging:

- Cooperation in contiguous areas. This is more likely in the coastal zones where physical access is easier, and is likely to be around issues including improving living conditions in border areas (accessibility, services to individuals, professional mobility).
- Network-type cooperation, where non-adjacent territories are united by common issues to address economic, social or cultural issues – these have strong parallels to IIIB.

*Box 4.2: Alpine Space IIIB – setting the programme in the context of the region*

This evaluation provided an interesting example of a study which placed the IIIB programme within the wider European context and, more specifically, the Alpine area. The evaluators devoted a chapter to reviewing existing cooperation initiatives within the Alpine Space area, pointing out similarities and potential synergies between different initiatives and the IIIB programme. The evaluators pointed out that *'this programme does not stand for itself but has many connections and links to other initiatives and policies as well as institutions dealing with the Alpine Space as a programme area'*. Relevant parallel strategies and institutions include: the European Spatial Development Perspective, other INTERREG IIIB programmes and other cross-border initiatives such as Arge Alp, Arge Alp Adria, Cotrao, Alpine Convention and CEMAT.

The evaluators made specific recommendations aiming to improve coordination and synergies between the Alpine Space IIIB programme and other initiatives, the ultimate aim being to enhance the sustainability and overall impact of the actions undertaken. The following suggestions were made:

- Cooperation between the Alpine Space IIIB programme and the Alpine Convention should be intensified.
- Experiences with previous programmes and other Alpine organisations should be better integrated into the programme. In particular, synergy effects should be sought between projects under different programmes.
- The Managing Authority should arrange a seminar or conference inviting all transnational alpine institutions and organisations in order to discuss progress and best practices in fields of common interest.

Looking at the contextual reviews more generally, a range of observations can be made.

- In some cases, the socio-economic reviews formed a significant part of the work undertaken by evaluation teams – especially where there was little implementation progress to analyse. A balance is needed to avoid too much work being done on this aspect, especially where it leads to few new findings and substitutes for other, more useful research activities. Effort is especially redundant if the statistics and interpretative material compiled are not made available as an information resource to applicants and decision-makers, for example.
- Statistical deficits were encountered by many evaluators updating the socio-economic profile. In practice, not all the information sought was obtainable. Some statistics deemed relevant were simply not available, others were not prepared for the geographic areas in question, and some had not been updated since they were presented in the original programming document (e.g. German-Danish, Saarland-Moselle-Westpfalz and Spain-Portugal IIIA programmes cited a range of problems).
- Where statistics and overviews were presented, they were neither integrated across the whole programming area nor interpreted to provide a coherent picture of patterns and enhance understanding of the space. Presentation of statistics without drawing out implications for the target area adds little value.
- Compiling an overview of policy shifts will have required significant duplication of effort between evaluators to identify and present details of changes to relevant wider strategies and policy elements. In addition, some European sources were not referenced consistently or explored fully, such as the potential contribution of recent ESPON work to informing INTERREG IIB strategic directions.

In most cases, the contextual reviews confirmed that strategies remained valid and that, if changes were needed, these were nuances rather than major reorientations and that programmes had been framed sufficiently broadly to accommodate this, leaving the main issue for some being to communicate these sometimes subtle shifts to their stakeholders.

#### 4.2.2 LEARNING ABOUT CONTEXTUAL ANALYSIS

The adjustments proposed to strategies are discussed in more detail in the next section. Before turning to this, some observations can be made about the contextual reviews which have implications in terms of the scope for INTERREG learning. There is potential for INTERACT to support understanding of context, both on an ongoing basis and as part of evaluation exercises. Opportunities to improve quality and to reduce duplicated effort include the following.

- **Contextual analysis tailored to INTERREG.** As noted above, contextual analyses varied in their scope, with some embracing the information needs of INTERREG programme managers more effectively. This chapter was ‘essential reading’ in very few MTEs. In preparation for any future evaluation exercise, a best-practice exchange could be organised on the optimal scope of a contextual analysis for INTERREG programmes, ideally both broadening the scope and more tightly focusing its objectives.
- **INTERACT Resource bank – National and European strategies.** INTERACT could provide a central resource highlighting and referencing key strategic frameworks of relevance to INTER-

REG programmes at European and also potentially national level. This could be kept updated regularly, addressing a variety of relevant themes, with strategies organised into a tree structure to accommodate policy initiatives at different geographical levels. This work would benefit not only programme actors but also applicants, who would be able more easily to link their proposals into wider policy frameworks. It could reduce duplicated effort and help to ensure greater coherence between individual projects and wider strategic perspectives.

- **Publicity for relevant emerging perspectives.** INTERACT plans to provide a gateway to make the findings of the ESPON programme more accessible. This should enable it to facilitate the exchanges between academics and INTERREG IIIB experts who are arguably required to translate findings generated by ESPON into outputs which are accessible and relevant to a more policy-oriented or operational audience. The means to take this forward could include targeted events or practice-oriented publications.
- **Strategic reflection on statistical deficits.** INTERACT could facilitate reflection on how best to address the well-documented shortcomings in contextual statistics. There have been many *ad hoc* statistical initiatives, including projects funded by INTERREG programmes, to address these shortcomings. This raises the question of what can be done: (i) to network these initiatives and generate synergies; and/or (ii) to gain economies of scale. Is there a need for Eurostat or ESPON, for example, to take more of a lead in this area, in dialogue with INTERACT and the INTERREG community?
- **Reflection on the most meaningful contextual indicators for INTERREG.** There is potential to enhance understanding of those features of cross-border or transnational contexts which meaningfully reflect levels of integration. Which are the most revealing statistics to understand the challenges addressed by INTERREG programmes and why?
- **Addressing gaps in understanding.** Given the difficulty of integrating equal opportunities issues into INTERREG programming, there may be potential to undertake relevant statistical analyses of cross-border areas to identify issues which interventions could target (this was a Skärgården IIIA MTE finding). Could examples or guidance be given on this, in the context of a wider initiative on the horizontal themes?

## 4.3 STRATEGIC RELEVANCE

At the mid-way point of Structural Fund programmes, there is an opportunity to make more substantial strategic adjustments than are possible at other times in the programming period. Programmes elaborate and justify proposed changes and submit these for European Commission endorsement in the Mid Term Review exercise. The MTE serves an important function here, identifying whether changes are potentially needed and if so, generating robust evidence to justify them.

### 4.3.1 STRATEGIC REVIEWS

Few substantial recommendations for strategic change were made by MTEs. In part at least, the continuing relevance of strategies must be seen as rooted in the solid programme development

processes undertaken at the start of the programming period. Preparation was based on previous INTERREG experience in most cases and involved inclusive strategy development processes, building on detailed contextual analysis and benefiting from the independent critical inputs of *ex ante* evaluators.

Given this context of solid preparation, evaluators in practice took it as a 'given' that, because they had been agreed recently, in partnership and within a specific policy context, programmes were broadly valid, and that the task at this stage was to work *within* this context to finesse strategies, rather than calling them fundamentally into question. The Wallonie-Lorraine-Luxembourg IIIA MTE pointed out explicitly that the task was to adjust the programme rather than to change its course.

Within these boundaries, there were three main overall responses to the question of whether strategies were still relevant.

- **No change required.** There were three reasons why strategic changes were not recommended by some programmes.
  - (i) A first group of programmes were progressing well and were therefore recommended to continue in this vein (e.g. the Nord IIIA external border programme, Germany-Luxembourg-Germanophone Belgium IIIA programme and North Sea IIIB where evaluators focused on recommendations for the next programming period).
  - (ii) A second group were judged by their evaluators not to have progressed sufficiently to have fully tested their strategy and therefore the recommendation was to pursue their current stated priorities (e.g. Ireland-Wales IIIA).
  - (iii) A third group consists of the Austrian programmes on new Member State borders, which appear not to have addressed selected strategic difficulties (e.g. uptake in certain measures) because these were believed to relate to incompatibilities between INTERREG and Phare CBC which would soon be resolved by EU enlargement.
- **Minor strategic adjustments required.** There were two groups of programmes under this heading: (i) those programmes which needed to make some adjustments, but were framed sufficiently broadly that they could achieve them through operational changes, for instance, in the marketing of programme opportunities or the weighting of selection criteria (e.g. North West Europe IIIB and Wallonie-Lorraine-Luxembourg IIIA, where an adjustment in the emphasis on calls for projects and the marketing of opportunities is planned); and (ii) a small number where adjustments to their programming documents were recommended (reallocation of funds away from three measures in CADSES IIIB and adjustments to the Greece-Bulgaria IIIA programme to take account of delays).
- **Issues to be addressed but response undecided.** Finally, some evaluators noted issues which might require adjustments to programmes but, rather than proposing fully-formed solutions, proposed that they should instead be discussed by programme partnerships. An important example is the severe difficulties faced by IIIA programmes on external borders (other than those with Switzerland and Norway) in working with parallel external EU-funded programmes, where resources are unequal or rules and modes of operation are incompatible, undermining the ability to progress. To an extent, these intractable difficulties may be addressed by the new Neighbourhood Instrument or other proposals e.g. including a budget line in the European Development Fund (EDF) to match Caribbean IIIB funding, but the details were still unclear when the MTEs were in preparation. Other more specific issues included: (i) the abstract nature of some elements of the Atlantic Rim IIIB programme which have been difficult to translate into

concrete projects – (e.g. the notion of 'structuring space' and 'Atlantic identity'); (ii) the proposal that the France-Switzerland IIIA programme should decide whether to prioritise responding to demand, in which case some reallocation of funds would be needed, or to undertake targeted marketing to rebalance the programme towards its original budgets; (iii) a proposal in Greece-FYROM IIIA to undertake market research (albeit at a very late stage) to determine the needs of eligible areas.

The predominant theme is clearly one of only limited adjustment to programmes; most evaluators concluded that the strategies in the programming documents remained either wholly or mainly relevant and should be pursued. Where programmes are progressing well, little change is proposed because relevance is proven. Where they are not progressing, the prevailing view is that they require continuity and perseverance rather than hasty revisions which could disrupt progress in the pipeline. Of course, this latter conclusion carries some risk in that a lack of progress could simply reflect a poor fit with the potential project ideas of target constituencies; this led the France-Switzerland IIIA evaluator to instead promote a demand-driven view of the programme in which resources could be reallocated to follow evidence of clear demand.

Some of the proposed refocusing initiatives are set out in Table 4.1, grouped into the following broad areas: (i) adjustments based on the fit between projects so far and the original strategy; (ii) adjusting IIIA programmes to the changing economic environment; (iii) refocusing to maximise the added value of INTERREG; (iv) adjustments taking into account wider strategic changes or opportunities; and (v) adjustments to new or better understood strategic realities.

Table 4.1: Range of strategic adjustments in 2000-06 INTERREG programmes

Strategic adjustments	Examples
<p><b>Adjustments to IIIB programmes based on the fit between projects so far and strategy</b></p>	<p>IIIB programmes in particular have strategic orientations which are fairly abstract and target a wide constituency which may or may not take up opportunities. Several of the programmes which were progressing well undertook a comparison of the projects coming forward with the strategic aims of the programmes, with a view to refocusing efforts:</p> <ul style="list-style-type: none"> <li>– <b>Western Mediterranean IIIB</b> aims to refocus project selection on more strategically important areas such as transnational communication and the marine environment.</li> <li>– <b>CADSES IIIB</b> aims to define the field of 'spatial development' more clearly and tightly to give greater focus to the projects coming forward and to ensure that together they form a critical mass of coherent activities.</li> <li>– <b>Alpine Space IIIB</b> was recommended to present its measures in more concrete ways which are more comprehensible to applicants.</li> <li>– <b>North West Europe IIIB</b> was recommended to change the emphasis of calls for projects, promoting the transnational dimension more strongly and also encouraging responses to the horizontal themes. Reallocation of funds is to be used as a last resort here.</li> </ul>

Strategic adjustments	Examples
<i>Adjusting IIIA programmes to the changing economic environment</i>	<ul style="list-style-type: none"> <li>– In <b>Flanders-Netherlands IIIA</b>, no change was deemed necessary to the programme but, given the worsened economic situation, the programme was encouraged to focus more effort on: improving the knowledge-based economy; enhancing immediate deployment of workers; and linking available workers to unfilled vacancies.</li> <li>– Likewise in <b>Ems-Dollart IIIA</b> and <b>Rhein Maas Nord-Rijn Waal-Euregio IIIA</b>, additional emphasis will be placed on economic development in response to the economic downturn. This will be achieved through promotional activities. <b>Euregio Maas Rhein</b> echoes this recommendation but also proposes reallocation of funds towards relevant measures.</li> <li>– <b>France-Switzerland IIIA</b> proposed that improved integration should be sought with other parallel or neighbouring programmes – notably those involving France-Italy and France-Germany.</li> </ul>
<i>Focusing more on the added value offered by INTERREG</i>	<ul style="list-style-type: none"> <li>– In contrast to the above examples, economic development activities are progressing well in <b>France-Wallonie-Flandre IIIA</b>, <b>Wallonie-Lorraine-Luxembourg IIIA</b>. This is interpreted as meaning that there are now few, border-related barriers in this area of intervention. As such, it is proposed that these programmes should place more emphasis on areas where barriers still exist, where INTERREG can still add value.</li> <li>– Specifically, <b>France-Wallonie-Flandre IIIA</b> underlines the notion that administrative differences are today's borders and therefore proposes efforts to intensify participation in some under-exploited areas of the programme, namely cooperation for local service provision and strategic integration or spatial dynamics (economic clusters, urban complexes, communication nodes).</li> </ul>
<i>Adjustments taking into account wider strategic changes or opportunities</i>	<ul style="list-style-type: none"> <li>– <b>South West Europe IIIB</b> proposes placing more emphasis on the environmental dimension of transport-related projects in order to align the programme more closely with wider strategic and policy changes. It is suggested that this could be done by adjusting the selection system.</li> <li>– In <b>Alpine Space IIIB</b>, it was recommended that the activities of the programme could be more clearly integrated into the wider policy activities in the Alpine space, including through stronger inter-institutional links and taking part in wider networks and fora. This might also make the programme more sustainable.</li> </ul>
<i>Adjustments to new or better understood strategic realities</i>	<ul style="list-style-type: none"> <li>– The <b>Kvarken-Mittskandia IIIA</b> programme with Norway noted the difficulty in supporting infrastructure and communication projects directly and recommended that the programme should instead focus on preparatory activities and strategic visions which could then inform the infrastructure investments supported by other programmes.</li> </ul>

#### 4.3.2 SCOPE FOR LEARNING ABOUT EFFECTIVE STRATEGIES

The strategic adjustment phase offers some lessons in terms of the design of programming documents and implementation systems in these complex environments. It is a delicate art to build in sufficient clarity that programmes progress, yet with enough flexibility that they can be adjusted according to demand and as their context evolves. Some programmes achieve this by combining a flexible programming document with clear strategic orientations from the monitoring committee which in practice narrow the opportunities and give a strong steer to applicants. Such approaches appear to represent best practices in terms of active steering of programme outcomes.

The main areas in which INTERACT could facilitate dialogue include the following:

- confirmation of the value of *ex ante* analysis and partnership-based programme development methods in the development of robust strategies;
- improved insight into those aspects of the context which are most central to the relevance of INTERREG programmes to be tested;
- methods of framing strategies to be sufficiently flexible that they can respond to contextual changes, yet sufficiently clear that applicants know what is sought;
- learning from project experiences in the current round to see what initiatives are most feasible and effective.

Learning in this area is most likely to benefit future programming rounds rather than to have a significant impact on the 2000-06 period, making this a relatively low priority for INTERACT at this stage.

## 5 PROGRAMME EFFECTIVENESS

### Summary

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Measuring effectiveness involves consideration of the financial and physical progress of programmes, comparing this with available budgets and the targets set for the programmes at the outset.

The amount of progress made by the time the MTEs were undertaken was partly conditioned by how long they had been running. Many programmes had been approved for around two years by the time the evaluations had to be delivered, but some had been approved for less time than this.

*Financial progress.* Figures compiled from MTEs suggest that financial progress is very variable. For around 10 per cent of programmes, both commitments and spending are on track. In a second large group however, while commitments are progressing healthily, spending is low. A final group includes programmes which are barely underway. Of these, some are clearly facing intractable barriers to implementation.

The latter two groups face potential decommitment of funds under the n+2 rule if their ERDF spending rates do not increase. Too few evaluations gave this issue sufficient priority, but some did generate some useful insights into the reasons for slow progress and recommendations to accelerate commitments and spending.

*Physical progress.* The MTEs provided patchy analysis of physical progress. Programme performance was generally measured in terms of the number and distribution of approved projects. In addition, many evaluations addressed participation, finding that the programmes had been good with respect to overall participation levels and partner diversity. However, the evaluations supplied less information about physical commitments and achievements.

The MTEs provided some analysis of the horizontal themes, noting that the concepts were not always well understood or seen as relevant by programme and project actors. Similarly, some evaluations addressed the Community value added of the programmes, noting the considerable added value associated with INTERREG but also highlighting the administrative burden which detracts from this to some extent.

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## 5.1 INTRODUCTION

Measuring programme effectiveness is a complex and demanding task, involving consideration of several distinct but complementary dimensions of programme progress which, taken together, accumulate into a more rounded understanding of achievements.

Financial progress is an important foundation of efficiency and effectiveness. It measures the financial inputs which will be transformed into its physical outputs, results and ultimately, impacts. The scope here encompasses both the financial commitments to approved projects and the expenditure claimed by these projects to reimburse the activities undertaken. A critical issue for programmes is their ability to comply with the so-called 'n+2 rule' introduced in the 1999 Structural Fund regulations, which allows the automatic decommitment of European funds from programmes if insufficient funds are spent by pre-determined deadlines. This rule was intended as a driver for more disciplined financial delivery and obliges greater attention to be paid to spending rates than in the past, when commitment rates tended to be relied on more strongly as a means to measure programme progress.

The other important dimension to measure is physical progress. This involves reviewing programme achievements in terms of outputs (activities undertaken and investments made), results (their immediate effects) and impacts (their wider and longer-term effects).<sup>17</sup> Mirroring the distinction between financial commitments and spending, there is a distinction here between the physical commitments of projects (the effects they anticipate) and their delivered outcomes.

The particular cross-border, transnational or interregional integration aims of INTERREG programmes make them distinct from mainstream Structural Fund programmes. As such, it is important that any systems to measure physical progress address not only the socio-economic impacts associated with mainstream Structural Fund programmes where these are relevant, but that they find the means to capture the extent to which programmes have contributed to the distinctive softer objectives of INTERREG. This broadens the scope of any analysis of physical progress in some distinctive ways, including using project participation patterns to capture any intensification in co-operation levels, for example (an issue also addressed in Chapter 8 on Monitoring).

In common with other Structural Fund programmes, any assessment of the effectiveness of programmes would ideally take into account two further issues: (i) the 'Community Added Value' generated by the programmes – benefits which would not have come about without Community assistance; and (ii) the contribution made to embedding and furthering the so-called horizontal themes, notably environmental sustainability, mainstreaming equal opportunities and accelerating the development of the Information Society.

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<sup>17</sup> For further details of these definitions, see: CEC (1999) *Indicators for Monitoring and Evaluation: An indicative methodology*, Working Paper 3, The New Programming Period 2000-2006: Methodological Working Papers, DG Regio, Commission of the European Communities, Brussels; and CEC (2000) *Ex Ante Evaluation and Indicators for INTERREG (Strand A and B)*, Working Paper 7, The New Programming Period 2000-2006: Methodological Working Papers, DG Regio, Commission of the European Communities, Brussels.

## **5.2 IMPACT OF THE ACTIVE LIFETIME OF PROGRAMMES ON THEIR EFFECTIVENESS TO DATE**

Central to the factors conditioning what INTERREG programmes might have achieved in the current programming period is how long they had been operational by the time the MTEs were undertaken. All programmes were approved later than anticipated, the earliest having been agreed on 21 March 2001 (Kvarken-Mittskandia IIIA) and the latest on 22 December 2003 (Greece-Turkey IIIA). The number of months between the date of formal approval of programmes by the European Commission and the end of 2003 (when MTEs were due to be finalised) is shown in Table 5.1 and Figure 5.1 below.

It is important to note that the effective period of INTERREG activity is considerably shorter than that shown for two reasons. First, the date of programme approval does not represent the start of activity, since, once approved, programmes had to agree a more detailed programming document (the Programme Complement), constitute committees and establish structures, systems, tools and procedures if these were not already in place. Second, MTE studies needed to be completed before the end of 2003 and therefore had to select a data cut-off point for their analysis, which might have been as early as June 2003.

Notwithstanding these caveats, Table 5.1 and Figure 5.1 provide some indication of the relative amount of time which has been available to different programmes overall. They underline the fact that, for a number of programmes, the time which has elapsed is too short for significant progress to have been made.

Those programmes which were coherent continuations of INTERREG II initiatives had the best prospects of having systems up and running quickly and being sufficiently well known to the applicant community that they could get started quickly. Even here, though, the need to agree the Programme Complement and to establish a separate Paying Authority (neither of which were requirements in the 1994-99 round) meant some delays. New programmes faced significant challenges – approved later than anticipated and then needing to establish dedicated structures and systems and undertake marketing before project applications started to arrive. The next section continues this discussion by considering the amount of financial progress made by programmes by the time the MTEs were undertaken.

Figure 5.1: Number of months between programme approval and December 2003

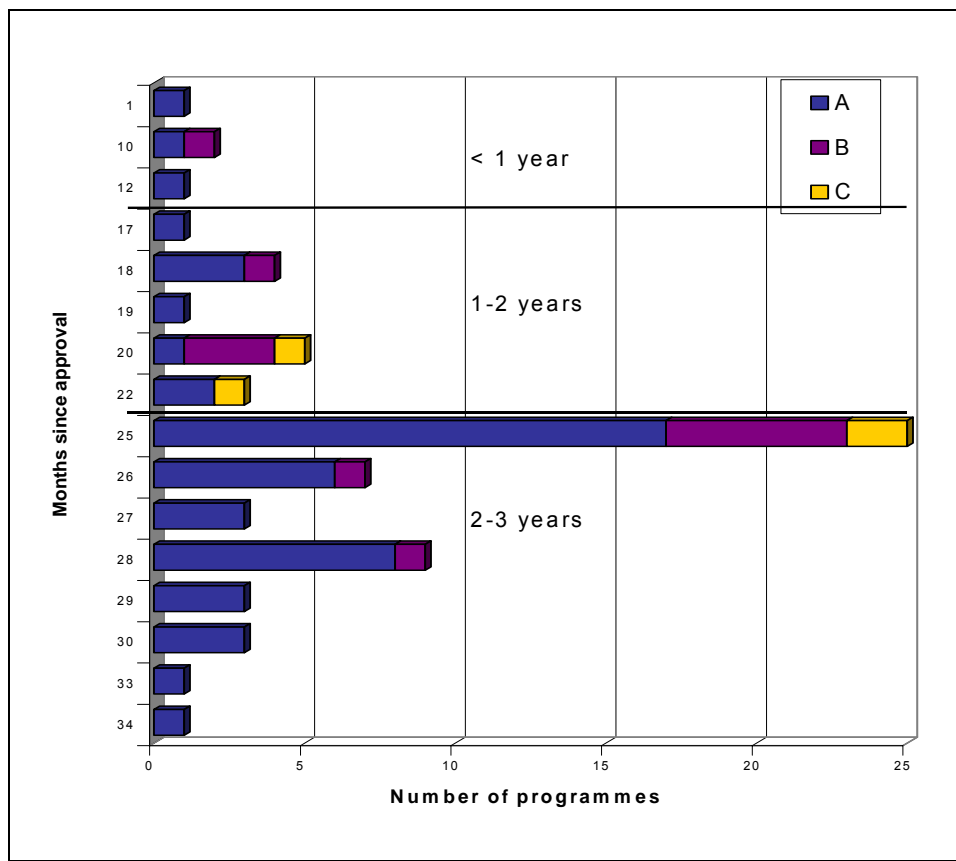


Table 5.1: Duration between programme approval and December 2003<sup>18</sup>

Type of programme	Number of Programmes	Minimum Duration (Months)	Mean Duration (Months)	Maximum Duration (Months)
IIIA Internal	24	10	25.2	33
IIIA NMS	12	18	27.0	30
IIIA Neighbour	7	25	27.6	34
IIIA External	11	1	19.2	26
IIIB	13	10	22.5	28
IIIC	4	20	23.0	25

<sup>18</sup> In this table, the Nord IIIA programme is counted twice, once as a 'Neighbour' programme and once as 'External' because it includes both Norway and Russia.

## 5.3 FINANCIAL PROGRESS

### 5.3.1 LEVELS OF COMMITMENT AND SPENDING

Financial data provide an essential underpinning to understanding the progress of any Structural Fund programme and assessing its effectiveness. Most MTEs present a summary of financial progress but this is by no means universal. In addition, while many provide data for all public funding, it is also important to clearly isolate the ERDF component because this, specifically, is the element subject to the n+2 rule. It is not possible to assess progress towards n+2 targets without determining these figures.

These data deficits aside, a review of the MTEs illustrates that, in general, the vast majority of programmes are at least underway. While the picture is likely to have improved since the MTEs were finalised, since programmes are gaining momentum, most were found to be running behind schedule, both in terms of commitments and, more significantly, levels of claimed expenditure to date. From the perspective of overall financial performance, three groups of programmes can be distinguished.

- **Commitments and spending on track.** A minority of programmes, (only about one in ten) has a level of commitments which is according to plan and relatively good levels of spending. These programmes have the best prospects for meeting their n+2 targets.
- **Commitments on track, spending behind.** In a second group, commitments are relatively healthy, but spending is low, presenting a potentially serious risk of automatic decommitment of funds. There is variation in performance between the programmes in this group.
- **Barely underway.** The final group includes those programmes which have not yet started (with no calls for proposals having taken place by the time of the evaluation or no approvals yet resulting from any call) and some where levels of commitments are very low (below 20 per cent of available ERDF). This group is worryingly large – almost a quarter of the programmes reviewed.

Figure 5.2: ERDF commitments against duration of operation of programmes

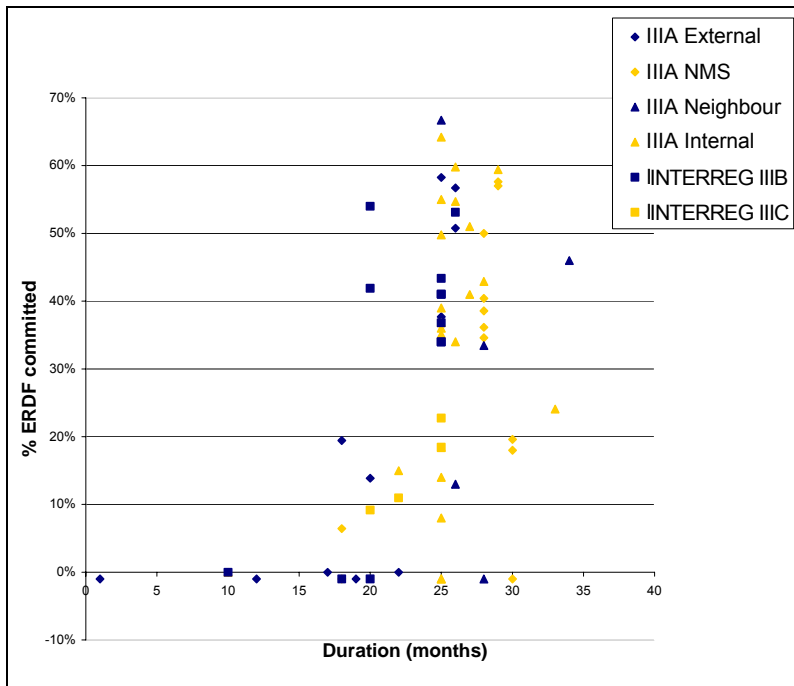


Figure 5.3: Percentage ERDF commitments against ERDF spent and claimed

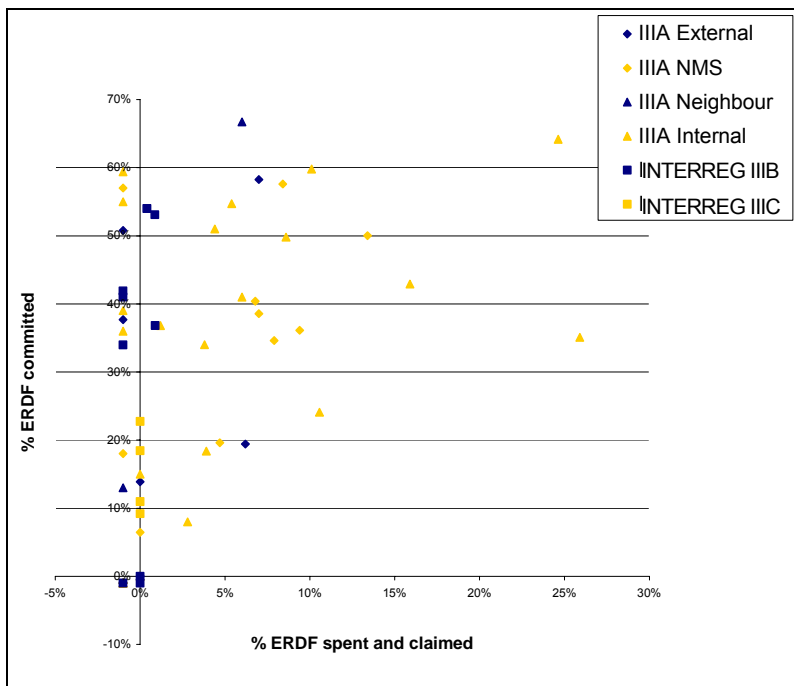


Figure 5.2 and Figure 5.3 provide a more detailed insight into these patterns. In these diagrams, programmes for which the MTEs did not cite either commitments or spending clearly are presented as an arbitrary negative figure (-1 per cent) in order to be able to represent these programmes on the chart. The figures allow the following relationships to be explored.

- **Level of ERDF commitments versus programme duration.** Figure 5.2 plots the percentage of ERDF committed by INTERREG III programmes against the number of months since those programmes were approved. Not surprisingly, a number of relatively recently approved programmes have made little progress. More encouragingly, a large proportion of the longest-approved programmes appear to have made significant progress, achieving commitment levels of between 30 and 70 per cent of available ERDF. There is more cause for concern for almost a quarter of the programmes which, although they have been approved for around two years, have not yet progressed strongly in terms of commitments. For some programmes – notably IIIC, a key cause of this pattern is their novelty as well as the time taken to establish structures and build momentum.
- **Level of ERDF commitments versus level of spending achieved.** Figure 5.3 supplements the above picture by plotting ERDF commitments against the levels of claimed expenditure achieved by mid-2003. The figures do not automatically reflect the seven per cent advance payment made to programmes under the regulations and therefore are likely to reflect 'real' levels of spending. They are weakened however, because fewer MTEs provided spending figures than commitment figures and because the method used to prepare some data was not explained. Nevertheless, the overall pattern is clear and gives cause for some concern. A small number of programmes are progressing well in terms of spending but the majority had figures for spending falling between five and ten per cent of available ERDF. The internal border programmes and the new Member State programmes appear to be performing best in terms of spending, where figures are available, with INTERREG IIIB and IIIC lagging further behind.

Slow rates of commitment and, worse still, spending, have more serious implications for INTERREG programmes than in previous funding periods when the n+2 rule did not exist. Significant decommitments were likely at the end of 2003, based on the summaries of programme progress presented in the MTEs, although it is impossible to estimate their likely scale from the information available in the MTEs or to be certain how many programmes reached their targets and how many did not. It will certainly be of some concern if spending in programmes whose commitments are progressing healthily does not soon begin to accelerate. Potentially, automatic decommitment in highly committed programmes could eventually prejudice the ability of some approved projects to receive the full level of grant promised to them.

The overall patterns of progress made by individual programmes mask significant variations *within* some of them in terms of the progress made by their various measures. This has led some MTEs to call for reallocation of funds between measures, adjustments to the scope of measures or renewed marketing efforts among potential applicants. This was addressed in more detail in Section 0 above.

Given the importance of consuming programme resources, it is surprising that not all MTEs gave the issue of slow progress the serious attention it merits. Proactive approaches were not always identified to enable spending to be accelerated and the impact of the n+2 rule to be minimised. Instead, some evaluators focused their attention on the n+2 rule itself, arguing that this should be reformed, e.g. by introducing an n+3 concession for INTERREG. There are important longer-term, strategic questions here about whether the n+2 rule can, in practice, be compatible with INTERREG-type programmes. However, it is of more immediate urgency that the causes of slow programme progress should be identified and addressed.

### **5.3.2 EXPLANATIONS FOR FINANCIAL PROGRESS**

Some evaluators provide explanations for the delays in committing programme resources. For some external programmes, the difficulties are structural, relating to incompatibilities with parallel external funding instruments. It was hoped that this would be alleviated to some degree by the introduction of the Neighbourhood Instrument in 2004, but this remains to be seen. In the Caribbean, evaluators also suggest that INTERREG is too complex an instrument for the setting in which it is being implemented. More generally, as mentioned above, the late start of many programmes in part explains their financial situation. The multinational nature of these programmes complicates their delivery. Some programmes have needed an extended period to establish operational structures, including their Joint Technical Secretariat and Committees, and finalise their operational systems, communication mechanisms and procedures (including designing forms and application guidance). Where programmes have started to commit resources, difficulties in aligning different national sets of rules and requirements (e.g. for the certification of expenditures and the eligibility of project spending) have prevented some from progressing smoothly to spending.

In addition to these issues, some programmes have faced low demand among potential applicants. Applicants to many programmes in the centre of the EU cited the easier availability of alternative sources of funding for the projects they wished to undertake (Flanders-Netherlands, Ems-Dollart Region, Rhein Maas Nord-Rijn Waal-Euregio IIIA). Alternatively, early applications have not matched the strategic priorities of programmes, resulting in high rates of rejection – in early application rounds at least. In many cases, there has been an acceleration of successful project applications in the second and sometimes third application rounds but this has not yet been translated into spending. A further brake on programmes could soon be imbalances between the funding available in the two sides of programming areas. Programmes involving Norway are concerned at the reduction in Norwegian co-funding, while the France-Spain IIIA programme has more resources on the Spanish side and needs to ensure that this budgetary proportion is reflected in the profile of future projects if funding is to remain available for both sets of partners.

### **5.3.3 ADDRESSING PROBLEMS OF FINANCIAL PROGRESS**

When it comes to recommendations for addressing the identified problems of financial progress, different approaches were taken, depending on the progress of the programme. Perhaps surprisingly, financial progress and the risk of automatic decommitment was most poorly addressed in the MTEs of programmes making the slowest progress. In some cases, not enough time had elapsed for progress to be made, nor for the rule to apply yet. In others however, the evaluators were potentially not given the full remit to address this issue or did not appreciate its importance. A further hypothesis is that INTERREG programming is perceived as so difficult that the n+2 incentive is seen as simply irrelevant.

Evaluations of the more advanced programmes tended to address financial issues more thoughtfully. Where programmes had not advanced far in terms of commitments, evaluators were usually reluctant to propose reallocation of funds. More often they suggested taking the following action in the first instance to maintain the intended profile of the programme's activities:

- intensification of programme promotion (for the whole programme or for particular lagging measures);

- targeting project development efforts on lagging measures and providing additional support to ensure good quality submissions; or
- organising additional calls for projects.

Only in the case of the most advanced programmes, where there had been sufficient opportunity to promote lagging measures, did evaluators suggest some reallocation of resources to better performing measures. These recommendations were combined with proposals for promotion and project development.

Delays in converting commitments into spending were only discussed in a small minority of the most advanced programmes. The France-Spain IIIA programme, for example, identified the following reasons:

- projects meeting administrative and regulatory differences;
- cultural differences leading to more time being needed for the start-up phase;
- slow mobilisation of project partners once the project has been approved or difficulty in establishing project management structures;
- projects needing to wait for confirmation of national co-funding;
- projects placing a low priority on submitting financial claims to the programme;
- simple administrative errors, such as correspondence about claims not being transferred to relevant actors in time; and
- credibility issues undermining programme communications, where programme rules have changed in the past without a full explanation being issued.

It is critical that more programmes identify such potential patterns and factors as soon as possible, in order to take appropriate preventive action in dialogue with project implementers.

To tackle delays in spending caused by incompatible procedures, some evaluators advised that task forces be established or special meetings held between programme operators. The Flanders-Netherlands IIIA MTE proposed a number of practical steps to be taken, including consulting implementers to ensure they provide more realistic spending profile predictions.

Considering INTERREG programmes as a whole, it is clear that their development needs vary, based on their level of financial progress so far.

- First, programmes which are barely underway but were only recently approved need to know how they can accelerate the establishment of systems and the launch of marketing activities in order to avoid losing more time.
- Second, programmes which are barely underway but were approved some time ago need to identify and address the barriers to their progress.
- Third, the many programmes whose commitments are on track, but whose levels of spending are lagging, need to explore the reasons for slow claiming. Does the problem relate to fundamental aspects of the programme's financial management systems? Are projects not progressing? Are they failing to make accurate and timely claims? What can be done about this?

- Finally, the question for those few programmes whose commitments and spending are on track is to identify the factors explaining this success. Are there practices from which other programmes could learn? In addition, these programmes will soon be asking a wider set of questions about resource allocation, including how expectations and demand can best be managed as uncommitted resources dwindle. Is there a need to become more selective and, if so, how can this be done (e.g. adjust the scope of measures and their selection criteria to ensure balanced results for the whole programme)?

*Box 5.1: Coping with the n+2 Rule: the alpine space IIIB programme and the Greece-Albania IIIA programme*

The Alpine Space IIIB and the Greece-Albania IIIA MTEs provide examples of evaluators taking seriously the threat of ERDF decommitment due to n+2 and proposing specific solutions. This is not the case for all evaluations, some of which fail to present financial performance figures, assess exposure to the risk of decommitment or make any specific proposals or recommendations.

The MTE report for the Alpine Space IIIB Programme takes a rigorous approach to the n+2 rule. The evaluators identified the risk of decommitment due to delays in launching the programme and difficulties in programme implementation, and they proposed a number of solutions:

- The Managing Authority should organise a task force meeting with all relevant actors and decision-makers to address problems relating to incoherent rules for national contracting and funding.
- Projects should be fostered under Priority 2 (Transport) through investment in project development and consideration should be given to launching a special call for tender under the Priority.

The evaluators of the Greece-Albania IIIA Programme, which also faced the risk of decommitment of funds under n+2, highlighted this risk and proposed a number of urgent priorities. The evaluators commented that the programme is significantly behind schedule and it has not progressed either financially or physically, although some funds have been committed with the activation of two measures. The recommendations include:

- Activation of all measures by the end of the year.
- Speeding up implementation procedures.
- Reviewing financial tables for Measure 2.1, on SMEs, as the resource distribution is unequal and unrealistic.
- Measure 2.2 on the cooperation of educational and research institutes could absorb more resources than allocated. However, despite its potential for absorption, it is recommended that the measure should be deleted as the legal framework for its implementation in Albania is not in place and the different funds available to each partner make implementation difficult.
- Some measures depend solely on the activation of CARDS (Community Assistance Reconstruction Development Stabilization) and cannot be progressed otherwise. As such, they could be deleted, so resources could be allocated to other measures. For example, Measure 2.1 depends on CARDS and its detailed implementation guideline has yet to be produced. This measure should be deleted and funds allocated towards infrastructure – Priority 1, which is the top priority for both countries.
- Measure 2.4 on the cooperation of administrative bodies locally should also be deleted as the partner is not able to implement it.
- The resources from deleted measures should be partly directed to Measure 2.5 on improvement of quality of life for residents in the border areas, which could absorb more funds than allocated.

Priorities for the current programming period are clear: facilitating an acceleration in the progress of ongoing programmes and learning lessons to support progress in the new Member State programmes – both those in collaboration with old Member States and those on the new internal borders between new Member States.

For future programming periods, the key issue is to resolve a situation in which the complexity of managing multinational programmes means that many cannot hope to absorb the resources made available to them. One worrying conclusion from recent experience is that the n+2 rule does not appear to have provided an effective driver to overcome the barriers to spending which are encountered in these contexts. What are the implications if this rule is retained in future?

#### **5.4 PHYSICAL PROGRESS – COVERAGE IN THE MTEs**

Turning to physical progress, any assessment of this is obviously impossible in the case of programmes which have not yet committed funds. For those programmes which are progressing, however, there is more potential for analysis, addressing:

- numbers of projects funded and the nature of participation which this reflects;
- the physical commitments of these projects relative to the targets of the relevant measures; and
- their physical achievements relative to their physical commitment targets.

This provides the building blocks to assess the extent to which the programme is proceeding towards its targets. Unlike in mainstream economic development programmes, the scope of this review can usefully capture the breadth of participation in the programme both by applicants and final beneficiaries and soft outcomes such as new strategies, networks, opportunities and attitudes, in order to answer the question: “How are programmes contributing to the overall aims and philosophy of INTERREG?”

In practice, due to the early stage of implementation reached by most programmes and monitoring difficulties, most MTEs limited their assessment to rudimentary information about the numbers of projects approved to date and their associated budgets. Some gave information about the nature of project applicants and a very small proportion of MTEs reviewed the targets set by approved projects to date. These aspects are discussed here.

## 5.5 PHYSICAL PROGRESS – PROGRAMME PARTICIPATION

To capture a basic summary of programme progress, it is straightforward to count numbers of approved projects (indeed, numbers of project by type often form the first layer of an INTERREG monitoring framework – treated as outputs). It is also useful to examine who is involved in these projects – the number of partners per project, the types of organisations, whether they had worked previously as a network, which Member States they are from, who is the lead partner etc. Only a few MTEs gave a detailed account of the projects being funded and the nature of their partnerships. This is despite the fact that, for INTERREG, the mode of undertaking projects is arguably (almost) as important as the content of those projects in that it reflects the growing fabric of inter-organisational connections which INTERREG is progressively creating.

### 5.5.1 PARTNER INVOLVEMENT

Where it was assessed, the main message from the MTEs was that participation levels and the range of partners involved in INTERREG programmes were generally satisfactory and that this participation was improving cross-border and international cooperation, and networking in some valuable ways. The best programmes, mostly with earlier INTERREG experiences, are well integrated, attracting a large number of participants and substantially broadening and deepening co-operation between different types of partners (including social partners). In turn, this gives the impression that these programmes have become an integrated part of the institutional landscape.

Many programmes appear to enjoy a well-balanced geographical participation across their eligible areas. Only in a few cases are there strong geographical imbalances. There has been some discussion in Strand B programmes about problems with the inclusion of some countries and regions. In addition, problems have arisen as a result of imbalanced budgets being available between countries (e.g. France-Switzerland IIIA, Caribbean IIIB, programmes involving Norway).

However, there is also evidence of new participants joining and new networks being formed. Different types of programme face different issues in encouraging this process.

- The well-advanced programmes, especially the Strand A programmes that are continuations of INTERREG II, now face the risk that an inner core of partners has developed with the knowledge and skills to compete very effectively for funding, potentially to the exclusion of other, newer applicants. In this way, programmes can fail to play their full role as catalysts for more integrated regional dynamics. The trademark Skärgårdssmak is a long-running initiative in Skärgården IIIA whose dominance over the programme has been questioned at this stage by evaluators. Such situations call for targeted promotion to broaden participation; for example, the Wallonie-Lorraine-Luxembourg IIIA MTE suggests focusing on the area of living environment/quality of life.
- Whether in experienced or new programmes, there is still a need to facilitate partner searches. Programmes which are new face a particular challenge in developing a critical mass of participants quickly. This requires partnership-building activities which can be time consuming. Saarland-Moselle-Westpfalz IIIA MTE suggests a need for those involved in the programme to get more involved in helping potential applicants find partners on the other side of the border.

- New Member State border programmes face particular challenges. They offer opportunities which are distinct to Phare CBC and it cannot therefore be assumed that the organisations which formerly gained experience participating in Phare CBC will in future also respond to INTERREG opportunities. In addition, even if they do, the nature of cooperation will be fundamentally different, with opportunities now for full joint projects rather than, at best, parallel projects. A proposal across the Austrian programmes to facilitate the process of transition is that increased use should be made of bilateral working groups to identify and prepare joint projects. Where funds have largely been allocated under a given measure and a range of projects is underway, a further proposal is for 'umbrella projects', whereby new partners from relevant regions of new Member States join the partnerships of projects which are already in progress, rather than having to develop and bring forward wholly new proposals. This provides a learning environment and rebalances participation in the programme rapidly. It also ensures the door is open to new Member State partners in programmes where commitment levels were already high before EU enlargement.

Is INTERREG having an effect in terms of creating new connections between organisations? It certainly seems that many project partnerships either existed before applying for INTERREG funding or had previously participated in INTERREG II activities. Half the participants in the Sachsen-Czech Republic IIIA programme were already active in INTERREG II. In France-Switzerland IIIA, a quarter of those project actors surveyed had been involved in a previous INTERREG programme.

### **5.5.2 BALANCE OF PARTNERS**

In terms of the balance of partners involved in programmes, many evaluations, especially in Strand A, noticed the clear domination of public authorities and an under-representation of the private sector and social partners, especially as direct applicants. The main reasons given by evaluators are the barriers posed by complex procedures. These actors do not have the resources, skills and time to risk an application process that could end in rejection. In fact, it can be debated whether it is realistic to ask private sector actors to get directly involved as applicants. Some MTEs propose investigating this further (e.g. Wallonie-Lorraine-Luxembourg IIIA). An alternative is to encourage the involvement of more bodies whose activities will indirectly facilitate their involvement, e.g. Chambers of Commerce. It is recommended that these bodies should be a target for programme marketing along the France-Spain border, for example.

Other issues of balance include the following.

- Some IIIA and IIIB evaluations note an imbalance in the partnerships coming forward. One pattern which may be frequent (there is insufficient information to judge) is where more lead partners in projects tend to come from the country leading the programme (e.g. in Wallonie-Lorraine-Luxembourg IIIA, more than half of projects were led by Wallonian organisations, while in the South West Europe IIIB programme managed by Spain, Spanish lead partners predominated). This may be driven by programmes having a higher profile in this country or by the lead country's language or administrative procedures dominating, thereby simplifying projects if a partner from the same country leads.
- Incompatibilities between the remits of similar organisations on two sides of a border are also noted.

- Some IIIA programmes are finding it difficult to bring forward region-wide projects e.g. involving collaboration between neighbouring districts or regions in the same Member State.
- There may be scope to develop cooperation between neighbouring programmes where activity is fragmented into multiple programmes. The Saarland-Moselle-Westpfalz IIIA MTE suggests that there is a need to improve communications with overlapping INTERREG programmes in order to facilitate projects which overlap borders.

Some programmes are actively trying to develop the number, distribution and range of organisations participating as applicants. It is interesting that France-Switzerland IIIA has adopted the aim of extending the range of partners/participants involved in the programme as a 'horizontal priority'. The aim for them is to get more and smaller partners involved. There is also a desire to extend partnerships beyond the immediate border areas but this relies on there being a growing momentum of cooperation. Cross-border cooperation indicators in this programme measure the numbers of organisations from different sectors (employment, training, transport, tourism) which are involved and provide ongoing feedback.

Various practices are used or proposed for broadening participation. Targeted programme marketing is an obvious option, including using information days where project partners can share their experiences and encourage potential applicants. Some evaluators underlined the necessity of introducing a 'triple helix' approach (which is a version of the competitive triangle, involving cooperation between local authorities, businesses and universities). The priorities vary depending on programme up-take so far. For example, to complement economic development activities which have gained sufficient momentum, the Wallonie-Lorraine-Luxembourg IIIA MTE suggests focusing promotion on the area of living environment/quality of life.

A further means to broaden active participation is to integrate certain target groups more closely into the management of the programme, for example as committee members, in order to build understanding of the programme among these groups. The Flanders-Netherlands INTERREG IIIA MTE suggests economic and social partners should be brought closer to the programme to increase added value and bring in creative ideas.

*Box 5.2: Austria-Czech Republic IIIA – widening programme participation*

The Austrian transition programmes (those on the border with the new Member States) have experienced difficulties with including partners from the new Member States in the programmes. The MTE of the Austria-Czech Republic IIIA programme provides recommendations addressing this issue.

- Priority should be given to umbrella projects or key projects on the Austrian side and large projects in the Czech Republic. This analysis could also be used to identify deficiencies and the scope for integrating additional 'mirror' projects.
- As there is already a high rate of commitment of funds in various measures on the Austrian side, it will be necessary to facilitate Czech follow-up projects to existing Austrian projects and the participation of new Czech participants in Austrian umbrella projects in the future.
- The Secretariat should periodically request information on the implementation of umbrella projects and grant schemes to investigate the potential for the participation of Czech or Austrian partners in existing projects.
- Increased use should be made of bilateral working groups for identifying and preparing joint projects.

Additional examples of practices to broaden participation, including the use of Small Project Funds, seed funding for project development and two-stage selection processes to minimise risk, are described in Section 0.

## 5.6 PHYSICAL PROGRESS – COMMITMENTS AND ACHIEVEMENTS

Many evaluations only presented numbers of approved projects and sometimes patterns of participation. It is regrettable that more evaluation effort was not focused on drawing together two sets of basic physical data for approved projects – targets and achievements to date – and comparing these with programme targets. This is necessary for any adequate assessment of the prospects of programme targets being met and proposals for timely, reasoned adjustments, whether to programme marketing efforts, project generation and selection systems or to programme targets themselves. Various justifications were offered for not undertaking these analyses.

- Physical monitoring systems are simply not yet in place in some programmes to allow physical monitoring data to be brought together easily.
- In some programmes, projects have chosen their own individual indicators, undermining the potential for aggregation, both of targets and of reported achievements (e.g. Flanders-Netherlands, Ems-Dollart Region IIIA).
- It was too early in the lifetime of projects to be able to discuss their achievements.
- Even where projects were progressing, physical indicator data were sometimes unavailable, because financial reporting was taking precedence in an effort to accelerate progress towards n+2 targets.

Reported achievements were simply not discussed, given the early stage in the programmes and the immaturity of monitoring systems. However, evaluators were able to analyse project targets in a small handful of programmes, among them France-Spain, Euregio Maas Rhein and Flanders-Netherlands IIIA. A key finding from these analyses was that project targets relative to project budgets bore little relationship to measure-level physical targets relative to budgets. The Flanders-Netherlands IIIA MTE argued that more credibility checks were required at the application stage to address this. The France-Spain IIIA MTE provided a useful comparison of aggregate project targets relative to measure targets, leading to recommendations about types of project to target in subsequent funding rounds and adjustments to potentially unrealistic programme targets.

In discussing methodological options to capture programme effectiveness, it should be borne in mind that there are alternatives to the more formalised approaches based on specific physical indicators, which can enrich analysis and debate when insufficient data are available and which could be used more widely. An example is given in the box below of a Finnish analysis in which programme stakeholders were asked to rate approved projects qualitatively in terms of their overall relevance and cross-border quality, in order to assess whether the programme was managing to select projects which would enable its broader integration aims to be met.

In reviewing the overall progress of programmes, a number of comments were made. The number of projects was sometimes lower than expected. In several cases, there was an over-

representation of bigger projects (potentially used as a means of raising commitment levels). This raises questions as to whether the basket of targets agreed for these measures can still be met with available funds. In addition reflecting on quality, some evaluations suggested that trying to commit funds to meet n+2 targets had a negative influence on project quality or certainly projects' strategic fit with the programmes. However, this was not robustly justified.

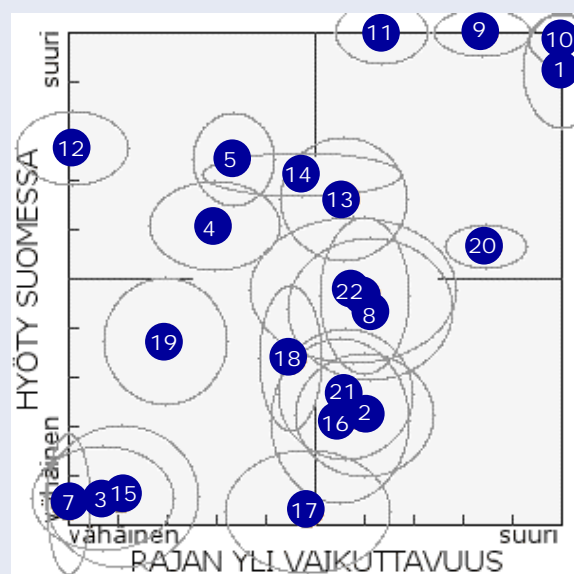
To tackle any imbalances, intensified promotion, targeted calls for proposals and increased assistance for project development were proposed. Some evaluators also suggested establishing working groups for particular measures. Alternatively, some programmes proposed modifying targets, based on learning to date about what programmes are realistically likely to achieve.

It is difficult to conclude much from the MTEs in terms of the physical effectiveness of INTERREG programmes to date. However, some clear conclusions can be drawn about the range of analyses which programmes should ideally be undertaking (on an ongoing basis) in order to understand better their progress towards programme targets and therefore take more strategic decisions. In particular, all programmes could more consistently compile data on the range and nature of participation in their programmes and on the targets which approved projects anticipate they will achieve during implementation. At the very least, these exercises should form a standard part of any 2005 update of the 2003 MTEs.

Box 5.3: South-East Finland-Russia IIIA – measuring cross-border effects

The South-East Finland-Russia IIIA MTE provides an interesting attempt to assess the cross-border character of projects implemented under the programme. An analytical technique entitled 'Crest Analysis', developed by Professor Esko Ala-Saarela of the University of Oulu, was used to interpret the views of questionnaire respondents about the national significance and cross-border impact of projects.

Each respondent placed balls representing each project onto a matrix with two axes, one measuring significance and the other cross-border impact.



The location of the balls in the diagram reproduced here represents the mean responses. The ring around each ball illustrates the deviation of answers. The smaller the ring, the more unanimous the respondents were about any project's significance.

The example illustrated is for Priority 1 projects and shows that three projects fell into the upper right hand corner of the diagram and were therefore found to be of very high quality and value, performing well in terms of their concrete benefits and cross-border impacts.

These projects were:

- development of the border crossing points in the eastern customs district;
- the improvement of Road 396 for the development of the Imatra border crossing point; and
- the development of technical equipment for border patrol.

In the case of Priority 2 projects, the evaluators stated:

*'The priority 2 project profile can be considered very interesting for two reasons: Firstly, none of the priority's projects fall within the lower left corner of the diagram (minor – minor). Secondly, there are no projects to be found in the upper right corner of the diagram (great – great). Most of the projects instead are considered to be primarily successful either in relation to their viewed utility or their cross-border impact. Examples of this include: the Anjalankoski experimental plant and the municipality of Ruokolahti's Kuomio Sawmill project, whose utility is not directly questioned, but whose the cross-border impact is simply not seen. On the other hand, both the Russia Service Centre and the EuroRussia Service Centre were viewed as being in accordance with the objectives of the programme, but otherwise rather artificial and producing little concrete added value. The same view was expressed in the expert interviews.'*

For Priority 3 projects, the analysis helped to identify which projects were universally considered highly suitable, while still highlighting the wide variation of views that exist under the priority.

## 5.7 THE IMPACT OF INTERREG PROGRAMMES ON THE HORIZONTAL THEMES

What has been the contribution of INTERREG to the horizontal themes, notably environmental sustainability, equal opportunities and the development of the Information Society? Again, not all MTEs considered these issues explicitly. Overall, environmental sustainability was the most easily and frequently addressed theme because it has the most direct and clear relevance to the scope of INTERREG programmes. A great deal of activity will have environmental benefits. Likewise, the inclusion of an IT dimension in many projects contributes to the development of the Information Society. Some studies also highlighted ways in which equal opportunities concerns had been integrated into projects.

There was some evidence that the relevance of the horizontal themes to INTERREG programming, and the ways they could be taken forward, were not always entirely clear either to programme actors or to some evaluators. This is an area where more work could be beneficial, especially identifying and publicising concrete examples of projects which have successfully integrated the horizontal themes and providing an accessible way of understanding why these themes are relevant in an INTERREG context. Interest was expressed by interviewees in some MTE surveys to receive this information. Clearly however, this cannot be the first priority given the urgency of making quicker progress in many INTERREG programmes.

One interesting hypothesis worth testing is that INTERREG programmes are achieving greater impacts in terms of the horizontal themes than are being reported. Several of the projects mentioned in the MTEs were directly targeting equal opportunities outcomes, for example. Capturing this would put the horizontal themes in a more positive light and raise their profile with a minimum investment of effort.

## 5.8 THE COMMUNITY ADDED VALUE OF INTERREG PROGRAMMING

In the context of the recent round of MTEs, Community Added Value (CAV) can be defined as effects – ideally positive – which would not have come about, either partially or in their entirety, without the European support provided. The inclusion of this issue in the MTEs was primarily for the benefit of the Commission, providing evidence to contribute to the debate about the reform of the Structural Funds. However, taking stock of the genuine added value of INTERREG as a distinctive initiative also provides important information for INTERREG programmes themselves; it allows them to present those benefits which justify the additional effort involved in undertaking cross-border, transnational or interregional projects.

Not all MTEs explicitly addressed the issue of the CAV achieved by INTERREG programmes. This can perhaps be explained by the fact that INTERREG as a whole is viewed as having Community Added Value. Without it, comparable cross-border, transnational and interregional initiatives would not be taking place on this scale. Also, while some studies, such as the France-Switzerland IIIA MTE, do not mention CAV explicitly, their strong focus on the distinctive aspects of INTERREG programming mean that it is actually addressed throughout the MTE.

Some evaluators felt it was premature to look for CAV at this stage. Others explored early achievements or prospects. Selected findings are presented in Table 5.2 below, which addresses seven aspects of added value.

The categories in the list were developed by using three sources to interpret the scope of added value:

- the system used by DG Regio itself to categorise the added value of EU regional policy interventions;<sup>19</sup>
- a categorisation developed by EPRC in 2003 to capture the added value of regionally focused Objective 1 and 2 programmes;<sup>20</sup> and
- categorisations proposed by INTERREG evaluators, notably in the context of the MTEs of the Austrian external programmes.

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<sup>19</sup> DG Regio (2003) *Annual Management Plan 2003*, DG Regio, Brussels, p31.

<sup>20</sup> Bachtler J and Taylor S (2003) *The Added Value of the Structural Funds: A Regional Perspective*, IQ-Net Special Paper on the Future of the Structural Funds, European Policies Research Centre, University of Strathclyde, Glasgow.

Table 5.2: Elements of Community Added Value Identified in the MTEs

Programme	Elements of Community Added Value
<b>Contribution to Community aims</b>	<ul style="list-style-type: none"> <li>– Limited impact on <b>economic and social cohesion</b>, although modest direct and indirect impacts could be expected in some IIIA programmes arising from economic development collaboration including in the fields of tourism, business development, RTDI and integrated labour markets, e.g. undertaking preparatory activities with a cross-border dimension which help the targeting of Objective 1 funds (Mecklenburg Vorpommern-Poland).</li> <li>– INTERREG is potentially making an important conceptual and practical contribution to <b>European integration and balanced development</b>, e.g. additional funding for selected issues including balanced spatial development and environmental sustainability (Northern Periphery IIIB).</li> <li>– It is also contributing modestly to the <b>horizontal themes</b> promoted by the Community, e.g. providing an additional instrument to take forward the European aim of environmental sustainability in particular (e.g. Mecklenburg Vorpommern-Poland)</li> </ul>
<b>Additionality</b>	<p>Most projects would not have happened without INTERREG funding or would have taken place on a different scale or to a different timetable.</p> <ul style="list-style-type: none"> <li>– <b>Total additionality.</b> In the Sweden-Norway IIIA programme, 71 per cent of projects would not have happened without INTERREG, while in the Nord IIIA programme, 60 to 80 per cent of project owners think that this was the case for their projects.</li> <li>– <b>Partial additionality.</b> Some projects are larger, materially different or have taken place faster (e.g. those projects which would have been implemented in the Flanders/Netherlands IIIA area would have been smaller without the programme).</li> </ul>
<b>Political or 'European' added value</b>	<ul style="list-style-type: none"> <li>– <b>EU visibility.</b> A high degree of visibility of the EU in the border areas (Austria-Slovenia IIIA)</li> <li>– <b>New conceptions of integrated regions.</b> INTERREG programmes are encouraging new public conceptions of regions and the creation of new identities. The Skärgården IIIA evaluator argues that it is likely that the existing common perception of the term Skärgården to refer to the whole area would not exist if there was no INTERREG programme.</li> <li>– Raising awareness and understanding in accession countries about <b>EU funding mechanisms</b> (CADSES IIIB).</li> <li>– <b>Cross-border governance.</b> Successful initiation of cross-border governance (systemic linkages have been built between public administration and other core institutions in Austria-Slovenia IIIA).</li> <li>– <b>Cross-border dynamics.</b> Significant increase in the number, intensity and dynamics of cross-border contacts at national, regional and local levels, e.g. Austria-Slovenia IIIA.</li> </ul>

Programme	Elements of Community Added Value
<b>Policy added value</b>	<ul style="list-style-type: none"> <li>– A genuinely additional and <b>innovative instrument</b> to address policy problems (Austria-Slovenia IIIA).</li> <li>– Creation of new, <b>integrated strategic visions</b>, including under IIIA and IIIB.</li> <li>– It is highly unlikely that many projects would have appeared in their cross-border or transnational format without EU assistance, bringing an <b>additional dimension</b> to the execution of selected activities and the potential for policy learning.</li> </ul>
<b>Institutional added value</b>	<p>Creation of new institutions and adjustment of the remit and expectations of existing ones. Creation of new virtual institutions in the form of networks and partnerships. Potential for this to be sustainable in many cases.</p> <ul style="list-style-type: none"> <li>– <b>New institutions</b> have been established in border regions (e.g. Euroregio in Styria, Working Group in Carinthia), existing agencies have been strengthened and their funding increased (RDAs in Slovenia, Regional Management Offices in Austria) and new cross-border networks have been established (Association Styria – N-E Slovenia) (Austria-Slovenia IIIA).</li> <li>– <b>Decentralised programming approach</b> has brought a wider range of actors into the process (including the police) and has helped to ensure that projects are genuinely bottom up (Danish-German IIIBs).</li> <li>– Formation of cross-border and transnational <b>partnerships</b> (e.g. Euregio Maas Rhein IIIA).</li> </ul>
<b>Operational added value</b>	<ul style="list-style-type: none"> <li>– The programme has assured <b>multi-annual programming</b> and funding, giving continuity and certainty.</li> <li>– <b>Monitoring and evaluation</b> have been embedded as integral elements in the policy lifecycle.</li> <li>– INTERREG provides a <b>catalyst</b>. New projects have been initiated due to the increased cross-border contacts or information exchange.</li> <li>– Promotion of <b>integrated projects</b> and <b>public-private partnership</b> approaches (CADSES IIIB).</li> </ul>
<b>Learning added value</b>	<p>Strong effects. Sustained cross-border, transnational and interregional exchanges of experience, knowledge and know-how, leading to the potential for individual and institutional learning.</p> <ul style="list-style-type: none"> <li>– The benefit of raising <b>mutual understanding</b> and knowledge was cited in e.g. Alpine Space IIIB, Germany-Luxembourg-Germanophone Belgium IIIA, France-Wallonie-Flandre IIIA.</li> <li>– <b>Broadening</b> the perspectives and experiences of local level actors.</li> <li>– CADSES IIIB cites exchange of knowledge including <b>good practices</b> in policy, public participation, administration and planning procedures. Specifically, Alpine Space IIIB cited exchange and transfer of practices in the field of administrative and financial management (e.g. administrative innovations such as subsidy contracts or partnership agreements).</li> <li>– Developing cooperative and collaborative <b>project management skills</b> among public sector actors.</li> <li>– <b>Cultural exchange</b>.</li> </ul>

INTERREG has weaknesses as well as strengths in terms of its Community Added Value. In common with the experience of other Structural Fund streams of funding,<sup>21</sup> some studies note that the positive aspects of added value derived from INTERREG are counteracted by the increasing administrative burden on project holders. In addition, many soft INTERREG projects run the risk of having limited tangible achievements in the end. Furthermore, while there appears to be the promise of many positive outcomes, some programmes are operating in more difficult circumstances and coming up against some very real limits to integration and cooperation, whether they be social, political, cultural or economic.

In the context of the added value debate, a final important issue is to consider how sustainable INTERREG outcomes are likely to be. A weakness is that the learning generated by INTERREG at the project level tends to be isolated to networks, organisations or worse, to individuals, for whom INTERREG provides rich learning, skill and career development opportunities. There is optimism among project leaders in Sweden-Norway IIIA that the lessons and experiences from the programme will be sustainable. However, the evaluators here point out that this very much depends on the ability of the projects to disseminate knowledge and experiences externally. As the Sweden-Norway IIIA evaluators state, ideally the knowledge and experience generated would be accessed, used and integrated into other parts of the programme instead of being isolated within single projects. The programme could be developed into an important source of knowledge and experiences about cross-border cooperation. This would increase the chances of the programme's values being integrated within existing social structures at the end of the programme. In many cases, mechanisms are still needed which allow this to take place. INTERACT has a role to play here in providing a 'hub' to disseminate or access relevant learning.

## **5.9 LEARNING ABOUT PROGRAMME EFFECTIVENESS**

Some of the most important lessons to come out of a review of programme effectiveness at this stage relate to the overall rate of progress in implementing INTERREG programmes and the urgent need for programmes to accelerate rates of commitment and spending.

In financial effectiveness, there are broadly three stages to consider: committing the funds; projects achieving spending; and projects successfully reclaiming the ERDF portion of this. Some programmes are not progressing at all, others are achieving commitment but not yet healthy rates of spending. INTERACT ran an event in 2003 to increase understanding of the n+2 rule. Following up on this initiative should be a high priority, organising a focused exchange which is open to all INTERREG finance officers and kicks off an ongoing dialogue focused around maximising INTERREG progress over the remainder of 2004.

The following are some of the valuable questions which could be asked at an event on avoiding automatic decommitment:

- Which INTERREG programmes face a decommitment risk and on what scale?

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<sup>21</sup> Bachtler J and Taylor S (2003) *op. cit.*

- What are effective techniques to monitor progress towards n+2 targets and to communicate about this?
- What methods can be used to avert the risk of decommitment (e.g. risk management tools and action plans)?
- How can projects be encouraged to understand their n+2 responsibilities and to meet their agreed spending profiles? This might include more specific work, e.g. to identify good practice in accelerating the project start-up phase or ensuring that projects start with realistic budget profiles which better enable programmes to plan.

Little can be said at this stage about the physical effectiveness of programmes. This is regrettable because it undermines the ability of INTERREG programmes to present their achievements tangibly and credibly, to draw lessons which could help to enhance the effectiveness of current programmes or to inform the design of future INTERREG programmes. A working group could be constituted to explore the many issues around capturing INTERREG achievements. This initiative could also be charged with addressing how the potentially considerable contribution of INTERREG to the horizontal themes can be captured.

## 6 PROGRAMME MANAGEMENT

### Summary

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Unique among Structural Fund programmes, INTERREG programmes face a number of difficulties arising from their international nature, including issues relating to the geographical spread of the programmes, the diverse political, legal and administrative contexts they must accommodate and their need to remain accessible to partners. For the most part, programmes have risen to these challenges, providing a range of good practice in integrated programme management, with the most integrated or inclusive models in place in the IIIA programmes on internal borders and the IIIB and IIIC programmes.

Different programmes are characterised by divergent management structures, especially with respect to the location, coordination and operation of Managing and Paying Authorities and the Joint Technical Secretariats. Several models appear to offer effective solutions but each presents its own challenges. Evaluations also explored the different approaches to Monitoring and Steering Committees. MTEs generally appraised them as effective structures, although with some potential for improvement, for example in terms of the strategic orientation of Monitoring Committees. A range of other bodies contributing to INTERREG management are also highlighted. The use of additional support structures at the local level is particularly common in IIIB programmes and there are opportunities to learn about the contribution made by these different institutions.

The diversity and international character of INTERREG programmes provides a good platform for exchange of experience between different programmes. There is ample scope for INTERACT to provide a range of common services in the areas of recruitment, induction training, brokerage of staff exchange and providing background information on the institutional contexts of the EU-25 countries.

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### 6.1 INTRODUCTION

Management of any Structural Fund programme is demanding. The management of INTERREG programmes presents additional challenges because of their international and innovative dimensions. This chapter addresses the management systems established for the INTERREG III programmes and reviews their experiences over the first half of the 2000-06 programming period, addressing the different stages of programme implementation – notably promoting the programme through publicity and communication as well as the process of allocating resources via project generation, appraisal and selection. Monitoring is addressed in a subsequent dedicated chapter.

It should be noted that is based on limited information because it was the task of evaluators to analyse rather than describe management systems. There were, therefore, gaps in the comparative information which could be derived from the MTEs. In addition, among the population of INTERREG programmes, some 10 per cent (mainly external border IIIA programmes and new IIIB pro-

grammes) do not yet have fully established management structures and systems. They are still in the early stages of development or have structures and systems which are settled in theory but not yet operational. These limitations aside, the chapter provides an initial attempt to give an overview of organisational choices for INTERREG management, highlighting some commonalities and contrasts. INTERACT Exchanges should allow understanding of organisational models to be enriched over the remainder of this programming period, hopefully with a view to enhancing solutions in the 2007-13 period.

## 6.2 OVERALL APPROACH TO MANAGEMENT

The distinctive feature of INTERREG programmes, from a management point of view, is that they are all international in character, with an allocation of shared resources to be used to pursue the joint priorities of a multinational constituency. This has implications in terms of how management and steering structures are shaped, how decisions are taken and how projects themselves are designed and conducted. The overall trend over the past 10-15 years has been one of greater coherence and integration in terms of both programme and project management.

Although an INTERREG programme might have the participation of several countries, integrated management implies that there would eventually be one set of responsible authorities, one secretariat, one committee of each type, one budget and one set of rules and procedures applicable to all participants. The dilemma here is how to achieve this without a sound supranational legal and institutional framework in which to embed these structures and processes. A Managing Authority, for example, has to be created within a single institution and therefore, (with a few exceptions) is necessarily embedded in a national framework within whose rules and norms it has to work. In these circumstances, there are many challenges, including the following.

- Programmes must be managed to balance the interests of all their constituents and inspire a sense of common ownership and commitment. Management bodies have to be physically and institutionally located in particular places but this may be associated with a range of operational, cultural, regulatory and linguistic norms which may not be fully aligned or compatible with those of the wider constituency.
- Operational compromises have to be found to allow the requirements and regulations (especially financial) of all participants to be respected, whilst still maintaining the overall coherence of the programme (i.e. not devolving the programme into a series of mono-nation sub-programmes).
- A suitable compromise has to be reached between the need for very coordinated and efficient high-level management functions (driving towards co-location) and the need for programmes to be physically accessible to applicants across their whole target territory. (Central bodies need to be detached from their immediate affiliations and potentially also needing the establishment of a network of satellite contact points).
- A network of satellites, representatives or structures may present difficulties in building up momentum in programmes and coordinating the activities of all (including ensuring they are applying uniform or at least well-understood processes and giving out consistent advice).

The nature of the challenges clearly varies across different programmes and the MTEs highlight a range of institutional solutions. The discussion of administrative solutions derived from these studies does not mean to imply that any particular configuration is necessarily intrinsically better or worse. Many different administrative arrangements offer potentially effective solutions but they all give rise to challenges and demands that require active management. A further issue to note is that, in many cases, while structures were critically appraised by evaluators, this was often a matter of improving on what are already broadly effective systems. Although there are exceptions, most programmes are progressing, certainly in terms of commitments, indicating at least a satisfactory level of functioning.

An overall finding, emphasised strongly in many MTEs, is the absence of an internationally valid regulatory or institutional framework in which INTERREG programming can take place which would help to address some of the problems caused by inconsistencies between e.g. the financial norms imposed in different environments. The Third Cohesion Report<sup>22</sup> proposed a 'new legal instrument' to address this, enabling the constitution of 'cross-border regional authorities' which would:

*“allow Member States, regions and local authorities to address – both inside and outside Community programmes – the traditional legal and administrative problems encountered in the management of cross-border programmes and projects. The aim would be to transfer to this new legal structure the capacity to carry out cooperation activities on behalf of public authorities.”*

The draft Structural Fund regulations include a dedicated regulation for the creation of new legal entities, called European Groupings of Cross-border Cooperation (EGCC) which take forward this commitment. While this provides for the creation of shared structures, it is not entirely clear at this stage how these would resolve some of the core incompatibilities, for example between differing national financial regulations.

A further overall observation – of particular resonance in the new Member States – is that the best-performing programmes have accumulated management experience and matured their systems across multiple programming periods. This applies to both IIIA and IIIB programmes. An implication of this is that stability and continuity are conducive to progressively embedding systems, building relationships, increasing capacity and clarifying respective responsibilities. Any significant change in management structures can lead to delays in programming. For example, although the Western Mediterranean programme is a continuation of an initiative from the previous programming period, its current Joint Technical Secretariat was only established in April 2002, leading to coordination and leadership issues delaying programme progress. Other longer-established structures have had more time to work through their teething troubles

In discussing the structures of INTERREG programmes and the way in which they have addressed the challenges of integrated management, a good starting point is to group them by programme and border type. Although there is significant variation within the groups, they provide a broad structure to start understanding patterns.

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<sup>22</sup> CEC (2004) *op. cit.* pp xxxi.

**Group 1:** The three types of programme which enjoy the greatest opportunities for **integrated programme management** solutions are the IIIA programmes on internal borders, IIIB programmes (especially those which have more homogeneous participants) and the IIIC programmes.

- Internal IIIA programmes involve at least two countries as equal partners and are implemented in environments in which coordination and joint management are in theory possible, especially where there is a strong history of joint working across open borders. Some have achieved excellent levels of integration and are benefiting from wider trends towards integration and/or from past investments in progressively more integrated INTERREG programming. For others, difficulties are still faced in overcoming practical barriers to the operation of a joint programme. The Bayern-Austria IIIA MTE noted the fact that even with strong cultural similarities in the cross-border area, administrative and political differences still meant that effective coordinated programming was challenging. Many programmes are actively working on further integration, including joint structures and the introduction of real cooperation in operational aspects, and many have MTE recommendations in this area.
- IIIB programmes and IIIC involve more countries than IIIA on average and have a clear vocation to serve a multi-country constituency. Most of them have managed to make a good start with committing funds, and operating fully-functioning systems and institutions. Many have also taken a proactive approach, comparing their management systems with their equivalents, and borrowing alternative practices and better solutions where this makes sense.

These groups include some of the most stable, advanced and integrated management structures. The recommendations of MTEs for these programmes are relatively small-scale, often in the form of nuances to systems which already function well, such as procedural improvements. These programmes are often helped in their level of integration by very open borders, cultural similarities, and a good record of current and previous cooperation not just in the context of Structural Fund programmes but also more widely (e.g. with business networks, service delivery agreements, etc).

**Group 2:** The remaining IIIA INTERREG programmes involve external borders to the EU – with the ‘neighbouring countries’ of Norway and Switzerland, with the new Member States and with other external countries. These programmes face a different challenge in that their activities necessarily involve external countries and therefore parallel structures, leading towards a different range of effective management options. The IIIA new Member State programmes now have new opportunities to develop more integrated structures and systems, such as those in place for some of the programmes mentioned above, and to shift the overall balance of programming towards ‘joint ownership’.

Among this group, the most stable and integrated structures are found in the programmes with neighbouring countries. These tend to be characterised by parallel structures on either side of borders but with high levels of cooperation and coordination between these structures (enhanced recently in Switzerland by decentralisation of responsibilities from federal to canton level).

The prospects for integrated or highly coordinated management are favourable in the case of IIIA programmes on external and new Member State borders. Here, programmes formally cover territory on one side of the border only and management structures are constrained to serving this area. This provides a certain potential for simplicity within structures but it demands additional effort in terms of communication and cooperation with the structures and systems of ‘mirror pro-

grammes' across their borders, with which they are aiming to coordinate. In fact, some of these new Member State border programmes, including the four Austrian programmes, have performed extremely well within the limits of the INTERREG-Phare CBC structure, achieving high-quality management overall, involving a wide partnership of domestic actors and establishing a good co-operation climate with cross-border partners.

The IIIA programmes involving new Member State partners are currently undergoing a transformation of their structures to serve a multinational constituency in a more balanced and integrated way. As yet it is difficult to judge how they are proceeding. The Austrian programmes, in particular, built strong cooperative links during the 2000-03 period and began preparations early, which should facilitate the transition process. A key factor may be whether there is continuity between the bodies which were responsible for former Phare CBC programmes (and therefore have experience of cross-border programming and knowledge of partner programmes, institutions and individuals) and those which will take on INTERREG. This is not always the case. It should also be borne in mind that this process will involve significantly more than simple administrative adjustments. The sense of ownership of these established programmes needs to shift, so that the new Member States become equal partners in steering and management bodies. This is a fundamental change. A learning opportunity in these programmes is to investigate the potential for a two-way flow of practices, where management arrangements or approaches used in Phare CBC programmes could feed positively into newly shared INTERREG systems.

**Group 3.** The final group of IIIA programmes consists of those on external borders with third countries. Experiences here are diverse but, by and large, these are the most challenged programmes. They are often facing significant difficulties, often relating to difficulties inherent to the instruments being used, not least coordination with incompatible external programmes. In some cases, difficulties relate to domestic factors of institutional coordination, capacity and resourcing. It is hoped that the Neighbourhood Instrument will address many of the structural incompatibilities, creating a more solid foundation for effective working. However, it is possible that some of these programmes could also improve programming arrangements at a domestic level. One particular issue appears to be the difficulties caused when cross-border programmes are managed by organisations operating at a distance from programming areas. This arguably fits the needs of capital projects better than soft, smaller-scale interventions.

### 6.3 MANAGEMENT STRUCTURES

This section examines INTERREG III management structures in more detail. Programmes are managed by the range of core institutions set out in the Structural Fund regulations, with the addition of *ad hoc* structures and roles for more operational aspects of INTERREG management, including animators and national correspondents. Configurations vary significantly between programmes.

### 6.3.1 MANAGING AND PAYING AUTHORITIES

The Managing Authority and Paying Authority roles were newly formalised in the 1999 Structural Fund regulations, giving these functions names, specifying their responsibilities and requiring a separation between them which was not previously made explicit. There is a single Managing Authority (MA) for every Structural Fund programme, and INTERREG is no exception. Managing Authorities are usually a department in a regional authority or national ministry from one of the participating countries. In one case, this role had been delegated to an agency at the regional level, under the supervision of the national MA.

Given its financial responsibilities, the Paying Authority (PA) is usually a national ministry or agency. Where it has not been possible to sufficiently align payment procedures in different countries, the option of a Sub-Paying Authority in the second country has been allowed.

A range of different organisational choices can be discerned for the designation of the MA and PA, each with different implications in terms of the potential for coordination.

- **MA in one country and PA in another.** Usually, the MA and PA are in the same country. However, three programmes operate with one authority role in one country and one in the other – presumably as a means of demonstrating joint ownership and responsibility (France-Wallonie-Flandre, Öresundregionen and France-Spain IIIA). This configuration has created administrative complications in the case of the France-Spain programme, notably in terms of establishing a coordinated, shared monitoring system.
- **The MA and PA are in one country but in two separate institutions, sometimes at different levels of governance.** This appears to be a frequent arrangement. Variations include:
  - (i) MA and PA both at national level (e.g. Greek programmes);
  - (ii) MA and PA both at regional level (e.g. North West Europe IIIB, where the MA is in the Nord Pas de Calais Regional Council and the PA is the Nord Pas de Calais Regional Office of the Caisse des Dépôts et Consignations, both in Lille); and
  - (iii) MA and PA in different institutions at different levels, (e.g. North Sea IIIB where the MA is the Danish National Agency for Enterprise and Housing, and the PA is Viborg County Council).
- **MA and PA are in different departments of the same institution.** This is found in several programmes, including CADSES and Western Mediterranean IIIB (Italian Ministry of Infrastructure and Transport), Northern Periphery IIIB (Umeå CAB), Espace Atlantique IIIB (Regional Council of Poitou-Charentes).

In most cases, the MA and PA functions for any programme are both held in the same Member State. As seen above, three programmes were identified where they were in different states. Where the MA and PA are in the same state, coordination would potentially be easiest where they are within the same institution. It is potentially less straightforward where they are in different institutions, especially when these are at different levels of government (typically, one national, one regional). However, this is a generalisation. In one example where the MA and PA were in the same institution, evaluators proposed that a working group should be established to improve their coordination. A separation can also bring benefits in terms of using the most specialised or suitable institution for any given function. A distinctive feature of external border programmes is that, while

their MA and PA will be in the same Member State, they face the challenge of cooperating and coordinating with the management institutions of the parallel external programme.

The MTEs contain few specific recommendations regarding the MA or PA structures, apart from some proposals to clarify functions or to address overlapping competencies with the Joint Technical Secretariats (JTS). These reflect teething problems in the main and the opportunity provided by the MTE to generate independent feedback allowing processes to be improved. A small number of MAs however, were felt to be slightly imbalanced in their emphasis, with the potential for some rebalancing to reduce the influence of national interests (e.g. CADSES IIIB).

### 6.3.2 JOINT TECHNICAL SECRETARIATS (JTS)

The third key element of administration is the Joint Technical Secretariat (JTS). These structures undertake practical administration tasks on behalf of their programme and provide a form of hub between programme managers, stakeholders involved in steering structures and applicants and grant-holders. They all appear to have similar core functions, addressing the day-to-day management of their programme, servicing committees, promoting the programme, preparing guidelines for applicants and implementers, managing calls for projects, undertaking initial assessment of project eligibility and supervising grant-holders. Some also appear to be more active in providing assistance in project development (Ems-Dollart IIIA, North Sea IIIB), a function which other programmes delegate to animators or intermediaries on the territory. In terms of their overall approach, the JTS takes forward the instructions of its MA, PA and Monitoring Committee, but the degree to which it can exercise initiative in taking forward its remit varies across Europe with, generally, a more 'arms length' or proactive role in some northern European Member States.

Several configurations of Joint Technical Secretariat were identified from the MTEs.

- **Single JTS for a whole programme.** This is the case in most IIIB programmes and many IIIA programmes (e.g. Ireland–Wales, Bayern–Österreich, Öresundsregionen IIIA). The JTS may be hosted by the same organisation as the MA (Ireland-Wales IIIA, North West Europe and South West Europe IIIB) or exceptionally, by the PA (North Sea Region IIIB). Alternatively, it can be at arm's length to both, in another institution, sometimes in another location and, exceptionally, in another Member State (Alpine Space and CADSES IIIB).
- **Single JTS, housed by an organisation with a cross-border remit.** This is a rare situation found in some of the most integrated central EU border zones (Germany-Luxembourg-Germanophone Belgium, Saarland-Moselle-Westpfalz IIIA).
- **Mirror structures in external programmes.** In the external programmes, mirrored structures are found. For example on the new Member State Phare CBC borders, an INTERREG JTS applies to one half of a border but has been mirrored by a parallel Phare CBC structure on the other side. Both structures usually cooperate closely.

Some IIIA programmes were divided into sub-programmes in practice, targeting different sub-zones of the relevant border. This led to 'sub-secretariats' being in place in some of them, working under a coordinating secretariat. This was the case for Spain-Portugal IIIA and represents a rational solution for the length of border covered. In other examples, it was sometimes the result of

multiple programmes having been brought under the umbrella of a single programming document in this round (e.g. Nord IIIA has its main secretariat in Finland and then sub-secretariats for what used to be separate programmes). In one case, where two programmes had been merged, two JTS continued to operate but without sufficient adjustment for the fact that the areas now formed one programme.

The geographical distribution of the JTS, MA and PA relative to each other, and to the eligible areas, may be significant in shaping how easily they coordinate with each other on the one hand, and engage with target audiences on the other. This could be an interesting issue to explore in the course of an INTERACT Exchange focused on effective programme management solutions.

JTSs ranged in size from three to 15 people (depending mainly on programme size) and were sometimes subdivided into functional units (e.g. finance, programme support, project development). Most JTSs appear to be working well, appraised by evaluators as highly competent, with a good balance of dedicated staff with relevant administrative skills, language knowledge and cultural flexibility.

The main problems noted in the MTEs are similar across different programme types – although arising more frequently in programmes which are still developing their structures.

- As noted previously, there were some ambiguities in terms of the responsibilities of some JTSs relative to their MAs. MAs have tended to delegate a significant range of functions to JTSs, while retaining responsibility. There was some debate about the optimal relationship between the JTS and the MA. Where the JTS and MA were in different locations, this was sometimes presented as a weakness in that it undermined information flows and the necessary close co-operation between key bodies (e.g. Alpine Space IIIB). In other cases, it was presented as a strength which guaranteed the independence of the JTS and thereby its ability to serve its broad constituency more equally (CADSES IIIB).
- Other ambiguities were found in the relationship between the JTS and various local support structures. In a number of cases, it was suggested that functions should be clarified, whether between the JTS and MA or between the JTS and local promotion offices.
- Many JTSs were found to be under-staffed (Western Mediterranean IIIB, Saarland-Moselle-Westpfalz IIIA). This affected their ability to respond fully to their remit; staff tended to be overburdened with day-to-day administration and therefore had to focus inwards, rather than considering strategic issues or taking on more outreach activities with target populations. In some cases, where structures were still in preparation or had only recently been finalised, a real conflict was identified during the formative stages between the need to finalise systems and the need to be more proactive and outward-looking in ensuring programme implementation (Sachsen-Czech Republic, Sachsen-Poland, Oberrhein-Mitte Süd, France-Spain IIIA). Not surprisingly, evaluators frequently advised increasing the staff resources available to JTSs.
- Finding an appropriate balance between essential administrative tasks and more developmental or strategic activities has also been debated in the better functioning programmes with stable and well-resourced secretariats (e.g. Sweden-Norway IIIA).
- The skills and resources needed by the JTSs vary according to their functions. In many IIIB programmes, JTS personnel appraise projects. In IIIC, it has been suggested that assessment responsibilities should be outsourced to external experts, allowing the efforts of programme staff to be refocused.

- Some secretariats faced an initial high turnover of staff, or difficulties in securing an appropriate range of skills (e.g. Atlantic Rim and Western Mediterranean IIIB), but this tends to have settled down by this stage. In one case, it was recommended that working conditions – including the amount of effective coordination between the JTS, the MA and PA – needed to improve to stabilise the situation in the JTS.
- Where multiple JTS structures are in place, either mirror structures or servicing sub-zones of an eligible area, some issues of coordination were identified, e.g. Flanders-Netherlands IIIA. Coherence was also an issue in programmes where (for example) financial management procedures at domestic level differed between the Member States participating in a programme. Procedure manuals have proved an invaluable tool to improve joint working in IIIB programmes facing these issues. They have been useful in South West Europe and Espace Atlantique IIIB, and they were recommended for the Western Mediterranean and CADSES IIIB programmes.

There is some variation in the distribution of roles between the JTS and other bodies, and therefore the recommendations made by evaluators varied depending on the context in which JTSs were operating. In one context for example, it was recommended that they should adjust their orientation to become more service and support-oriented, rather than fulfilling a technical ‘controller’ function. In another, the opposite was suggested – that the JTS should focus on monitoring functions and the development of strategic projects, leaving the more intensive project support activities to locally based actors.

### **6.3.3 MONITORING COMMITTEES (MCS) AND STEERING COMMITTEES (SCS)**

Programme Monitoring Committees (MC) are the main partnership-based strategic level steering structure for Structural Fund programmes. They are a formal requirement for every programme, and their core responsibilities are set out in the Structural Fund regulations. By contrast, Steering Committees (SC) are established by many programmes out of choice and have a more practical remit, often involving taking or endorsing decisions on project selection. Some programmes (including INTERACT itself and the North Zone IIIC programme) have combined the two committees into a single Monitoring and Steering Committee (MSC), which then has a broader and more operational remit than a Monitoring Committee. This approach can help to create a committee which, while it has a heavy task list, is very actively engaged and gains an excellent understanding of the programme it is steering.

The structure and competences of both MCs and SCs tended to be very similar across INTERREG programmes. Each programme has a single Monitoring Committee, sometimes assisted by advisory commissions or groups addressing technical matters, for example addressing the detail of projects during the final project selection process. The main difference between MCs appeared to be in the range of their membership. All MCs included a broad range of actors but not all had the same balance of regional, local, social and economic partners. Some evaluators noted a lack of representation of social and economic partners, NGOs and/or regional actors (e.g. Austria-Czech Republic IIIA) but many found wide participation, including social partners, the private sector, NGOs and environmental experts (South West Europe IIIB, Ireland-Wales and Germany-Luxembourg-Germanophone Belgium IIIA). Sometimes, this broader partnership has been developed using technical assistance (Germany-Luxembourg-Germanophone Belgium IIIA).

The effectiveness of all programme committees was generally appraised as good. The most developed programmes, with previous records of cooperation, had worked out procedures to allow smooth cooperation and constructive discussion (e.g. Oberrhein-Mitte Süd IIIA). It is worth noting that some of the bigger programmes also established institutions to provide continuity for MC and SC tasks between meetings, taking forward the issues arising and increasing efficiency (e.g. a Supervisory Group in North West Europe IIIB).

One issue for larger programmes and those involving more countries has been the size and complexity of the MC and SC which has caused some problems in effectiveness. The most basic practical matters, such as arranging meeting dates, ensuring inclusive discussion and revising documents, are all complicated by wide participation. Unwieldy committees pose a threat to programmes if they slow down decision making (e.g. Atlantic Rim IIIB, Greece-Cyprus IIIA). They also risk becoming unrepresentative if active participation falls as a result of the difficulties experienced. To address these difficulties, some evaluators proposed reducing the number of representatives, together with improvements in working procedures (e.g. use of written procedures and working groups to reach agreements on selected issues).

Other problems concern the relationship between the MC and SC. In some cases, there appeared to be confusion between the roles of the two committees, with ambiguity about functions such as monitoring (Kvarken-Mittskandia IIIA). The partial duplication of committee structures was also noted, where MC members were also SC members, making the MC a form of enlarged SC. In Alpine Space IIIB, the evaluators proposed clarification of responsibilities and separate membership. However, common membership of both committees potentially enables greater coherence within the programme and a continuity and depth of engagement which strengthens programming.

A final finding was that some MCs were not engaging in sufficiently strategic discussion (Ems-Dollart Region IIIA). In some cases, this was due to the early stages of the programming period being dominated by a very practical agenda focused on establishing working procedures and administrative routines.

#### 6.3.4 OTHER BODIES

In order to involve a wider constituency of support actors and engage more directly with potential applicants, many programmes supplement their core management and administration arrangements with a range of additional support structures. These vary across the 67 reviewed programmes and are not always fully described. They appear to be most extensively used in INTERREG IIIB because of the very broad coverage of these programmes, requiring local structures to supplement central ones and take forward practical aspects of programming, liaising with applicants or involving stakeholders. In general, five broad types of function can be distinguished.

- **Promoters and animators.** These mainly deal with: (i) promotion of the programme and transnational cooperation in the regional environment; and (ii) support for project development, application and implementation activities. Their main role is to be a link between programmes and their projects, bringing programmes closer to local realities. They are typical for the large transnational programmes (almost all IIIB), such as national or regional contact points in the CADSES, Alpine Space, North West Europe, Caribbean and Northern Periphery IIIB programmes. Some IIIA programmes involve regional-level actors in a similar role.

- **Coordination nodes.** These are central points in information and support networks. They assist and coordinate local contact animators and promoters, and they also facilitate INTERREG links with other EU programmes. They are typically found in the large transnational programmes (e.g. transnational contact points in CADSES IIIB).
- **Assisting authorities.** These assist main institutions in the day-to-day running of programmes and in project implementation. Some are involved in writing programme documents and complements or even take over some of the day-to-day work involved in Steering and Monitoring Committee meetings. An example is the national coordinators in the Alpine Space IIIB programme. Others deal mainly with project selection and later monitoring and control functions (pre-programming committees in France-Spain IIIA). Finally, some authorities focus on project implementation, acting as a one-stop-shop for project holders, assessing projects in cooperation with the JTS, carrying out technical aspects of project implementation such as drafting contracts and examining invoices and providing data input for monitoring (e.g. the Operative Assistance Authorities from Austrian INTERREG IIIA programmes).
- **Linking bodies.** These bodies both enable national interests and views to be articulated and ensure the commitment of national authorities to programmes, promoting transnational aspects at the national level. They usually assist in formulating the national or regional strategic focus of participation in programmes but they could also be used to support project generation and development via national platforms. There are examples in IIIB programmes (e.g. national committees in the Alpine Space and CADSES IIIB).
- **Cooperation platforms.** These bring together officials and politicians from the regions concerned to engage in strategic discussion. They offer a forum to foster overall cooperation, exchange best practices, discuss strategic directions and initiate pilot actions. They have advisory rather than decision-making powers. These exist in a small number of IIIB programmes (e.g. Baltic Sea).

In general, these bodies appear to function well and bring important additional dimensions to programme delivery arrangements. The problems noted by evaluators concern two main issues: resource limitations relative to the range of functions executed; and some overlaps or ambiguities in responsibilities between various bodies which sometimes hamper transparency. Recommendations to address these issues include: (i) clarification of responsibilities; (ii) adjustments to functions, usually transferring more responsibilities to these supporting bodies; and (iii) increased resources to fulfil relevant functions.

## 6.4 LEARNING ABOUT INTERREG MANAGEMENT

Within the broad framework set by the Structural Fund regulations for the management of INTERREG programmes, there is considerable variety in terms of how structures have been configured, how they divide their responsibilities, and how they coordinate their operations. This has been only a very broad brush review of management choices, but it appears from this that there would be scope to encourage exchange between the different programme management entities about the relative merits of different organisational choices and about some of the specific challenges they pose. Profitable exchanges already appear to have taken place among IIIB programmes. IIIC pro-

grammes have also had to develop a pan-European understanding of cooperation methods and potential from which other, simpler programmes could potentially learn.

The development interests of INTERREG actors, in terms of programme management, vary depending on the situation of their particular programme. Those programmes which are already operating efficiently may benefit from addressing relatively subtle questions of programme management with others in a similar situation. Others (including in the new Member States) face more significant challenges in getting programmes started or in adjusting them to new circumstances. Here, exchanges or targeted expert support could help to accelerate the resolution of difficulties and the effective design of systems likely to be inclusive, motivating and efficient. Understanding how effective systems can be established and embedded quickly is something which could benefit programmes in the next programming period.

More specific issues for research and exchange could include the following:

- effective coordination of multinational programmes with complex partnerships (including the use of internet-platforms);
- successful multinational committee management (including drawing on the experiences of the broadest programmes, notably IIIC, some IIIB programmes and INTERACT);
- the impact of different organisational configurations on INTERREG applicants and grant-holders.

In some of these challenges, INTERACT is well qualified to provide guidance in that it has direct experience of developing its own organisational solutions to managing a constituency of 25 Member States plus two neighbouring countries, and operating via a central secretariat plus five INTERACT Points.

In addition to facilitating exchanges, INTERACT could usefully provide a range of common services.

- **Recruitment platform.** A small minority of programmes noted difficulties in recruiting secretariat staff with the range of skills required. There is potential for INTERACT to provide a hub for the recruitment of INTERREG experts, reaching a wide yet targeted population very cost effectively.
- **Induction training.** Preparation or collation of a small range of briefing materials to facilitate the training of actors getting involved in INTERREG programmes, whether as committee members, staff or indeed as project managers. This could also serve to promote careers in INTERREG fields more generally. They could cover a wide range of issues, including the horizontal themes.
- **Brokerage for staff exchanges.** There may be potential to facilitate the development of INTERREG staff and the transfer of management practices by enabling staff exchanges between INTERREG programmes.
- **Briefings on institutional configurations and remits in the EU-25.** To facilitate cross-national interaction, it may be helpful to encourage the preparation of a reference database of INTERREG-related responsibilities and structures in different Member States or in different

programmes or to nominate expert intermediaries who could be consulted on questions in this area.

Finally, the fact that the MTEs show that so many INTERREG management and administration structures are understaffed has implications for INTERACT more generally in terms of the design of the support services to be provided to existing INTERREG actors, pointing to the need for solutions which are highly time-efficient.

## 6.5 IMPLICATIONS FOR THE REFORM OF THE STRUCTURAL FUNDS

Management arrangements proposed in the draft Structural Fund regulations reflect a cumulative evolution from the current provisions. Two issues arising from the MTEs are as follows.

- **The need to be realistic about the implications of change on INTERREG programming.** A key finding of the MTEs is that change to management structures brings with it delays to programme implementation. The n+2 rule is likely to be sustained into the next programming period. This being the case, it needs to be recognised that any significant reforms to management arrangements or the organisation of INTERREG Strands will disrupt many smooth-running systems, making it less likely that programmes will achieve spending at the necessary rate to meet future n+2 targets.
- **Will the proposed shared structures resolve the practical difficulties of INTERREG programming or improve the quality of these initiatives?** Over successive programming periods, there has been an overall trend for INTERREG programmes to move towards more integrated and shared management and delivery systems, although programmes have progressed down this route at different speeds and to varying degrees. The proposed European groupings of cross-border cooperation (EGCC) provide a potential means for more programmes to develop further in this direction, creating joint structures with a legal status. It is important at this stage to explore whether these structures are, in practice, suitably framed to resolve the difficulties they have been introduced to address. Although well-intentioned, the EC's proposals may not in fact go far enough towards addressing the real causes of INTERREG programming difficulties, including incompatibilities between different national funding regimes. It may also be useful to explore different models of INTERREG management, to understand the merits not just of joint structures but also parallel management arrangements. It may be that, given good coordination, parallel management models to cross-border cooperation, for example, provide a valid, realistic and sustainable solution to INTERREG management which accommodates the realities of working in a multinational setting. These questions require further investigation.



## 7 IMPLEMENTING INTERREG PROGRAMMES

### Summary

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Three aspects of implementation are pivotal to INTERREG programmes: publicity and communication; project generation; and project selection. Overall, programmes appear to be progressing well in these three areas, with most MTE recommendations aiming to refine existing systems based on stakeholder feedback.

INTERREG programmes are actively engaged in publicity and communication but they face problems not encountered by other Structural Funds programmes. Their international dimension requires the provision of consistent information in different languages. Nevertheless, the programmes provide a range of good practice in terms of improving the quality and accessibility of information, raising their profile and targeting potential applicants.

Project generation is another significant challenge, not least as it often requires the development of project partnerships among organisations with limited experience in Structural Fund projects. The time required for the application process, the complexity of multiple partner projects and the variable support to applicants have proven critical factors in this area of programme implementation.

A related issue is project appraisal and selection, which has been of variable quality across the programmes, largely reflecting the maturity and embeddedness of existing approaches by programmes. Nevertheless, evaluators have drawn out good practice in a number of areas, especially the use of techniques to make programmes more accessible to more organisations, including: Small Project Funds; grading of project types by capacity; and using two-step application procedures.

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### 7.1 INTRODUCTION

Building on the previous chapter of this report which described management structures, this chapter considers three implementation processes which are pivotal in progressing programmes: publicity and communication; project generation; and the project selection process. It briefly describes the activities undertaken by programmes in these areas, reflecting the views of evaluators about performance to date and brings together some of the recommendations made by evaluators to support enhanced programme implementation over the second half of the programming period.

## 7.2 PUBLICITY AND COMMUNICATION

Formal requirements for publicising Structural Fund programmes were significantly strengthened in the current round as a result of a new dedicated publicity and communication regulation.<sup>23</sup> Publicising available opportunities and the activities undertaken as a result is arguably more important for INTERREG programmes than for many others. INTERREG programmes are wholly or mainly additional to the domestic policy instruments available in relevant countries and regions, and encourage projects which are additional to the mainstream activities undertaken by involved organisations. These programmes would arguably not be able to progress without active communication efforts. This is especially true of IIIB programmes which do not all equate to obvious cooperation areas and which are operated further from the target audience than for example IIIA programmes. It is also true of IIIC which is novel, complex and has distinctive aims and operating mechanisms. Subsequently, it could be argued that activities increasing cross-border or transnational networking or integration only achieve their full potential if it is widely known that the relevant activities have taken place. Likewise, for IIIC (but also many IIIB projects) a key project-level issue is to ensure that the learning generated by individual projects of different types circulates back to relevant policy communities.

Publicising INTERREG programmes has multiple aims, requiring different strands of communication designed for different audiences.<sup>24</sup> General publicity about the programme helps to build up its identity and presence, and encourages the sustainability of the actions undertaken within it, creating new mental maps into which projects fit. These activities target the wider public and communicate the message that the programme exists and can offer potential positive effects to both project holders and the wider public. At a second level, more targeted communication activities take place directed at potential applicants to the programme. Communicating for successful projects is mainly about publicising the opportunities available – reaching a balanced population of potential applicants and facilitating the process of bringing forward good quality submissions. In some cases, this activity is focused on broadening the range of applicants participating in the programme, e.g. to involve more private sector and non-governmental organisations.

In publicising INTERREG programmes, core issues are: to establish a common communication platform; ensuring the availability of reliable and up to date information which is meaningful to target audiences; and propagating changes to the programme to relevant audiences in a timely way.

A range of INTERREG-specific challenges arise in undertaking these activities. Materials may need to be provided in different languages to be accessible to the whole target audience, increasing costs, the time needed and organisational complexity of tools such as websites. The messages to be conveyed may also need to be adjusted to different national audiences or to different institutional environments.

A further INTERREG-specific problem is that of coordinating publicity efforts in those programmes which operate parallel management or implementation structures in different countries or regions,

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<sup>23</sup> Commission Regulation (EC) no 1159/2000 of 30 May 2000 on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds.  
[http://europa.eu.int/comm/regional\\_policy/sources/docoffic/official/regulation/regpub\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/docoffic/official/regulation/regpub_en.htm).

<sup>24</sup> Taylor S and Raines P (2003) *Getting the Message? Structural Fund Publicity and Communication*, IQ-Net Thematic Paper, 12(2), European Policies Research Centre, University of Strathclyde, Glasgow.

and ensuring that all channels transmit consistent information (whether via written materials, one-to-one advice, etc). There is a risk of inconsistencies between the publicity and communication efforts of actors in different Member States for the same programme. Some programmes operate parallel websites and issue different sets of guidelines, creating confusion about which is the authoritative source when contradictions or differences arise. In one case, the evaluator found that two parallel websites were not even clearly linked to each other.

Programmes are at contrasting stages in terms of the intensity and sophistication of their publicity efforts. As with other themes, at one extreme are programmes which have undertaken limited or no publicity to date. This group incorporates two contrasting types of programme.

- Programmes which are at an early stage, and are still focusing inwards, establishing their management structures and capacities. Examples include the Greek IIIA programmes, which either do not yet have a publicity and communication plan or have undertaken little publicity to date. Where such programmes place a strong emphasis on infrastructure investment led by a small number of organisations (potentially national ministries), they will nonetheless be able to progress some priorities without wide publicity. However, progressing softer measures will rely on taking a more outward-looking stance.
- In other cases, notably the most advanced IIIA programmes, programmes are already so embedded and well known that projects have so far come forward without vigorous publicity. Potential negative consequences here are applicants bringing forward non-eligible projects, and failing to broaden the applicant base beyond previous applicants. These programmes may turn their attention to stronger publicity efforts in this latter half of the programming period in order to broaden participation, stem the flow of projects in areas where no resources remain and encourage projects for measures where there is still funding.

In a middle group of programmes, work has been undertaken to develop the necessary reference sources for applicants, grant-holders and other stakeholders, and to publicise the programme's opportunities and activities but progress has been uneven and there is still further work to be done to make structures or instruments fully operational. Some programmes experienced delays in launching publicity efforts and getting structures and systems in place, e.g. PAMINA IIIA, while others have outstanding gaps in their provision, such as a programme website, e.g. Saarland-Moselle-Westpfalz IIIA. In these programmes, evaluators suggest addressing the gaps, for example by establishing a more functional communication plan to structure their activities, finalising guidelines for applicants or adding support mechanisms such as a help desk.

Most of the programmes which were most active in terms of their publicity efforts already have a communications plan which is being implemented, although some still need to be fully activated (Archimed IIIB). Communication is generally of good quality and has been improving. Issues for these programmes concern making targeted improvements such as refocusing efforts to achieve specific aims and target specific groups of potential applicants, and increasing the range of tools in active use.

The following examples illustrate either good practices in advanced programmes or proposals made by evaluators which programmes will be taking forward so as to refine their communication efforts.

- **Improving information quality and accessibility.** A range of ideas came forward here, including: (i) improving the organisation of information where it has progressively accumulated e.g. documents on a website; (ii) improving access to information by presenting it on websites in different languages (Western Mediterranean IIIB); (iii) establishing systems to keep information up to date and coherent; (iv) seeking feedback to check how well tools are working (e.g. a survey of website users in the Atlantic Rim IIIB programme); and (v) focusing communication efforts to encourage project design and delivery plans to follow good practice principles (IIIC).
- **Embedding new identities.** Ideas for embedding INTERREG regions into the public consciousness include: (i) informing the general public more about INTERREG activities to make them more sustainable by raising the profile of the activities undertaken (France-Wallonie-Flandre, Sønderjylland/Schleswig IIIA); (ii) underlining new regional identities, e.g. by undertaking more publicity in the outskirts of the area covered by Öresundsregionen IIIA where people had a weaker psychological attachment to the region; and (iii) sustaining new identities, e.g. the suggestion to the Germany-Luxembourg-Germanophone Belgium IIIA programme that the programme should have a regional logo that could also be used after the programme has ended.
- **Targeted promotion to ensure balanced programme implementation.** One theme was increased communication to encourage the participation of under-represented geographies or sectors (e.g. the private sector and NGOs) or applications in under-utilised measures. Actions include targeting in Lorraine and Priority 1 in Wallonie-Lorraine-Luxembourg IIIA; private sector, community-voluntary sector and Irish lead partners in Ireland-Wales IIIA; and, the biotechnology sector in France-Switzerland IIIA. Other initiatives were suggested to involve remoter geographical areas in the case of the IIIC programmes. Sometimes, the aim is not just more communication but adjusting the style and content of communication to fit particular audiences. The Oberrhein-Mitte Süd IIIA evaluators proposed a simplified presentation of management formalities for groups such as the private sector and the press to reduce inhibitions. A further suggestion to facilitate applications once audiences had been reached was enhanced support for the partner search phase. It was suggested that the Atlantic Rim IIIB website should improve its partner search pages – especially because this seemed to be one reason why some projects got delayed.
- **Communicating about projects as well as the programme as a whole.** This was a theme in the Alperhein-Bodensee-Hochrhein, France-Spain and Wallonie-Lorraine-Luxembourg IIIA MTEs. Such an approach promises to be beneficial to the public, who can relate to concrete projects more readily than abstract programmes. More significantly, exchanging information between projects promises to benefit applicants and grant-holders, who can better understand the potential scope and conduct of INTERREG projects and improve by exchanging best practices. Several evaluations suggested using websites and events to encourage a dynamic of project-to-project exchange, e.g. in Austria-Slovenia IIIA.

### 7.3 PROJECT GENERATION

INTERREG programmes can only progress if they attract a sufficient volume and quality of suitable project applications from groups of organisations within their eligible areas. Given the often innovative and always challenging nature of INTERREG projects, programmes benefit from undertaking active processes of project generation and from providing support to applicants throughout the application process. It is in the early stages that partnerships are formed (if they do not exist already) and cross-border, transnational or interregional activities are shaped. The key question here is to understand the experiences of applicants in developing a project idea and then turning it into an INTERREG application, and to consider how INTERREG programmes influence this, through the support they provide to applicants and the design of their application processes.

The first challenge for potential INTERREG applicants – and a stage which is not necessary for most mainstream Structural Fund projects – is to form a suitable partnership for any given project idea, if one is not already in place. Most programmes are aware of the difficulties arising from the overall complexity of international project building, which are in fact inevitable to some extent. Even in border regions with a long history of cooperation, there are problems which can affect partnership building and project development, including differences in: (i) policy strategies and legal systems; (ii) the institutional landscape and involvement of responsible authorities in each of the management structures; (iii) competences of the representatives in each border region; and (iv) access to support instruments and resources (Deutschland (Bayern)-Osterreich IIIA). The process of adjustment in IIIA programmes along new Member State borders will pose challenges in terms of gaining skills in building and delivering genuinely joint projects in the future rather than 'border-oriented' projects.

The formation of partnerships for INTERREG presents distinctive dilemmas. A wide partnership embodies the aims of INTERREG in terms of building a fabric of institutional interconnections but it also presents management challenges, which can prejudice the project. This leads to a need for clear criteria to ensure that project leaders have the necessary capacity to run partnership-based projects and that partners are not just there in name but are actively engaged (e.g. MEDA country participants in Western Mediterranean IIIB).

In terms of the application processes, the problem most often raised is the amount of time needed – both to get from the initial project idea to an approved application and the duration of the decision-making stage itself. The duration of the project development phase is most commonly explained by three factors: (i) the complexities of building multinational projects involving partners from different countries (and therefore different institutional, legal, linguistic and cultural backgrounds); (ii) the complexity of application forms and requirements; and (iii) the quality of application advice and support services available.

Having located partners, joint applications have to be developed which conform with the regulations and remits governing each of the partners. The involvement of various areas and bodies in cofinancing the same project creates particular difficulties (Euregio Maas Rhein and Oberrhein-Mitte Süd IIIA).

When it comes to practical aspects of the application process, many applicants see it as complex and inflexible – especially for new applicants (Italy-Austria, Ireland-Wales IIIA). They often noted

difficulties with completing application forms, mainly because of the complexity of the documents and inconsistencies in requirements (different terminology, report formats, etc). These difficulties were especially prevalent in the IIIC programmes.

The complexity of INTERREG appears to be a barrier for some applicants, including smaller organisations, which are under-represented as direct applicants, notably NGOs and SMEs (e.g. Alpine Space IIIB). One of the challenges faced by programmes is to broaden the range and number of applicants – to new beneficiaries and new sectors of beneficiary. Some programmes show a strong pattern of predominantly funding experienced applicants rather than stimulating new links between partners (e.g. Ireland-Wales IIIB).

A last issue is the quality of support provided to applicants. In fact, for a relatively large group of IIIA programmes in particular, applicants appear to be broadly satisfied with the support available to them, which in some cases can begin at a very preliminary stage with informal exploratory discussions. A distinctive situation is faced in new programmes, where practices are still developing – including establishing effective coordination mechanisms and transparent institutional responsibilities (e.g. separating project development functions from project assessment) and managing language-related issues. Related to this is the situation in new Member State IIIA border programmes. Here, a process of transition needs to be undergone to address current imbalances. At the moment, the IIIA side of borders tends to have a well-developed network of assisting institutions providing satisfactory support to applicants, while structures are only developing over the border in the former Phare CBC programming areas (e.g. Austria-Slovenia, Austria-Czech Republic, Austria – Hungary IIIA).

Methods of addressing the main problems or challenges in project generation are similar across the programmes, or would be widely applicable. In terms of generating initial interest, the following recommendations are made:

- improved promotion activities targeted at potential groups of applicants, especially where they are under-represented;
- the organisation of seminars based on successful completed projects to demonstrate the benefits of accessing European funding (Caribbean IIIB);
- increased use of cross-regional/national bilateral working groups in order to identify and prepare joint projects (Austria-Slovenia, Austria-Hungary IIIA);
- offering pre-funding to applicants to reduce the time and resource barriers at the application stage and thus increase the participation of smaller organisations (Alpine Space IIIB);
- assisting potential applicants in finding partners on the other side of the border, including through website partner search pages or more direct means (Saarland-Moselle-Westpfalz IIIB);
- involving politicians and decision-makers in policy round-tables bringing together stakeholders, politicians and potential project applicants (North West Europe IIIB).

The following improvements to application procedures were proposed to facilitate the process for applicants:

- simplify procedures and application forms, making them more user-friendly (Ireland-Wales IIIA);

- create small project funds to enable smaller organisations to access INTERREG funding using simplified procedures (Ems-Dollart Region IIIA);
- prepare guidance for applicants, illustrated with concrete and vivid examples, of successful projects (Caribbean and Atlantic Rim IIIB, Öresundsregionen IIIA);
- ensure that applicants can easily obtain all the necessary documents to apply, provide sufficient advice and support and clearly indicate those procedures which are their responsibility;
- coordinate information flow and standardise the sets of information presented to applicants;
- allow more time during calls for projects in order to ensure that a wider range of applicants can get involved, form partnerships and develop joint proposals (Caribbean and Western Mediterranean IIIB).

Further recommendations related to those providing support to applicants.

- The responsibilities of different programme actors in terms of project development should be clarified and systems developed to deal with potential conflicts of interest.
- Imbalances in the amount and nature of support to applicants and grant-holders across two sides of a border should be corrected. There is also a need for consistency in the advice given in different eligible areas in terms of issues such as eligible costs (Atlantic Rim IIIB).
- Applicants should receive support from the start of preparing an application to avoid wasted time and ensure the good fit of their proposal with the programme (and thereby reduce the rejection rate). As they progress, regular communication should continue.
- Programmes could be more lenient towards inexperienced applicants (Öresundsregionen IIIA).

## **7.4 PROJECT APPRAISAL AND SELECTION**

The quality of the project selection processes in place for an INTERREG programme is important for several reasons. First, they help to ensure the programme achieves best value by enabling funding to be awarded to the highest quality and most innovative operations. Second, if clear rules and requirements are set out for projects as part of the selection process, they help to lay the foundation for later implementation and monitoring stages, ensuring projects set consistent and measurable targets. Third, the project selection system can help to ensure the coherence of programme activities as a whole, providing a forum for joint decision-making about the allocation of programme resources to a harmonious balance of projects. Lastly, a robust selection system, with clear selection criteria and transparent processes, creates a positive image for the programme as one which is professional and fair towards potential beneficiaries.

Based on analysis of the descriptions contained in the MTEs, project assessment and selection processes appear to be broadly similar across all INTERREG programmes, albeit with some institutional variations.

The first stage is an initial, purely technical assessment of the completeness and eligibility of a proposal. It includes a check of the application and a review of: (i) basic eligibility conditions such as location within the eligible region, conformity with INTERREG, additionally, etc; and (ii) a technical and financial evaluation specific to each country verifying that the project is in line with relevant requirements at national and regional levels.

This technical exercise is usually followed by an initial review of the merits of the project (sometimes called an 'evaluation of priority criteria'). Projects are appraised and graded according to their quality, based on factors such as maturity of the project proposal, its relevance to programme objectives, its innovativeness, etc. The output of this stage is a list of initial recommendations about acceptance or rejection. In most cases, the list presented for final decision-making also includes projects which could be approved with conditions (e.g. after the provision of additional documents, etc).

The early appraisal functions are usually performed or at least coordinated by the JTS. When assessing project quality, the JTS is often supported by experts from the relevant field. In some cases, the activities are decentralised to regional operators (e.g. contact points). In the bigger transnational programmes, an appraisal is necessary which is specific to the requirements in each country and this is also usually performed by national correspondents or contact points.

The second step is the final appraisal of projects leading to a decision being taken. This is usually undertaken by Steering Committees and informed by earlier technical and expert appraisals. Again, there tend to be three outcomes for projects: rejection, conditional approval or full approval.

All the programmes which are now underway appear to be functioning well in terms of project selection. However, there are differences in terms of the quality of performance. Two dimensions seem to differ: first, the maturity of decision-making procedures (their level of transparency, clarity and formalisation); and second, the coherence of the overall system (cooperation and coordination between countries in the selection process, the way different regions are involved and how clear respective responsibilities are).

Overall, most programmes can be placed into one of two groups. In the first, most advanced group, selection processes are transparent and of good quality, and selection criteria are working effectively (e.g. Fyn/KERN, Ireland-Wales, Sweden-Norway, Flanders-Netherlands, Oberrhein-Mitte Süd IIIA, North Sea Region IIIB). These programmes can be characterised as follows:

- the process of assessment is based on clear, listed criteria (usually weighted) and often formalised in an assessment manual;
- there is extensive information for applicants on the rules and scoring scale, the weight of each criterion, etc, which make the whole process transparent and allow applicants to have clear expectations;
- project selection is formalised and predictable. The assessments undertaken by the JTS or expert appraisers are robust, such that the final decisions of the Steering Committee tend simply to endorse them;
- cooperation between the various structures is good;

- partnership is an important aspect of the decision-making process and there is wide participation e.g. with voluntary, environmental, social and private sector representatives on Selection Committees.

The second group of programmes are still working on defining their procedures and developing optimal solutions. Their decision systems are still weak in some respects. The most common weakness highlighted by evaluators were the following:

- problems leading to some projects being selected which were not truly joint, cross-border or transnational in nature (this point mainly relates to the integration of the new Member States into existing INTERREG programmes);
- use of unclear selection criteria, some of which overlap or have no clear relevance to particular measures;
- not informing applicants about the importance of particular criteria or providing inconsistent advice and information about the basis on which decisions would be made;
- not having guidelines for appraisal or not consistently using existing ones;
- selection processes which are not always formalised, with political influence being brought to bear, leading to the perception of a lack of transparency or fairness.

Evaluators have proposed improvements to selection systems, some of which are summarised in Table 7.1. In the case of the most mature systems, the recommendations tend to involve fairly superficial refinements to processes, whereas in those systems which are still evolving, more substantial recommendations are made. The difference between the two sets of recommendations tends to be in degree, rather than recommendations being materially different. Common issues for both groups are the speed and complexity of selection processes. In relation to the earlier discussed problems of low participation of some groups of potential applicants (NGOs, small firms, etc), some programmes have developed or are developing good practices, several of which are presented below.

Table 7.1: Project selection recommendations for mature and evolving systems

Recommendation	Evolving programmes	Mature programmes
<b>Accelerate decision-making</b>	Find ways to streamline appraisal and decision-making processes to make them faster.	
<b>Inform applicants better</b>	Introduce unified, updated information for applicants – giving all the required documents in advance. This should address eligibility, processes, selection criteria (Caribbean IIIB).	In guidance manuals, further clarify decision-making processes and procedures, and concepts and indicators (Sweden-Norway IIIA).
<b>Facilitating applications</b>	Making application forms more user-friendly by improving guidance (e.g. with examples), or making them accessible on the Internet (Ireland-Wales IIIA). Work on procedures that will promote innovative projects and diversify the applicant base (e.g. giving preference to projects from new applicants or projects which are distinct from those that were funded previously) (Flanders-Netherlands IIIA).	
<b>Improving appraisal</b>	Involve more experts in project appraisal (IIIC).	
<b>Increasing transparency</b>	Make the process of assessment more transparent and predictable by basing it more on selection criteria (to avoid political influences). Revise the meeting procedures of decision-making bodies (e.g. rules to avoid conflicts of interest and clarify voting).	Further clarify decision-making processes and criteria to increase further the transparency of processes.
<b>Increasing selectivity</b>	Where funds are becoming more scarce or programme priorities are not being pursued vigorously enough, make efforts to prioritise the most strategic or effective projects e.g. using programme committees to redefine the highest programme priorities or adjusting scoring systems to promote certain issues, such as innovation or the contribution to the horizontal priorities (Pamina, Rhein Maas Nord/Rijn Waal/Euregio IIIA).	

- **Small Project Funds.** Use of Small Project Funds has already been successful in some programmes to facilitate access by smaller organisations and projects which are unable to take on the administrative burden of full INTERREG project participation (Austria-Hungary, Austria-Slovakia IIIA). These instruments were arguably inspired by Phare CBC programmes and involve creating a pool of funding, which is already matched by domestic resources, and is awarded to small projects. Such funds use their own simplified application procedures and dedicated project selection committees. France-Switzerland IIIA is now proposing such an approach to increase the number and range of organisations able to participate, and this was also a recommendation of the Wallonie-Lorraine-Luxembourg IIIA MTE. A further option has been pre-funding the development phase for good project ideas from small organisations.
- **A grading of project types to build capacity.** In the Northern Periphery IIIB programme, three types of project are supported: (i) micro projects, whose aim is to establish contacts between potential partners in a new part of the programme area; (ii) preparatory projects, which aim to establish a broader partnership whose partners are committed to specific contributions; and (iii) main projects, which are typically the largest projects funded, and often develop out of preparatory projects. Inviting projects under these three headings is effective in progressively building partnerships and testing cooperation at increasingly committed and complex levels, without excessive financial or organisational risks needing to be taken.
- **Using a two-step application procedure.** The final idea is the introduction of a two step selection procedure to limit the complexity of application forms and to reduce the risk of appli-

cants investing heavily in an application process, then being rejected at the last stage. The process also allows seed funding to be allocated to promising applicants, to subsidise the development of good ideas to the full application stage. In Step 1, applicants only send a brief expression of interest to the JTS. The JTS provides an opinion on this outline and the Steering Committee shortlists the best proposals. Getting on the shortlist does not guarantee acceptance of a project, but it confirms that the proposal is of a high quality and can receive pre-funding to support the project development phase. Only shortlisted projects are invited to prepare full applications. Step 2 involves the full applications being submitted and final decisions being taken on them (North West Europe IIIB).

*Box 7.1: Baltic Sea IIIB – using seed capital to facilitate project generation*

The seed capital tool used in the Baltic Sea IIIB programme provides an example of an interesting potential solution to facilitate project generation and enable smaller organisations with good ideas but limited organisational and financial capacity to participate in INTERREG programmes. Similar tools are used in some other programmes, e.g. North-West Europe and Alpine Space IIIB.

The evaluation analysed the catalytic effect of seed capital granted in project generation. The approach was qualitative and based mainly on interviews, as the existing projects receiving seed capital were too few to be usefully compared to non-seed capital projects for their effectiveness.

Seed funding is viewed in the programme as a complementary element to normal project generation and is available under all programme measures:

*“The role of seed money is twofold. Firstly, it is aimed at partners with promising ideas that are well suited to the programme priorities. Secondly, if the programme authorities recommend some changes in the project (extension of partnership, expanded geographical focus etc.), the seed money is a means to compensate for the extra costs in complying with these recommendations” (p72 of the Mid Term Evaluation).*

On the positive side, seed capital is considered to have led to better quality applications and thus hopefully generated better quality projects. More widely, the award of seed money is seen as an indication that project ideas are ‘well suited to programme priorities’:

*“The seed money is a sort of a pre-qualification and a seal of approval that is not within the actual selection body, the Steering Committee. The projects which receive seed money are not only better off in terms of funding – they are also favoured by a positive signal from the Joint Secretariat to the Steering Committee.” (p73 of the MTE).*

More problematic aspects include a complicated and time-consuming application procedure (with the result that some projects have chosen to apply for national funding instead) and a possible confusion of the programme management structure, by placing the selection task for seed funding in the hands of the JTS rather than the Steering Committee.

## **7.5 IMPLICATIONS FOR INTERREG OF PROGRAMME IMPLEMENTATION LESSONS**

Many of the challenges of INTERREG publicity, project generation and selection have been highlighted in the sections above, and illustrations are provided of good and effective practices which have been used in selected contexts to address them.

Overall, the establishment and operation of programme implementation systems appears to be one of the best operating aspects of INTERREG so far. The majority of programmes are already undertaking an active and structured range of publicity and communication activities to raise their profile and increase participation, they are providing effective support to potential applicants, and they have decision-making systems which reflect programme priorities and are seen as mature and transparent. More dynamic and successful programmes provide a range of practices on which lagging or new programmes could usefully draw.

There is an opportunity to create communities of practice enabling those professionals involved in programme publicity and communication, project appraisal and project selection to learn about alternative approaches and to benefit from ongoing support and exchange in these specialised areas. This could enable very useful dialogue, becoming increasingly useful as the programming period advances with three aims in mind:

- providing support to those programmes still facing difficulties in gaining momentum and those programmes undergoing transition because of the new Neighbourhood Instrument or EU enlargement;
- enabling debate about challenges facing even the more advanced programmes, including widening access to more participants and the process of narrowing selection systems as available resources dwindle; and
- enabling a smooth transition into the 2007+ programming environment.

## 8 MONITORING INTERREG PROGRAMMES

### Summary

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The MTEs were tasked with assessing the quality and suitability of the monitoring arrangements in place for INTERREG programmes. Most concluded that, although monitoring of INTERREG programmes has improved significantly since the previous programming period, this is an area in which further development is desirable and indeed necessary. The aim is not to pursue monitoring for its own sake but to improve the management information available to programmes.

Many monitoring systems are still not yet mature, with databases still being finalised and indicator sets being tested by their use to quantify the outcomes of real projects. Many evaluators dedicated significant effort to making proposals to improve monitoring arrangements. Some recommendations were very practice-oriented, relating to improving definitions, simplifying indicator sets or improving communication with applicants about indicators.

A recurring issue (for wider debate) is the question of whether Structural Fund monitoring practices, and quantified indicators in particular, fit well with the soft and innovative aims of INTERREG programmes. Some programmes aim to capture INTERREG-specific achievements by extending their monitoring indicators to cover the interactions encouraged by the programme but an alternative approach involves using more qualitative techniques at the evaluation stage including interviews and case studies to capture such outcomes.

INTERACT can clearly play a role in facilitating further development of monitoring practices in INTERREG programmes. However, it is important that, at this late stage in the current programming period, the emphasis is on refining rather than revising existing monitoring frameworks.

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### 8.1 INTRODUCTION

The MTEs were tasked with assessing the quality and suitability of the monitoring arrangements in place for INTERREG programmes. There are two angles from which to address this question: first, whether the monitoring system provided suitable information for the evaluators themselves in the tasks that they faced; and second (and more significant), whether it could be shown to satisfy the strategic management information needs of programmes. The latter perspective allows recommendations to be derived whose implementation will benefit the relevant programme directly (a view explicitly taken in Atlantic Rim IIIB).

In terms of the basis of comparative information, it should be noted that the quality and completeness of information about monitoring in the MTEs varied significantly. An element of description is required for reliable comparison. In addition, while many programmes are underway and their systems are operational, this is not universally the case.

Even given these limitations, what is clear is that, in common with mainstream Structural Fund programmes, monitoring of INTERREG programmes has taken a significant step forward since INTERREG II. Improvements have taken place in databases, monitoring processes and indicators, driven by a range of factors:

- the clearer and more explicit specification of requirements in the Structural Fund regulations;
- the n+2 rule, which has driven forward financial monitoring in particular;
- more extensive guidance from DG Regio on how to meet monitoring requirements;
- the accumulation of experience where this is the second or third INTERREG programme managed by a given set of institutions; and
- technological progress making more sophisticated database solutions available at lower cost and with less requirement for specialist skills.

In spite of developments, the MTEs demonstrate clearly that monitoring remains one of the most challenging areas of programming in INTERREG environments.<sup>25</sup> It has not been the first priority of programmes in their early stages and therefore, systems are still undergoing active processes of development and refinement. The initial priority has been to get programmes started, establish management procedures, undertake promotion and organise the first calls for projects. Where programmes are now underway and commitment levels are relatively healthy, good quality implementation, including robust but proportional monitoring systems has been the next priority – generating management information about how the programme is progressing.

Financial monitoring has tended to be more straightforward to manage than physical monitoring, and is therefore more stable and advanced in most cases. However, there are exceptions; for instance, systems in CADSES IIIB are not yet fully embedded, since there has been little data to manage as yet. Frequently, physical monitoring lags behind financial monitoring, with many unresolved issues, including the need to establish or refine databases, train actors at all levels in both database use and indicator management, and initiate parallel processes including monitoring visits.

## 8.2 PROGRESS IN ESTABLISHING MONITORING SYSTEMS

As with other themes, progress with monitoring has been uneven. Broadly, there are three groups of programmes: (i) those which cannot yet be said to have an operational monitoring system for either financial or physical monitoring; (ii) those which are in the process of finalising or embedding systems; and (iii) those with stable and good-quality systems for both physical and financial monitoring. To explore the diversity, a useful way to discuss progress is to consider different types of programmes relative to the progress they have made.

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<sup>25</sup> For further detailed discussion, see: Taylor S and Bachtler J (2003) *Monitoring INTERREG IIIA Programmes: Principles, International Practice and Implications for Poland*, Part of the study "Evaluation of the impact of the PHARE CBC Poland-Germany 1994-1999 programmes", EuropeAid/112615/D/SV/PL, PL000917-L001, University of Strathclyde, Glasgow; and Taylor S (ed.), Davies S, Ferry M, Méndez C and Polverari L (2003) *Monitoring INTERREG IIIA Programmes: International Case Studies*, A Component of Part 2 of the Study: "Evaluation of the impact of the PHARE CBC Poland-Germany 1994-1999 programmes", EuropeAid/112615/D/SV/PL PL0009.17-L001, University of Strathclyde, Glasgow.

### 8.2.1 INTERNAL IIIA BORDER PROGRAMMES

The **internal IIIA border programmes** are the longest established and have the best prospects for effective monitoring systems. There is significant variation between programmes but some at least appear to have achieved well-functioning systems. Rhein Maas Nord-Rijn Waal-Euregio IIIA, for example, now has an efficient, well-integrated information management structure. It uses a database shared with three programmes along Dutch borders which has been designed to allow effective information sharing between actors *within* each programme (e.g. also allowing provincial and local authorities access to information). There are nonetheless some weaknesses. The system is seen as potentially too complex by the neighbouring programme of Ems-Dollart IIIA which also uses it. In addition, there have been some problems with indicator sets and with the ability of project implementers to supply the required data.

Elsewhere, systems are generally progressing well, but specific weaknesses are highlighted in the MTEs, many relating to the definition and treatment of indicators or the abilities of grant-holders to supply the requisite information:

- lack of baselines against which projects can assess their progress (e.g. when they predict increases in visitor numbers), e.g. Skärgården IIIA, and difficulties in operationalising indicators more generally (Öresundsregionen IIIA);
- lack of coherence between project and programme targets, especially where projects select their own indicators rather than choosing from a standard list (Flanders-Netherlands IIIA);
- burdensome monitoring requirements imposed on grant-holders, who do not necessarily understand all the necessary terminology and have practical problems dealing with such areas as personnel cost accounting (France-Spain IIIA);
- frequently, monitoring visits still need to start to verify the data being supplied.

Other difficulties relate to databases. The Italy-Austria and Spain-Portugal IIIA programmes are awaiting the availability of national databases, which either need to be finalised or adjusted to INTERREG. In the interim, they are having to work with local, *ad hoc* solutions which mean data are now fragmented. In the case of the programmes on the Germany-Denmark border, there has been little development of physical databases, in part because the view is taken that gaining a qualitative understanding of projects is more meaningful than collecting large amounts of quantitative data.

### 8.2.2 EXTERNAL IIIA PROGRAMMES

The external border programmes with Norway and Switzerland were also a mixed group in terms of their monitoring solutions. Some face additional complexities, with parallel structures on both sides of the border for monitoring (e.g. France-Switzerland). Again, monitoring activities had started in most cases, and the MTEs focused on appraising systems and making programme-specific recommendations to address those areas which continue to be weak. In Kvarken-Mittskandia IIIA, physical monitoring requires improvements: many issues relate to the ability of project implementers to supply the required data and additional support was recommended. In France-Switzerland, one problem has been the disruption caused by having to wait for the French

national monitoring system, PRÉSAGE, to be adjusted to INTERREG programming needs. In addition, future data problems are anticipated in that projects have been allowed to design their own indicator sets (although these may provide more useful insights into projects).

Other **external border programmes** have the benefit that they are effectively only collecting data from one side of a border. External IIIA programmes with third countries show the least progress overall in terms of their monitoring systems and practices; some have no system in place as yet. Others have systems already plagued by data errors, undermining their reliability and usefulness. Even in the Nord programme, which is progressing well in terms of commitments, there is no proper monitoring system yet in place.

The situation is more positive in many of the **new Member State border programmes**. Some still face challenges, for example: the Sachsen programmes were found to have no sufficient structured system in place; the Italy-Slovenia programme was still awaiting the availability of the Italian national INTERREG monitoring system; and the Mecklenburg Vorpommern-Poland programme, while it had a relatively sophisticated database in place, faced issues of data quality and completeness. There were also several examples of good practice, including the Bayern-Czech Republic programme whose monitoring systems were appraised as effective.

One of the best-performing systems is operating in the Austrian new Member State IIIA programmes. Management of monitoring here has been outsourced to a development agency, the ERP Fond, which has established a very effective shared database system. Monitoring in these programmes relies on a proportional and pragmatic monitoring system which performs extremely well relative to many others. It is reliable and allows an accurate overview of programme implementation to be generated easily across all the INTERREG programmes for which Austria is responsible. It is regarded as user-friendly and highly efficient from the point of view of staff operating the system at state and national levels, and benefits from an ongoing process of feedback and refinement, supported by a Working Group on monitoring which brings together a range of closely involved stakeholders twice a year.

In all new Member State border IIIA programmes, an important task for 2004 has been to adjust monitoring systems to a new programming environment in which data about more than one country will need to be managed. This transition is likely to be challenging.

### 8.2.3 IIIB AND IIIC PROGRAMMES

Turning to the **IIIB and IIIC programmes**, these appear to have faced a greater challenge than the IIIA internal and neighbourhood programmes, and they are often only now turning to the issue of monitoring. While none of them has a complete and totally satisfactory system in place, and some have systems which are appraised as weak, the overall situation here is broadly positive in that some foundations are in place and further investment is now planned. These programmes do not have the opportunities, by and large, to use an existing national Structural Fund monitoring solution. The MTEs provided concrete advice on priorities in many cases.

- **Solid foundations but as yet untested – CADSES IIIB.** Projects have indicators which are coherent with planned programme indicators, but they are not yet recorded in the database. Wide access will be allowed to the database by stakeholders, effectively integrating available

information into programme management. There is a need now to finalise guidance, to train users and to activate the system fully.

- **Active development required – North West Europe IIIB.** This programme lacks monitoring guidelines and statistical baselines, and unstructured Excel files are providing an interim database solution. It is suggested that to bring monitoring forward quickly and to embed it as a sustained priority for the programme, an Evaluation Initiative should be started, via a call for tender, contracting an organisation to take overall responsibility for monitoring issues. This service contract could run until 2008 and, for example, involve creating common indicators and fact-sheets to ensure consistent monitoring as well as exploiting monitoring data to generate management information.
- **Project actors need methods – IIIC programmes.** It has become clear that, while IIIC projects have set targets, they are weak in terms of having a methodology for data collection. Support needs to be given to projects to ensure that they establish adequate systems in this area. A difficulty arises because of the distinctive nature of IIIC – focused on learning about policy rather than straightforwardly delivering it. The JTSs could help by creating common tools to support projects.

### 8.3 OVERALL TRENDS IN MONITORING

Given the complexity of monitoring overall, this section aims to draw together some of the findings of the review in terms of specific elements, namely databases, processes and indicators.

#### 8.3.1 DATABASE DEVELOPMENTS

Programmes are in contrasting positions with regard to their databases and monitoring processes. Some were at such an early stage of progress that MTE discussion of monitoring systems generated few useful insights (e.g. Greece-Cyprus IIIA). Where database solutions had been reached, there were three main options: (i) use of a national Structural Fund database, sometimes supplemented by a further more operationally oriented system at the programme level; (ii) use of a dedicated national INTERREG database; and (iii) use of a programme-specific INTERREG monitoring solution. Examples are set out in Table 8.1 below. Some programmes intend to move from one database system to another during the lifetime of the programme because a permanent or an improved system has become available, a process entailing significant effort and risk but also bringing potential data management benefits.

Management of INTERREG data, which are typically international, poses specific issues. It is complex to resolve issues around international data even where there is a dedicated database for a single programme or for a group of INTERREG programmes. Where national Structural Fund systems have been used for international programming (e.g. PRÉSAGE in France and FONDOS 2000 in Spain), it is not surprising that there have been significant difficulties. Practical issues have led to severe delays, leaving some programmes needing to create interim systems as a bridge.

Adjustment of national Structural Fund monitoring systems is necessary to accommodate the particularities of INTERREG data. Some deceptively simple issues can be difficult to integrate because they alter the overall scope of the database – its assumed domain of discourse. Among the adjustments required are the following.

- **Finance:** Systems may need to accommodate more than one currency, different financial management requirements or different process sequences or flows in the different Member States participating in a given programme.
- **Geography:** Geographic data from more than one country will need to be accommodated.
- **Language:** There may be a need for user interfaces and user documentation to be available in different languages, with the dilemma of which language to use when inputting text. Difficulties could be created by inconsistent inputting of key information where consistency is required to enable sorting and searching, such as institution names.
- **Indicators:** Some INTERREG indicators are distinctive from those used for Objective 1 and 2 programmes. They may be more qualitative, or have a different scope or distinctive classification. This may make it difficult to record INTERREG outcomes using frameworks designed especially for Objective 1.
- **Multiple partners.** Systems need to accommodate multi-partner projects, many of which have several partners contributing to the financial package and receiving ERDF payments (although lead partner approaches can alleviate this).

Table 8.1: Database solutions used in 2000-06 INTERREG programmes

Intended database solution	Examples
National/multi-programme INTERREG database	<p><b>Austria:</b> INTERREG database for all INTERREG programmes for which Austria provides the Managing Authority function. Modelled on the national Objectives 1 and 2 Structural Fund database, but separate and adjusted to the specifics of INTERREG.</p> <p>Facing challenges following enlargement, as the four IIIA programmes with new Member States have to become fully cross-border. Difficulty of integrating four additional geographies, currencies and languages.</p> <p><b>Netherlands:</b> the InterDB financial and physical monitoring system was developed especially for INTERREG IIIA along the Dutch border. After teething problems, it is now possible to get overviews of projects on the basis of applications and progress reports.</p> <p><b>Italy:</b> Programmes led by Italy (e.g. Italy-Slovenia and Italy-Austria IIIA, and Western Mediterranean IIIB) will use a module of the MONIT 2000 system produced by the Italian Ministry for the Economy and Finance (MEF) for INTERREG.</p> <p>This was not yet operational when the MTEs were being undertaken, leading to a need for interim solutions (a paper-based system in Western Mediterranean IIIB and parallel Excel sheets in Italy and Slovenia). Likewise in Italy-Austria, local monitoring systems were said to have compensated for the partially functioning central monitoring system.</p>

Intended database solution	Examples
National Structural Fund database for Objectives 1, 2 and Community Initiatives	<p>National system only:</p> <ul style="list-style-type: none"> <li>– <b>Sweden:</b> STINS is used in Swedish-led programmes (soon to be replaced by a new, more user-friendly system called NYPS). STINS includes sub-systems for Objectives 1, 2 and INTERREG, but within the same database.</li> <li>– <b>France:</b> It is intended that the French national system PRÉSAGE will be used for programmes led by French authorities. However, it has taken some time to adapt this system for use.</li> <li>– National system for key aggregate data, supplemented by more operational local systems:</li> <li>– <b>Spain:</b> The system FONDOS 2000 is used for France-Spain IIIA and South West Europe IIIB. In addition to FONDOS 2000, in South West Europe, the Secretariat is keeping a parallel database in which more detailed project-specific information is kept. The fact that the two databases are maintained by the same organisation should help to avoid the risk of data duplication and inconsistency.</li> </ul>
Programme-specific database	<p>An Excel solution is being used in North West Europe IIIB and Alpine Space IIIB, where this is seen as a temporary solution which will soon be outgrown as the number of projects increases.</p> <p>Multiple programmes along the German external borders are using stand-alone databases derived from the system EFREporter, which was originally developed for German Objective 1 programmes.</p>

*Box 8.1: Challenges involved in adjusting national monitoring systems to INTERREG-specific needs*

The MTE for South West Europe IIIB, where FONDOS 2000 will be used, notes that data issues appear to have emerged progressively, as real data have needed to be managed, rather than being identified systematically in advance and addressed in a coordinated way. As a result, issues have been addressed *ad hoc*, which has arguably taken more time than a planned adjustment process. Key issues were as follows:

- Only Spanish authorities could access the database until August 2003. It has been complex to secure agreement for international access to a core database holding official and financial information.
- The database was not able to break down project budgets by different partners but this is necessary for INTERREG operations; each Member State needs to be able to verify its portion of spending.
- Some of the automatic calculations built into the database were inappropriate for INTERREG data.
- Adding multiple geographies caused problems, with non-contiguous and multinational project areas.

Where there have been delays in establishing permanent systems, some programmes have established transitional or interim ones. Others still have no real system in place, e.g. Caribbean, where the evaluators suggest that the preparation of a financial monitoring tool by the Joint Technical Secretariat is necessary to allow effective monitoring to take place, even in the absence of PRÉSAGE. Delays in establishing monitoring systems are a serious issue on two fronts, impeding

the ability of evaluators to assess programme progress and undermining the strategic management capacity of programmes.

### 8.3.2 INTERREG INDICATORS

As required by the Commission, MTEs addressed the quality of the indicator sets included in programming documents and operationalised by programmes. Overall, there has been a significant step forwards in terms of the quality and completeness of physical indicator sets proposed by INTERREG programmes in the current round, in part as a result of tailored DG Regio guidance.<sup>26</sup>

Structural Fund programmes require multiple sub-sets of indicators and evaluators assessed each, drawing out the following overall conclusions.

- **Context indicators** and baselines were provided in some cases but were not always obtainable.
- **Output indicators** tended to be the most straightforward to identify and the most robust, often simply measuring different types of project to be delivered (numbers of studies, planning initiatives, infrastructural investments, etc).
- **Result indicators** were less systematically identified and present more weaknesses.
- **Impact indicators** were the most challenging. 'Classic' economic development oriented impact indicators are the most obvious to identify for some programmes (e.g. employment creation), but they may not be appropriate to the nature of activities undertaken by INTERREG programmes or reflect their softer integration-related aims.
- **Horizontal theme indicators** tended to be weak in many cases. Environmental indicators were more numerous and robust but indicators relating to equal opportunities were non-existent in some cases.
- There have been some difficulties in defining indicators to capture **intangible outcomes**, especially for the IIC Strand programmes, for example.

Sets of indicators were widely presented as an improvement on previous programming periods. Some evaluators were relatively positive: indicators were in place, often but not always quantified (e.g. lack of quantification in Alpine Space) and relatively consistently structured (although the classic logical chain of outputs, results and impacts sits less well with INTERREG-type actions than with economic development interventions). The highest satisfaction with indicator sets was most likely to be reported where indicators had not yet been tested to the full with real projects. Here, a theoretical assessment (probably similar to that used to design the indicators) was all that was possible (e.g. ARCHIMED IIIB), but such exercises are unlikely to add significantly to the understanding already gained through *ex ante* evaluation. Some evaluators were more critical about programmes' indicator sets (e.g. Sachsen-Poland IIIA), some suggesting a fairly substantial overhaul.

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<sup>26</sup> CEC (2000) *Ex Ante Evaluation and Indicators for INTERREG (Strand A and B)*, Working Paper 7, The New Programming Period 2000-2006: Methodological Working Papers, DG Regio, Commission of the European Communities, Brussels.

The box below aims to provide a more self-contained insight into the indicator-related issues being raised by evaluators, by setting out the findings of a single evaluation study, relating to monitoring indicators in the Wallonie-Lorraine-Luxembourg IIIA programme.

As programmes get underway, indicator frameworks are tested against reality, leading to a learning process and the identification of potential improvements to indicators or the targets set for them. Not all evaluators did sufficient work to test indicator sets in practice, even where there was a set of approved projects to analyse. Important questions include:

- From the menu of indicators, which are being chosen by projects to measure their activities and which not, and why?
- To what extent are the chosen indicators likely to capture project achievements?
- Are indicators being applied in ways which will generate robust data? For example, are quantified targets proportional between similar projects?

*Box 8.2: Practical Proposals to further enhance monitoring of the Wallonie-Lorraine-Luxembourg IIIA programme*

The evaluators of the Wallonie-Lorraine-Luxembourg IIIA programme acknowledged the good progress which had been made with the design and application of monitoring indicators, including taking into account INTERREG-specific dimensions, and made proposals to build on this progress and further enhance the system in place.

**Context indicators**

- Assessment: these were relevant overall and covered both socio-economic development and cross-border integration but needed to be kept updated and trends shown more clearly.
- Recommendations: The date of statistics needed to be recorded more carefully (because seasonality has an impact on unemployment for example) and trends as well as static figures needed to be highlighted. At a more strategic level, statistical problems could be dealt with by establishing an observatory for the region. This could help coordination between the three sub-programmes and also enable a dialogue with other cross-border cooperation programmes to enable the region to place its situation in context.

**Output and result indicators**

- Assessment: these were clear and corresponded well with planned activities. Not all seen as easily usable, with too many indicators (156), some of which were similar but not the same under different measures, and some whose aim or definition were unclear.
- Recommendations: Review indicators, for example by aligning indicators under different measures which are similar but different. It is suggested that any data collected need to be useful. In rationalising indicators, programme actors could think about how data would be used.

**Cross-border cooperation indicators**

- Assessment: The programme was commended for using four indicators of cross-border cooperation from the outset but it was suggested that these were more concerned with outputs or results than with impacts and could be improved. It was also felt that there was scope to take a more qualitative review of cooperation and to reflect on the sustainability of cooperation.
- Recommendations: To improve understanding of cooperation and integration effects, the evaluator proposed that two further elements should be recorded, in particular comprising: (i) the level of maturity of the cooperation involved (emerging, consolidating, established); and (ii) the effects on sustainable development (employment, equal opportunities, the environ-

ment). It was suggested that this should be recorded by a project observer, not project actors themselves, to provide a more objective judgement.

**Operationalisation of the indicator framework**

- Assessment: Projects were using the indicators proposed in available guidance but they were also developing their own indicators.
- Recommendations: A useful compromise was proposed between projects designing their own indicators and being tied to standard programme-specific ones: projects could be encouraged to use the programme's indicators in a more disciplined way but also in return allowed to add a small number of indicators themselves that they felt more fully reflected their activities and likely achievements.

**Communication with applicants**

- Assessment: Although the indicator framework is quite good, its presentation to applicants could be improved. Indicators are set out across three documents which makes it hard for applicants to see what they have to do. This has led to applicants choosing indicators intended for use under other measures than the one they are applying under.
- Recommendations: It is suggested that implementers could benefit from animation and support activities to help them to provide good quality monitoring data.

Improvements were proposed to indicator sets, some of which were based on analysis of the use made to date of the indicators contained in programmes. Recommendations, many of which were aimed at fine-tuning indicator systems rather than entirely revising them, included the following.

- Simplification of indicators by reducing the overall number of indicators (e.g. Danish-German IIIA programmes, Brandenburg-Lubuskie IIIA), removing irrelevant indicators and downgrading less relevant or realistic ones, such as by reducing the emphasis on job creation.
- Expansion of indicator lists (e.g. Rhein Maas Nord-Rijn Waal-Euregio and Greece-Cyprus IIIA).
- Clarification of definitions. This proved necessary where there was variation between the indicator sets chosen by ostensibly similar projects, complicating monitoring and reducing the prospects for comparison and aggregation (North West Europe IIIB). There was variation in the application of indicators between similar projects (Sweden-Norway IIIA) and between sub-programmes or measures of the same programme.
- Increasing quantification, working with available budgets to set targets at realistic levels (e.g. ARCHIMED IIIB).
- Improving horizontal theme indicators but in straightforward ways, e.g. disaggregating project beneficiaries into male and female (South West Europe) or classifying projects relative to their horizontal themes relevance (neutral, relevant, horizontal theme focused).

In terms of the operationalisation of indicators, a range of weaknesses were identified:

- incoherent presentation of indicators to applicants (North Sea Region IIIB);
- applicants not being required to set or quantify targets consistently (France-Wallonie-Flandre IIIA);
- indicator choices being limited to the Objectives 1 and 2 indicators accommodated by a national monitoring system (France-Spain);
- cultural difficulties in some cases impeding monitoring (Caribbean); and

- a lack of realism in the indicators chosen or the targets set for them (North West Europe IIIB).

Based on the weaknesses observed, some evaluators made recommendations relating to systems and capacities:

- project actors could receive additional training to improve monitoring, addressing indicators, data gathering, evaluation methods and requirements (North West Europe IIIB);
- communication with projects about indicators could be improved, including explaining why the data requested is important to the programme (e.g. North Sea Region IIIB);
- projects should include an assessment of the risks they face, which is a standard practice across Phare-funded projects.
- 'reality checks' should be done more systematically on the targets set by projects.

*Box 8.3: Addressing the specifics of INTERREG*

Various approaches were proposed by programmes to enable information to be captured about INTERREG-specific effects.

**Alpine Space IIIB** measure-level indicators are designed around the main types of action which will be funded. Categorising activities in this simple way should allow more to be said about some of the wider aims of the programme, e.g. in encouraging networking. Headings are:

- observation, data processing and monitoring
- studies and strategies
- networking
- information, training and awareness raising
- infrastructure and other investments.

The **North Sea Region IIIB** programme uses four project activity indicators to capture information about participation and networking. It is proposed that these should be extended to all projects in this programme. More programmes could use such indicators to capture straightforwardly some of the interactive outcomes of INTERREG.

- number of organisations involved in the project
- number of people involved
- number of meetings
- number of participants.

In order to understand how INTERREG is enhancing the fabric of interactions in the **Wallonie-Lorraine-Luxembourg IIIA** area, the evaluators proposed that interviewing project actors would generate fuller insights than using indicators. They undertook a survey to identify how the programme is affecting cross-border cooperation, considering the following issues:

- cooperation at different project stages
- the organisation of partnerships, including the sustainability of cooperation
- the frequency and mode of contact
- how partnerships originate
- level of partner satisfaction
- difficulties encountered.

### 8.3.3 THE CONTRIBUTION OF MONITORING TO UNDERSTANDING INTERREG

Detailed issues aside, evaluators identified some interesting dilemmas about the monitoring of INTERREG programmes, relating to the extent to which prescriptive and quantitatively biased approaches are suited to capturing the diversity of intangible effects anticipated from INTERREG actions.

A first dilemma discussed by some evaluators was whether to restrict projects to the indicators set out in programming documents or to allow them to select indicators which are more meaningful to them – but which may then be difficult to aggregate across the programme because they are non-standard. Allowing projects latitude in terms of indicator selection creates clear difficulties at the evaluation stage but at least one programme has chosen to accept this as a trade-off for other benefits. In South West Europe IIIB, grant-holders have proposed indicators for their projects which are different to those suggested to them in the Programme Complement. This creates some management challenges for the programme but it is presented as an asset from the point of view of the Managing Authority and Secretariat. Each project pursues and monitors its own set of indicators in an individualised monitoring process. This brings out the specifics of each project and enriches understanding. The Managing Authority has suggested that projects should continue to be allowed to suggest their own indicators, since this will generate a more relevant and meaningful list of indicators for any future INTERREG programme. The evaluators supported this view.

Compromise positions are also available, although difficult to sustain: in Rhein Maas Nord-Rijn Waal-Euregio IIIA, projects are asked to select three programme indicators from a list but they can also include their own project-specific indicators. This solution proved to be complicated in practice since, once indicators were selected, half the projects reported against a programme-level indicator (jobs created), but they rarely reported against measure-level indicators nor did they change these to fit their project better.

A second debate, which is picking up momentum in some more advanced programmes, is about whether Structural Fund monitoring practices, and quantified indicators in particular, fit well with the soft and innovative aims of INTERREG programmes. In the Sweden-Norway IIIA programme, the discussion is between programme actors who are emphasising the provision of quantitative information and implementers who want to place more emphasis on qualitative data and a deeper understanding of individual projects, since this provides more meaningful insights into the initiatives they are undertaking and their impact on regional integration.

There remain some fundamental, open questions about INTERREG monitoring and optimal approaches to gaining increased understanding about the impact of integration projects. The triple-programme evaluation on the German-Danish border suggests that cross-border value added and the impact of cross-border working cannot be identified solely on the basis of quantitative data. How much benefit will therefore be derived from investing significantly in this along the lines assumed for Objective 1? There certainly seems to be interest in alternative approaches. As the Kvarken-Mittskandia IIIA MTE points out, programme steering is much more than a formulation of objectives and award of funds. It is equally important that those controlling programmes receive continuous and meaningful information about the direction of the programme and its constituent projects. This being the case, they have the possibility of directing activities and addressing problems. The generation of useful steering information requires the following: that objectives are

clearly defined and quantifiable; that those controlling the programme are active and have knowledge about the meaning of objectives; and that progress towards agreed objectives is reported.

Reflecting these debates, a range of further innovative monitoring approaches can be identified among INTERREG programmes.

- The MTE for Sachsen-Czech Republic IIIA suggests that, given the profile of projects to date, it is questionable whether a comprehensive physical monitoring system will ever be efficient. It could be more useful to operate a financial monitoring system and then to collect core data details from applications. Rather than monitoring projects on an ongoing basis, they could be monitored sporadically, for example by using surveys of grant-holders.
- In Ems-Dollart IIIA, it is emphasised that qualitative and quantitative indicators need to be used to make the added value of cross-border cooperation clear. To enable a reliable measurement of the effectiveness of the programme, the MTE suggests undertaking a border monitoring exercise or trend report 2-3 times a year, to get an impression of the extent to which the population is aware of the programme and the border region, and to gather an overview of cross-border developments and the added value of the INTERREG programme.
- The Wallonie-Lorraine-Luxembourg IIIA suggests that more should be recorded about each project that is meaningful in terms of understanding cooperation and the significance of the project. The evaluator suggests recording: (i) the level of maturity of the cooperation involved (emerging, consolidating, established); and (ii) effects on sustainable development (employment, equal opportunities, environment). This information would be recorded by a project observer – not the project itself – to make this an objective value judgement.

## 8.4 LEARNING ABOUT MONITORING

Monitoring is still clearly an aspect of INTERREG programming where further development is not only possible but both urgent and necessary. Broadly, all programmes need to ensure that they have embedded pragmatic solutions to enable the effective management of at least a minimum of information on projects so that this can be aggregated to provide financial and physical progress updates meeting European Commission requirements and management needs. More developed programmes, in turn, are involved in a process of system refinement and in wider debates about optimal approaches to capturing meaningful cross-border, transnational and interregional effects of INTERREG interventions. Both of these sets of interests could be supported by INTERACT which could target its efforts in two directions.

- Improving practical aspects of monitoring in current programmes, including:
  - improving indicator sets, including indicator definitions, streamlining indicator sets, creating realistic targets or addressing the horizontal themes;
  - aspects of database management, including better accommodation of the specifics of INTERREG data and managing changeover between database systems;
  - communicating with applicants about monitoring expectations and
  - launching the monitoring visits required by the regulations.

- Facilitating broader reflection on a range of more challenging developmental issues, which could feed into practices in the next programming period, addressing questions such as the following:
  - What is monitoring for and are current systems appropriate to meet these aims? How can monitoring be better designed to meet its objectives?
  - What is distinctive about INTERREG programmes and how can this be captured in monitoring? What alternative methods are available and how do they perform relative to more mainstream monitoring approaches? Alternative methods include the idea of setting up an analysis of trends over time (a so-called border monitor). A working group could be formed to compare available techniques.
  - If 'classic' monitoring reveals little about INTERREG activities, should monitoring be simplified back to the bare minimum, freeing up effort to devote to other means of understanding programme activities, for example at the evaluation stage?

The proposal made here to improve practical aspects of monitoring does not endorse a comprehensive process of revising indicators or calling systems into question; it is too late for such an exercise in the current programming period. Instead, it is recognised that programmes may save time and energy in making necessary and planned adjustments if they have access to the solutions of other programmes or dialogue with those involved in a similar process.

A difficulty for INTERACT in designing its approach to supporting monitoring is the diversity of systems in place in different contexts and the extent to which these affect the transferability of practices. This points towards working at three levels: (i) focusing on general principles of INTERREG monitoring; (ii) engaging debate about the choices facing INTERREG programmes; and (iii) developing some form of tailored advice and problem-solving service, which responds to questions and issues on a one-to-one or at least system-specific basis.

## 9 CONCLUSIONS: IMPLICATIONS FOR INTERACT AND FOR POST-2006 TERRITORIAL COOPERATION

### Summary

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The last chapter of the report provides a summary of the report's findings and then goes on to address two questions: (i) What are the implications of the synthesis of MTE findings for INTERACT's priorities over the remainder of the current programming period? and (ii) How does it inform the debate about the future of EU-supported territorial cooperation?

In providing support to INTERREG programmes, it is important to recognise the significance of a range of contextual factors which condition and influence their performance. By way of illustration, five parameters are described, relating to: administrative culture; the conditions in the border regions; the status of regional and local self-government; the availability of alternative funding sources; and the extent of experience.

Following this, recommendations about future INTERACT Priorities are presented and structured around five key questions, considering: (i) how INTERACT can focus its strategic approach; (ii) how it should structure its response to programme needs; (iii) how learning opportunities can be maximised; (iv) what the highest priorities for intervention are; and (v) how INTERACT can support actors at the project level. These broad proposals are supplemented by sections at the end of every chapter of the report which identify more specific themes or issues where INTERACT Intervention could be beneficial. The most urgent priorities highlighted for INTERACT include facilitating the successful launch of the new Member State programmes and averting the threat of automatic decommitment. A strong overall theme is the importance of interaction in both learning and codifying and generating new knowledge. This points towards investment in creating focused communities of practice.

In terms of the reform debate, the Commission's continuing commitment to territorial cooperation is clear. This is an area where the Structural Funds achieve undisputed added value. As the details of future provisions become clearer, however, it will be important for INTERREG actors to participate actively in the debate to ensure that future instruments are both strategically effective and practical, ideally introducing changes which address some of the problematic features of the current INTERREG programming environment. In addition to raising some overall issues of concern, including the appropriateness of applying the n+2 rule to INTERREG programmes, the chapter highlights some issues for debate relating to the future provisions for INTERREG Strands A, B and C.

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## **9.1 INTRODUCTION**

This report has presented a synthesis of all the available Mid Term Evaluations of the 2000-06 round of Strand A, B and C INTERREG programmes. In so doing, it provides an overview of progress, experiences and issues which enables current participants in INTERREG to place themselves in the context of wider patterns. This chapter first summarises the report, then goes on to address two questions: (i) What are the implications of the synthesis of MTE findings for INTERACT's priorities over the remainder of the current programming period? and (ii) How does it inform the debate about the future of Structural Fund supported territorial cooperation?

## **9.2 SUMMARY OF FINDINGS**

### **9.2.1 AIMS AND METHODOLOGY OF THE SYNTHESIS**

This study comprises a synthesis of the findings of the Mid Term Evaluations of 67 Strand A, B and C INTERREG III programmes which were undertaken in 2003. The study has three aims:

- to take stock of progress to date in INTERREG programming, highlighting strategic, structural and operational strengths and weaknesses;
- to help inform the priorities of the INTERACT Community Initiative, a new Technical Assistance programme established in 2002 to support effective INTERREG programming;
- to identify any lessons which could inform provisions for territorial cooperation in the post-2006 Structural Fund programming period.

The report attempts to give an overview of the state of play of INTERREG and to allow programmes to place their experiences in context. It is hoped that it will be of interest to the many different INTERREG stakeholders.

### **9.2.2 SETTING THE CONTEXT: INTERREG III**

The INTERREG Community Initiative is now in its third programming period. It has evolved cumulatively to reach its current configuration. Strand A programmes for cross-border integration are the most numerous and have been in existence for the longest. Strand B programmes for transnational cooperation emerged in the late 1990s out of INTERREG IIC transnational cooperation programmes and Article 10 pilot actions. Strand C programmes were newly introduced in 2000 and enable interregional exchange about policy design and delivery. In the current round, these strands have been newly complemented by the INTERACT Technical Assistance programme and the European Spatial Planning Observation Network (ESPON).

To relate more easily to the INTERREG programmes, of which there were 72 in 2003, Chapter 2 sets the context by describing them and proposing some straightforward groupings which are used later in the report to help to understand different INTERREG experiences.

In particular, the 53 INTERREG IIIA programmes are divided into four categories based on the types of border involved: internal borders and three types of external border – with ‘neighbouring’ countries (notably Switzerland and Norway), with new Member States and with other third countries (e.g. Bulgaria, Morocco and Russia).

The 13 INTERREG IIIB programmes are subdivided into three groups: homogeneous (operating largely within the EU-15), diversified (involving the largest numbers of external and new Member State countries) and development-oriented (in the outermost regions).

### **9.2.3 EVALUATING INTERREG III**

This is the first time all INTERREG programmes have undertaken a Mid Term Evaluation. There is an opportunity to draw out lessons from these studies about the practice of INTERREG evaluation, and so to enhance the quality and usefulness of the 2005 follow-up studies.

In terms of the overall scope of studies, most systematically addressed the issues proposed by DG Regio, with a clear emphasis on operational aspects and monitoring indicators. In some cases, there was too much emphasis placed on contextual analysis which added little value and not enough on (even preliminary) analyses of likely programme effectiveness.

The techniques used in studies were diverse but with more emphasis than might have been expected on desk research rather than more interactive methods such as surveys, interviews and focus groups. As the report illustrates, interactive techniques have good potential to generate genuinely new information and to strengthen partnership, and were used to good effect in many evaluations. Examples are given to illustrate the potential applicability of more participatory styles of evaluation.

With respect to the overall usefulness of the MTEs, it was concluded that most provided a balanced summary of programme progress, highlighted key unresolved issues and set out pertinent and justified recommendations to improve future programming. However, a minority of studies, addressing programmes whose implementation had not yet gained momentum, failed to reflect the urgency of addressing this situation.

The review identified three areas in which there is scope for INTERACT to support future evaluation efforts, facilitating lesson-learning about the 2003 evaluations, developing a community of practice around INTERREG evaluation and underpinning this by providing a resource hub and common services for this group.

#### **9.2.4 THE EVOLVING CONTEXT AND STRATEGIC RELEVANCE OF THE PROGRAMMES**

*Contextual reviews.* Two related tasks of the MTEs were to identify: (i) how the programme context had changed since programmes were developed; and (ii) to use this information to reflect on the continuing appropriateness of strategies, proposing adjustments if necessary.

The optimal scope of an INTERREG contextual analysis incorporates socio-economic analysis but also reflection on changed or better-understood geopolitical, strategic and institutional circumstances. A danger of contextual analysis is that it becomes an academic exercise, only loosely related to the concerns of the relevant INTERREG programme. Illustrating good practice, two contextual analyses are described which were shaped in a targeted way to generate useful insights and improve programming.

There is scope for INTERACT to build capacity in the INTERREG community in terms of high quality contextual analysis and to provide services which make tracking contextual changes a more efficient and effective process.

*Strategic relevance.* Evaluators were charged with assessing the continuing relevance of INTERREG strategies, based in part on the contextual analyses, and proposing adjustments to programmes as appropriate. Overall, the process has led to the fine-tuning of programmes rather than significant changes; continuity has been the preferred policy unless there are compelling reasons to make adjustments.

Where adjustments were proposed, these were variously justified by the need to increase uptake of selected opportunities, responding to a changing economic environment by prioritising economic development, prioritising areas where INTERREG added most value and adjusting to reflect wider strategic changes.

There is scope for INTERACT to facilitate a process of learning and exchange about the optimal design and steering of INTERREG strategies but this activity will be most relevant once the process of developing INTERREG programmes for the 2007-13 period is underway.

#### **9.2.5 PROGRAMME EFFECTIVENESS**

Measuring effectiveness involves consideration of the financial and physical progress of programmes, comparing this with available budgets and the targets set for the programmes at the outset.

The amount of progress made by the time the MTEs were undertaken was conditioned in part by how long they had been running. Many programmes had been approved for around two years by the time the evaluations had to be delivered but some had been approved for less time than this.

*Financial progress.* Figures compiled from MTEs suggest that financial progress is very variable. For around 10 per cent of programmes, both commitments and spending are on track. In a second large group however, while commitments are progressing healthily, spending is low. A final group includes programmes which are barely underway. Of these, the programmes of most concern are

those which have been approved for the longest time and are clearly facing intractable barriers to implementation.

The latter two groups face potential decommitment of funds under the n+2 rule if their ERDF spending rates do not increase. Too few evaluations gave this issue sufficient priority but some did generate some useful insights into the reasons for slow progress, and recommendations to accelerate commitments and spending.

*Physical progress.* The MTEs provided patchy analysis of physical progress. Programme performance was generally well measured in terms of the number and distribution of approved projects. In addition, many evaluations addressed participation, finding that the programmes had been good with respect to overall participation levels and partner diversity, although the balance between types of partner was commented upon for some. However, with respect to physical commitments and achievements, the evaluations supplied less information – it is regrettable that there was not more discussion of the physical commitments made by projects and any reported achievements.

The MTEs provided some analysis of the horizontal themes, noting that the concepts were not always well understood or seen as relevant by programme and project actors. Similarly, some evaluations addressed the Community value added of the programmes, noting the considerable added value associated with INTERREG but also highlighting the administrative burden which detracts from this to some extent.

## **9.2.6 PROGRAMME MANAGEMENT**

Unique among Structural Fund programmes, INTERREG programmes face a number of difficulties arising from their international nature, including issues relating to the geographical spread of the programmes, the diverse political, legal and administrative contexts they must accommodate and their need to remain accessible to partners. However, programmes have risen to these challenges, providing a range of good practice in integrated programme management, with the most integrated or inclusive models in place in the IIIA programmes on internal borders and the IIIB and IIIC programmes.

Different programmes are characterised by divergent management structures, especially with respect to the location, coordination and operation of Managing and Paying Authorities and the Joint Technical Secretariats. Several models appear to offer effective solutions but they also present their own challenges. Evaluations also explored the different approaches to Monitoring and Steering Committees. MTEs generally appraised them as effective structures, although with some potential for improvement, for example in terms of the strategic orientation of Monitoring Committees. A range of other bodies contributing to INTERREG management are also highlighted. The use of additional support structures at the local level is particularly common in IIIB programmes and there are opportunities to learn about the contribution made by these different institutions.

The diversity and international character of INTERREG programmes provides a good platform for exchange of experience between different programmes. There is ample scope for INTERACT to provide a range of common services in the areas of recruitment, induction training, brokerage of

staff exchange and providing background information on the institutional contexts of the EU-25 countries.

### **9.2.7 PROGRAMME IMPLEMENTATION**

Three aspects of implementation are pivotal to progressing INTERREG programmes: publicity and communication; project generation; and project selection. Overall, programmes appear to be progressing well in these three areas, with most MTE recommendations aiming to refine existing systems based on stakeholder feedback.

INTERREG programmes have been active in their publicity and communication activities but they face problems not encountered by other Structural Funds programmes. Their international dimension raises difficulties relating to the need to provide consistent information in different languages. Nevertheless, the programmes provide a range of good practice in terms of improving the quality and accessibility of information, raising their profile and targeting potential applicants.

Project generation is another significant challenge, not least as it often requires the development of project partnerships among organisations with limited experience in Structural Fund projects. The time required for the application process, the complexity of multiple partner projects and the variable support to applicants have proven to be critical factors in this area of programme implementation.

A related issue is project appraisal and selection, which has been of variable quality across the programmes, largely reflecting the maturity and embeddedness of existing approaches by programmes. Nevertheless, evaluators have drawn out good practice in a number of areas, especially the use of techniques to make programmes more accessible to more organisations, including: Small Project Funds; grading of project types by capacity; and using two-step application procedures.

### **9.2.8 MONITORING INTERREG PROGRAMMES**

The MTEs were tasked with assessing the quality and suitability of the monitoring arrangements in place for INTERREG programmes. Most concluded that, although monitoring of INTERREG programmes has improved significantly since the previous programming period, this is an area in which further development is desirable and indeed necessary. The aim is not to pursue monitoring for its own sake, but to improve the management information available to programmes.

Many monitoring systems are still not yet mature, with databases still being finalised and indicator sets being tested to quantify the outcomes of real projects. Many evaluators dedicated significant effort to making proposals to improve monitoring arrangements. Some recommendations were very practice-oriented, relating to improving definitions, simplifying indicator sets or improving communication with applicants about indicators.

A recurring issue for wider debate was the question of whether Structural Fund monitoring practices, and quantified indicators in particular, fit well with the soft and innovative aims of INTERREG programmes. Some programmes aim to capture INTERREG-specific achievements by extending their monitoring indicators to cover the interactions encouraged by the programme but an alternative approach which is also explored involves using more qualitative techniques at the evaluation stage including interviews and case studies to capture such outcomes.

INTERACT can clearly play a role in facilitating further development of monitoring practices in INTERREG programmes. However, it is important that the emphasis of this at this late stage in the current programming period is on refining rather than totally revising existing monitoring frameworks.

### **9.3 IMPLICATIONS FOR INTERACT OF THE NEEDS REFLECTED IN THE SYNTHESIS OF MTEs**

One of the primary aims of the study was to build on the Needs Assessment exercise undertaken in 2003 for INTERACT,<sup>27</sup> and to provide recommendations to INTERACT about the INTERREG development needs identified in the Mid Term Evaluations and how it could best respond to them. The chosen infrastructure for INTERACT is now in place and progressively becoming embedded in the form of the INTERACT Secretariat and five INTERACT Points. The question at this stage is how INTERACT can best intervene to support the successful advancement of INTERREG programming and firmly establish itself as the primary hub for INTERREG networking and learning.

Before discussing the specific questions and issues, two general points are worth reiterating. First, the overall progress in implementing INTERREG programmes is reasonably positive, with some important qualifications. Most, but not all, programmes were well under way by the time the evaluation studies were undertaken in 2003 and were undertaking activities widely regarded as bringing added value. However, the pace of commitment and certainly of expenditure is slow, extremely so in some cases. The evaluations acknowledge the effort which has gone into developing and agreeing programmes and which has more recently been devoted to finalising structures, procedures and modes of working, and opening programmes to bids. Most MTEs concluded that programmes are appropriately framed and were gaining momentum, in spite of the (considerable) regulatory complexities which encumber them.

Second, it is not possible at this stage to make a judgement on the effectiveness of INTERREG programmes. A frequent theme of the MTEs was the difficulty in establishing the concrete outcomes of programmes and the limitations of management and monitoring systems in delivering this information. As such, a picture of what is actually being achieved by INTERREG programmes remains elusive.

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<sup>27</sup> LRDP and SOGES (2003) *INTERREG – An Assessment of Needs by INTERACT*, INTERACT Secretariat, Austria.

In this context, the following sections of this chapter begin by outlining the contextual factors that influence the support needs of INTERREG programmes and then address five main issues:

- How can a strategic approach be structured?
- How should INTERACT respond to programme needs?
- How can learning opportunities be maximised?
- What are the highest priorities for INTERACT?
- How should INTERACT respond to project needs?
- How can effective learning be promoted?

### 9.3.1 UNDERSTANDING INTERREG PROGRAMMES IN CONTEXT

A fundamental requirement for both the operation of INTERACT and the wider policy community involved in the future of INTERREG is an appreciation of several contextual factors which influence the performance of INTERREG programmes. These factors are, in effect, parameters which help to explain some of the perceived successes and failures of programmes and determine the scope for policies, actions and management tools by INTERACT and the EC. They relate to administrative culture; the conditions in the border regions; the status of regional and local self-government; the availability of alternative funding sources; and the extent of experience.

- (a) **Administrative culture.** The cultural context in general, and administrative cultures and attitudes in particular, need to be taken into account when discussing programme operations and especially performance. The initial review of programme performance presented here shows something of a north-south pattern. It is important to understand the impact of different organisational and management styles in the design of knowledge transfer strategies. It may be that transfers are most likely to be successful between programmes organised and operated in a similar manner. The socio-economic and management literature proposes a number of models exploring the relationships between national cultural characteristics and management styles, especially in public management.<sup>28</sup>
- (b) **Conditions in the border regions.** Focusing on IIIA programmes, it has been seen that the intensity of cross-border relations (the level of positive synergies) varies greatly in different contexts. This appears to be shaped by two factors:<sup>29</sup>
- the level of permeability of borders (their openness) both in terms of administrative issues and the transport network; and
  - the level of socio-economic development on both sides of the border (reflected in GDP, unemployment rates, productive structure, etc).

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<sup>28</sup> The best known example is Hofstede G., (2001) *Cultures consequences: comparing values, behaviors, institutions, and organizations across nations*, Thousands Oaks, SAGE, California

<sup>29</sup> Ratti, R., (1993) 'How can Existing Barriers and Border Effects be Overcome? A Theoretical Approach', in R. Cappellin and P.W. Batey (eds), *Regional Networks, Border Regions and European Integration*, London: Pion Limited, pp. 60–69.

The more permeable the borders and the more asymmetrical the economies on either side (in terms of costs, prices, levels of development, specialisation, etc), the more dynamic the relations are likely to be between the two areas. Where a border has high permeability but asymmetry is low, the border itself can become a neutral factor of growth. If both permeability and asymmetry are low, then interrelations are likely to be limited.

Theoretical concepts such as this, which consider border area characteristics as factors of development, could be useful in the analysis of EU cross-border programmes. The condition of border regions influences these types of programme in two ways.

- First, conditions influence the intensity of relations. Obviously, a border with low permeability in administrative or physical terms limits programme operations. Equally, if both sides of a border are underdeveloped, then the capacity to cooperate and propensity to participate also appear to be suppressed. In contrast, cross-border programmes potentially function better on borders between wealthy regions. This may also be true on borders showing asymmetry, where one area is well developed and may work as an engine and inspiration for cooperation, assisting the other side in catching up.
- Second, the condition of the border obviously influences the form of relations and the orientation of programmes. Programmes with low border permeability in transport terms and/or a low level of development not surprisingly focus on capital investment. Well-developed, integrated border areas focus on soft measures including networking and training.

- (c) **Regional and local self-government.** The correlation between the position and performance of self-government in participating regions and the condition of the programme itself should be further investigated. The working hypothesis is that experienced and dynamic regional and local actors, well-positioned in the national administrative hierarchy, provide good conditions for successful programming and create pressure, especially on central administrations, to progress the programme. On the other hand, the absence of active self-government could make a programme underperform.<sup>30</sup>

Verification of this hypothesis would be especially helpful in better enabling INTERACT to form appropriate focus groups to facilitate knowledge exchange and learning. INTERACT may need to approach different Member States in different ways, involving national actors more in countries where national authorities have a stronger role at the operational level.

- (d) **The availability and nature of alternative funding sources.** In situations where there are other, larger EU support programmes operating in the same areas, (e.g. Objective programmes) INTERREG programmes tend to be less dynamic. Management resources are concentrated on the larger and more straightforward programmes. In addition, applicants themselves are more attracted to the alternative funds because more resources are available or because these funds enable similar things to be done more simply (especially in terms of infrastructure investment). In some, but not all, areas where fewer EU resources are available, INTERREG resources appear to be more highly prized, so driving forward INTERREG programmes. Exploration of these patterns could be useful for the debate on Structural Fund coordination in general (at EU and national levels) and the role and orientation of INTERREG assistance in the overall pattern of EU support.

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<sup>30</sup> The starting point for questions here could be the typology of regional government in Western and Central Europe proposed by Balchin P, Sykora L and Bull G (1999) *Regional Policy and Planning in Europe*, Routledge, London, p.53-58.

(e) **Earlier experience.** It is widely recognised that earlier experiences, with INTERREG programmes or with cross-border cooperation more generally, facilitate current programme operations. By contrast, those programmes whose participants have not had earlier contact with INTERREG or cooperated with neighbouring regions or international partners seem to be characterised by a lower performance. Verification of this common perception is important to understand the nature of INTERREG successes or failures. While experience appears to be an asset in some programmes, it may be that, at a further extreme, experience can be an obstacle to INTERREG, for example where programmes have found themselves focusing on 'repeat business' at the expense of opening programmes up to new operators and activities or where long-established procedures, assumptions and attitudes may have caused rigidity and created resistance to change.

### 9.3.2 HOW CAN A STRATEGIC APPROACH BE STRUCTURED?

It is clear that INTERACT has made a positive start. It has established the structures through which services will be delivered and is now in the process of embedding them. It has a visual identity and is progressively publicising its aims including through a newsletter. The INTERACT Points now have a full complement of staff and are working through their first Annual Work Plans. The new website, and the information management system underpinning it, are now available and are progressively developing in terms of content. Momentum has also been gained in terms of the number of applications being made to run INTERACT Projects (an initiative running in parallel to the Points and generating learning from the bottom up in specific areas of cooperation).

Nevertheless, INTERACT faces some formidable challenges in responding to the development needs of programmes. First, the programming environment is dynamic. Programmes are already halfway through the current programming period. Many opportunities to have a positive input into the formative stages of programmes have already passed. Second, the target population is diverse in terms of the range of programmes and the logistical, linguistic, cultural and organisational challenges of a community spanning 25 Member States plus neighbouring countries. Third, MTE results indicate that programme management and administrative staff are overloaded. Even with willingness to participate, there are limitations on INTERREG participants in terms of their available time and resources for networking and learning activities.

Against this background, it is important that INTERACT's response to programme needs has a strategic perspective as well as clear, short-term operational priorities. As such, in addition to targeting 'quick wins' and addressing urgent issues in order to establish its position (issues discussed below), INTERACT needs to work towards a medium-term, strategic plan which enables activities to progressively accumulate into a significant and evolving resource for programme actors.

In terms of agreeing and pursuing an overall strategic direction, one useful tool could be to agree a future vision for the INTERREG operating environment. The key question is: *How could INTERACT enhance the INTERREG programming environment by the end of the current programming period?* Once realistic elements of the vision are agreed, INTERACT Point activities can be shaped towards achieving these specific goals. Examples of elements of a possible vision for 2006 are presented in the table below, organised around the resources available to INTERREG actors, how

they procure services, the capacity of programmes and of the individuals working within them, and the capacity of project level actors.

Table 9.1: Contrasting current and future capacities in the INTERREG community

	Situation in 2003	Target for 2006
Resources	<ul style="list-style-type: none"> <li>– DG Regio lists programmes and provides access to regulatory framework, guidance, etc, but not comprehensive or up to date.</li> <li>– Difficulty in obtaining an overview of INTERREG, although some national websites provide INTERREG orientation.</li> <li>– <i>Ad hoc</i> resources are disorganised, disjointed, difficult to locate.</li> <li>– Not all potential resources reach all relevant users.</li> <li>– Lack of practically oriented, discursive or interpretative material.</li> </ul>	<ul style="list-style-type: none"> <li>– Clear articulation between DG Regio and INTERACT Resources</li> <li>– Overview of INTERREG programmes easily available. Straightforward to ascertain the management structures, operational norms and policy orientations of all programmes.</li> <li>– Investment in cataloguing creates a solid foundation of information.</li> <li>– Factual information is complemented by an easily navigable range of ‘added value’ materials.</li> <li>– Investment in networking drives momentum which not only keeps this foundation of information reliable and up to date, but also generates more added value resources – containing new knowledge and understanding.</li> <li>– Resources are consulted frequently by programme actors, who have become more outward-looking.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>– Lack of common focal point means activities like recruitment or tendering evaluation contracts can be inefficient and not yield the desired results.</li> </ul>	<ul style="list-style-type: none"> <li>– INTERACT acts as a hub providing a range of services including hosting advertisements to recruit staff, publicise calls for tender and brokering staff exchanges.</li> <li>– Bringing together opportunities and giving them more prominence generates greater interest in INTERREG and raises the quality of responses.</li> </ul>
Networks and interaction	<ul style="list-style-type: none"> <li>– Occasional <i>ad hoc</i> events provide networking opportunities but nothing stable or sustained is in place.</li> <li>– New challenges are faced largely in isolation.</li> <li>– Some fragments of networks e.g. exchange between IIIB programmes, exchange between neighbouring IIIA programmes, interaction encouraged between new Member State INTERREG actors.</li> </ul>	<ul style="list-style-type: none"> <li>– Thriving communities of practice, given momentum and coherence by shaping them around specific fields of INTERREG expertise (financial management, project development, monitoring, etc).</li> <li>– Interactive events shaped around these communities build momentum.</li> </ul>

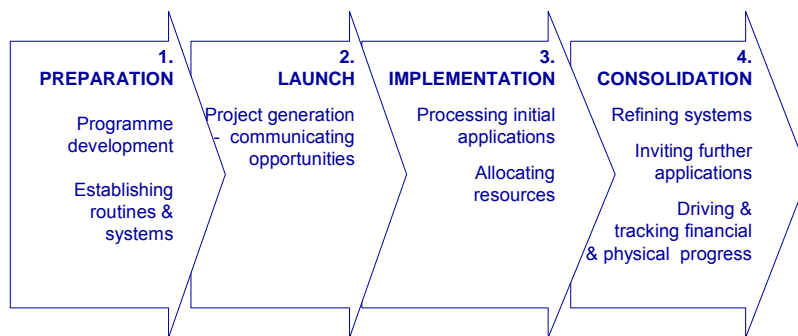
	<b>Situation in 2003</b>	<b>Target for 2006</b>
Programme capacity	<ul style="list-style-type: none"> <li>– Contrasting performance of programmes. Some progressing poorly because of capacity issues but also contextual issues (e.g. coordination issues faced on external borders).</li> <li>– Some programmes are largely unaware how they are performing relative to others.</li> <li>– Lot of ‘reinventing the wheel’ at programme and project levels.</li> <li>– INTERREG can be the ‘poor relation’ of larger Structural Fund programmes, leading to the application of systems and techniques which do not necessarily fit INTERREG needs.</li> </ul>	<ul style="list-style-type: none"> <li>– Minimum and mean level of achievement of programmes is higher.</li> <li>– Ready availability of models or examples saves time and avoids duplicated effort.</li> <li>– Availability of <i>ad hoc</i> peer-to-peer support drives programme-specific problem solving.</li> <li>– Good understanding both within the INTERREG community and beyond it about the distinctiveness of INTERREG, e.g. leading to the emergence of dedicated monitoring and evaluation methodologies.</li> </ul>
Individual capacity	<ul style="list-style-type: none"> <li>– Strong contrasts between some very experienced individuals and new entrants.</li> <li>– Instability in staffing in some contexts.</li> <li>– Difficulty for individuals in obtaining the bigger picture.</li> <li>– No efficient means for staff to build their capacity – mainly learning on the job.</li> </ul>	<ul style="list-style-type: none"> <li>– Improved resources for the training of new entrants. Flexible access (Internet based provision) facilitates access.</li> <li>– Improved resources for experienced actors to stay up to date with new developments and debates and to share recent ideas.</li> <li>– INTERREG actors everywhere have a clearer perception of INTERREG as a whole and how their programme(s) fit in.</li> </ul>
Project level capacity	<ul style="list-style-type: none"> <li>– Most projects operate as ‘islands’ in isolation from others. Opportunities for synergies and learning are missed. The main source of advice is programme administrators.</li> <li>– Project actors vary in their experience.</li> <li>– Project leaders carry a significant burden in delivering their project.</li> <li>– Some, less tangible projects benefit individuals in a more durable way than their organisations.</li> <li>– Monitoring and evaluation do not really facilitate detailed learning about either INTERREG project management or the significance and achievements of projects in different areas of intervention.</li> </ul>	<ul style="list-style-type: none"> <li>– Project-level actors still see programme administrators as their main source of authoritative, programme-specific advice. However, they have a range of alternatives to enrich this.</li> <li>– Projects can make their activities more durable and visible, and give them a higher profile by recording activities and outcomes on a shared Internet site in an INTERREG projects database or by ensuring they are at least signposted from this project hub.</li> <li>– INTERACT Initiatives enabling project level exchange of experience mean that more explicit lessons are drawn out from more projects, providing resources which benefit not only the organisations participating directly in given projects but also the wider INTERREG community.</li> <li>– Project managers feel more supported, with access not only to programme actors, who can support and advise them, but also to their peers operating other, similar projects.</li> </ul>

### 9.3.3 HOW SHOULD INTERACT RESPOND TO INTERREG NEEDS?

The information needs of Structural Fund programmes evolve as the programming period advances, bringing different issues to the top of the programming agenda and creating new sets of, often as yet unresolved, questions. This means that the programming calendar can to some extent be used by INTERACT as a guide to the coming priority issues of programme actors, enabling them to generate timely inputs of genuine relevance to programme actors.

Most programmes have developed their responses to programming issues sequentially, as and when different issues have become the top priority, working through a recognisable task list (see Figure 9.1). Four key stages can be highlighted: programme preparation; launch; implementation; and consolidation (characterised by refinements to systems and an increased focus on strategic steering, including the tracking of financial and physical progress).

Figure 9.1: Sequence of priority tasks in the delivery of a Structural Fund programme



A key challenge for INTERACT, however, is that not all INTERREG programmes are at the same stage in the development and implementation cycle. Support may need to be tailored accordingly. For the most part, there is a standard programming cycle and calendar but INTERREG programmes are at different points in the cycle, for three reasons:

- 2000-06 programmes had varying start dates;
- additional programmes were launched in 2004 when EU enlargement took place; and
- differing progress has been made by programmes in terms of gaining operational momentum.

Based on the research in this report, it is possible to identify two main groups of programmes:

- **Group 1: Starting out or adjusting.** A number of programmes are still at the programme preparation or launch stages. This group comprises: (i) a small number of 2000-06 programmes which were approved very late; (ii) programmes which, although approved some time ago, have faced the most intractable difficulties in agreeing systems or establishing kick-off conditions; and (iii) the recently approved new programmes in the new Member States.
- **Group 2: Consolidating.** Most of the remainder are at the consolidation phase, having established systems and been through one or more application rounds but not yet fully addressed some issues which perhaps they postponed because of a lack of resources or the presence of more urgent priorities. One frequently postponed task has been to refine monitoring indicators

and systems because marketing the programme and committing resources had to be a higher priority initially.

The implication for INTERACT is that it cannot focus its attention exclusively on tasks relevant to the more advanced stages in the programming cycle which has now been reached. It still needs to respond to **general, 'standard' support needs** relating to tasks which need to be addressed by all programmes to a standard timetable, regardless of their stage in the programming cycle, for example the 2005 Mid Term Evaluation updates.

In addition, it needs to segment its efforts in two ways:

- **Responding to basic development needs.** Targeted at programmes which are starting out (Group 1 mentioned above), INTERACT Support is still required to support the programme launch stages. Target programmes would have the potential to benefit from the experiences of those further advanced in the programming sequence, which have already established, trialled and often refined their systems.
- **Responding to advanced development needs.** For the consolidating programmes (Group 2 above), the priorities are to provide support for the later stages of the programming cycle. In some cases, 'leading edge' issues will need to be addressed which may not have been resolved anywhere. Programmes which have advanced to the later stages may still benefit from exchanging on areas where their systems are established, but perhaps not significantly.

It is anticipated that the presence of the INTERACT Point for Managing Transition should facilitate a dual-track approach helping to ensure that the earlier stages of programming receive sufficient attention alongside more current concerns of the furthest advanced programmes.

#### 9.3.4 HOW CAN LEARNING OPPORTUNITIES BE MAXIMISED?

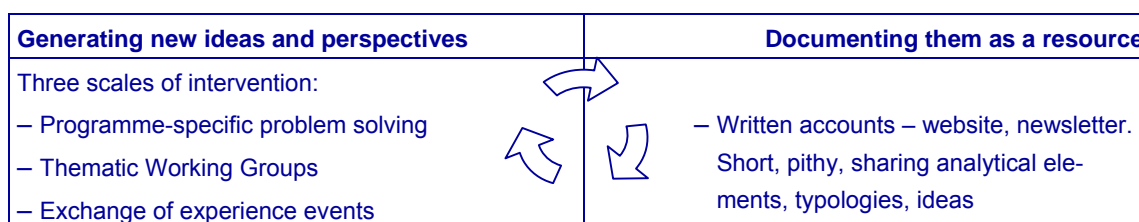
The value of INTERACT will be proven when INTERREG actors have improved skills and capacities to address the tasks facing them and when INTERREG programming improves as a result. In terms of the services it can provide, INTERACT needs to pursue the following.

- **Building a resource hub.** INTERACT needs to become the first point of call for INTERREG information, offering a comprehensive, up-to-date, easy to use collection of INTERREG-relevant reference documents and factual information.
- **Adding value.** Factual information needs to be supplemented by interpretative resources which capture and share new knowledge about INTERREG, identifying trends, interpreting patterns, exploring new ideas, etc. This has implications for the way in which INTERACT undertakes its work, and the role played by its staff. The more engagement that INTERACT Personnel have with the information being conveyed to INTERREG actors and the greater their understanding of the detailed experiences of different INTERREG programmes, the more likely INTERACT is to add value.
- **Coordinating communities of practice.** Learning effects rely not only on the quality of resources but also on the experience of sharing and exploring ideas. This is especially the case in Structural Fund environments where off-the-shelf solutions and straightforward processes of

'diagnose and cure' rarely work because each programming environment is unique. It will be essential to supplement the passive provision of information with focused interactions, ideally between groups of people who have repeated opportunities to work together and gain familiarity. As reflected in the Needs Assessment, one solution to achieve effective and engaged exchanges is for INTERACT to encourage 'communities of practice' to form, bringing together groups of individuals with similar responsibilities and concerns. This could be done by structuring much of the programme-oriented work undertaken into coherent headings which mirror the typical staff profile of INTERREG Managing Authorities, Paying Authorities and Secretariats. This process would also encourage a wide sense of shared ownership of INTERACT. The idea of communities of practice could be pivotal to generating momentum and leading to new perspectives and ideas.

These three strands of activity can be mutually reinforcing. In particular, an opportunity would be wasted if the outcomes of ephemeral interactions were not channelled into permanent learning resources in order to benefit a wider community on a longer-term basis. This suggests an iterative cycle in which cataloguing activities are complemented and enriched by interactions which generate new information which can then be captured to feed back into enriching a programming resource bank. Even as materials and understanding accumulate, interactions will continue to be necessary as programmes are in constant evolution creating an ever-renewing range of challenges.

Figure 9.2: Interactive opportunities enriching documentary resources



If INTERACT Services and Information were organised around thematic areas which coincide with the professional responsibilities of INTERREG personnel, this could be followed through into the way in which information was conveyed, structuring it and making it available more easily to those to whom it is of most relevance. Headings to organise accumulating information could be as follows:

- programme management
- financial management
- strategic issues (programme design and wider strategic relevance)
- implementation (project development, appraisal, selection and follow-up, including monitoring)
- publicity and communication
- evaluation
- horizontal themes
- Structural Fund reform.

The individual chapters of this report provide some indications of specific questions which could be taken forward under several of these headings, including evaluation, management, programme implementation and monitoring.

Programmes working with non-EU countries face issues not experienced by other INTERREG programmes and they tend to be the slowest running programmes. It could be useful if, supplementing these thematic areas, a specific resource area and strand of expertise were to be developed for these programmes. This could potentially be driven forward by the Managing Transition Point.

A structured approach would: (i) accumulate what could have been *ad hoc* activities and resources into a coherent and targeted provision of information; (ii) segment the community of beneficiaries into manageable sub-groups and engage their interest as specialists; (iii) enable individuals to locate quickly the information of most direct and immediate relevance to them; and (iv) involve different staff from programmes in their capacity as specialists in given fields.

A further idea reflected in the above diagram and which could usefully be accommodated by INTERACT is to offer several different scales of interactive opportunity, notably:

- broad, inclusive events addressing specific themes of relevance to INTERREG programmes and enabling wide exchanges, ideally informed by the idea of reinforcing communities of practice;
- creation of thematic working groups bringing together actors with different experiences and issues to address questions in a targeted way and thus enrich wider events;
- the option for individual programmes to undertake programme-specific learning or problem solving, facilitated by INTERACT Staff or Expertise from the wider INTERREG community.

A further positive approach could be to recognise explicitly the value of different sources of learning. Broadly speaking, programme operators have three reasons for learning and exchange of experience, these being: (i) to solve current problems; (ii) to learn from the experiences of others in solving these problems and potentially avoid their mistakes; and (iii) to be inspired by other programmes to develop and progress. To fulfil these aims, it is argued that exchanges between contrasting programmes are beneficial. There are potentially three options for learning.

- **Peer-to-peer exchange** – exchanging and looking for solutions between programmes that share similar characteristics and are coping with the same situation (e.g. being at the same level of financial progress, coming from same geographical zone, borders with similar integration level etc).
- **Consultation with predecessors** – exchanging views with those programmes that were in similar situation in the past but have overcome the problems.
- **Inspiration from the leaders** – looking at the leading programmes (those most advanced and integrated) and taking some inspiration and ideas from their operations and solutions.

The relationships between reasons for learning and possible ways to fulfil these needs through group learning are summarised in Table 9.2.

Table 9.2: Reasons for learning and types of group learning

		Reasons for learning		
		Solving problems	Avoiding mistakes	Seeking inspiration
Types of learning	P2P exchange	**	**	*
	Predecessors' consultation	***	***	**
	Inspiration from the leaders	*	*	***

\* partly relevant

\*\* relevant

\*\*\* highly relevant

This simple matrix is useful for INTERREG and INTERACT. It recognises that some needs can be better fulfilled within groups of similar programmes but that others are fulfilled by exchange between programmes with more contrasting circumstances. This perspective suggests openness and flexibility in exchanges between different INTERREG actors in order to capture best practices and share them with those programmes which need them most.

Whilst taking a very open view of the origins of relevant learning, it is also recognised that, depending on the issues being considered, programmes might be able to identify narrow groups from which they could learn more, using the idea of peers, predecessors and leaders to identify them.

- The introduction of the Neighbourhood Instrument means that external IIIA programmes with third countries (e.g. Greece-Bulgaria) have a new opportunity to work in more integrated ways. They could benefit from engaging with each other about how this process is evolving. They might also benefit from exchanging experience with programmes working with the so-called neighbouring countries, notably Switzerland and Norway. They could be seen as predecessors because they are on external borders yet have long enjoyed more favourable conditions for cooperation.
- IIIA programmes on new internal EU borders (e.g. between the Czech Republic and Poland) would again benefit from exchanging experience with their peers (other new internal border programmes). They could also engage with well-established EU-15 programmes but preferably those which are most similar (e.g. prioritising infrastructure investment or operating similar management structures).

### 9.3.5 WHAT ARE THE HIGHEST PRIORITIES FOR INTERACT?

The final section of each chapter of this report has highlighted specific questions and areas of investigation where INTERACT could support learning and exchange useful to the INTERREG community. Proposals were set out relating to: evaluation, contextual and strategic analysis; programme effectiveness (including delivering on financial and physical targets); programme management; implementation (including publicity and communication, project generation and project selection); and monitoring. Clearly, the issues set out vary in their urgency and importance. Some aspects of programming are operating smoothly in many programmes (e.g. publicity and communi-

cation and project selection) or are not currently high priorities (e.g. verifying the continuing strategic relevance of strategies). Whilst beginning to invest in building its longer-term foundations, INTERACT initially needs to prioritise two sets of issues:

- those which are most urgent; and
- those which, if not successfully addressed, present the greatest risks to the current and future success of INTERREG.

Drawing on the issues highlighted in the chapters of this report, examples of urgent and/or significant development needs which have to be addressed over the latter half of 2004 and into 2005 include the following.

- **Successful new Member State and Neighbourhood Instrument programmes.** Promoting positive outcomes where there has been recent significant change to programmes, notably by continuing to facilitate the launch of the new Member State INTERREG programmes and transition to use of the Neighbourhood Instrument for external programmes.
- **Avoiding automatic decommitment.** Taking urgent action to help more programmes to meet 2004 n+2 targets, including ensuring that this issue receives due attention from all programmes. In practice, this may involve action in a range of areas, including not just financial management but also with implications for communication activities, project management capacity building, etc.
- **2005 MTE updates.** Preparing for the 2005 MTE updates, including ensuring that planning begins in time for programmes to secure appropriate evaluators and that the methods used increase understanding about INTERREG effectiveness. What are the essential elements to include in the 2005 studies? How can the usefulness of studies be maximised?
- **Learning from the 2003 MTEs.** There is also an opportunity to share the learning from the 2003 MTE and it is hoped that the current study contributes to this aim. Questions for exchange include: How have these studies been followed up? What changes have come about as a result? What has been learned about INTERREG? What has been learned about INTERREG evaluation?
- **Meeting regulatory obligations.** Ensuring programmes are meeting all regulatory obligations, including the required programmes of monitoring visits.
- **Monitoring.** Supporting programmes in embedding or improving monitoring systems to provide improved information about how INTERREG resources are being spent and what is being achieved, particularly with a view to informing programme decision-making.
- **Structural Fund reform.** Facilitating debate about Structural Fund reform proposals to ensure that final outcomes benefit from the lessons of INTERREG experience to date.

In parallel, collating and signposting existing materials of potential benefit to the INTERREG community will kick-start the creation of a wider foundation of resources. The INTERREG Mid Term Evaluations have already been made available on the INTERACT Website – the first time this has been done for the Structural Funds on a comprehensive basis. There are many more resources of potential relevance which could rapidly be referenced, e.g. communication plans, monitoring visit frameworks, training materials, guidance to projects, etc.

### 9.3.6 HOW SHOULD INTERACT RESPOND TO PROJECT NEEDS?

In parallel with supporting successful INTERREG programmes, INTERACT aims to build capacity among INTERREG projects. The recent INTERACT Needs Assessment obtained too few responses from project-level actors to comment on the project-oriented actions which INTERACT could usefully undertake. The Mid Term Evaluations on which this study is based also provided only limited insights into the services from which project-level actors might benefit. Most confined their contact with projects, mainly in the form of written and telephone surveys, to discussing the functioning of the programme rather than the specific experiences and functioning of INTERREG projects. However, a minority of studies did reflect project feedback or include organisational ideas which have direct relevance to future INTERACT Work with project level actors (see Table 9.3).

Table 9.3: Ideas for services to project actors, as reflected in the 2003 MTEs

<b>MTE proposals about the project level information needs</b>	<b>Detail</b>
<b>Increase access to information about other projects</b>	France-Spain IIIA found that projects wanted more information on other projects within their programme, to get an overview, exchange best practices and to enlarge their future partnerships.
<b>Capture projects' experiences in cross-border cooperation to benefit others</b>	The Sweden-Norway IIIA evaluators pointed out that the programme would benefit if the knowledge and experiences of projects could be accessed, used and integrated into other parts of the programme instead of being isolated to single projects. The programme would then have the opportunity to develop into an important source of knowledge and experiences about cross-border cooperation. It was argued that this would go further than enhancing current programme performance and might even increase the chances of the values of the programme being integrated within the existing social structures after the end of the programming period.
<b>Enable new applicants to learn from experienced ones.</b>	The Rhein Maas Nord/Rijn Waal/Euregio IIIA evaluators recommended that information days should be run to encourage exchange between experienced project holders and prospective applicants, an idea supported in interviews. They also suggested that new project holders could benefit from training in publicity techniques.
<b>Capture the lessons from other projects' mistakes.</b>	The South Finland-Estonia evaluator suggested that projects should be encouraged not only to bring forward their success stories but also their problems, setbacks and failures, in order to enhance project-level learning.
<b>Cluster projects thematically for synergies and mutual support.</b>	The North West Europe IIIB evaluators identified repetition and duplication of actions as a problem and suggested that projects should be clustered thematically to avoid this and to open up opportunities for exchanges of experience, both within the programme and with other programmes.
<b>Identify good projects as models.</b>	Espace Atlantique IIIB suggested that good IIIB projects should be identified as models to help new applicants to the programme.

The above examples confirm the perceived utility of INTERACT developing resources targeting project level actors and capturing and sharing practices. Attention focused on exchanging information between projects would have wider benefits than just to project-level actors:

- Individual INTERREG programmes benefit, since more successful projects filter through into creating more successful programmes.
- The public sector benefits, in that INTERREG is providing opportunities for (mainly) public sector actors working in a wide range of fields to get involved in activities which develop their project management skills and build cooperative capacity.
- INTERREG and its wider aims of European integration would benefit. In particular, while the relevance and benefits of INTERREG are undisputed, there is some concern that the outcomes of some projects may be rather intangible, having strong personal and career development effects as opposed to embedding enhancements in institutional capacity or sustainable integration effects. Recording and exchanging the experiences of project actors could help to make INTERREG's outcomes more tangible, better known and more sustainable.

There are two main areas of learning where INTERACT Services and Resources could benefit projects.

- **Learning about project management.** Among Structural Fund projects, INTERREG projects are uniquely complex. Developing and managing them presents particular practical and organisational challenges. Among the issues faced are: managing the international character of projects; the multi-partner structure of projects; joint working and management practices; and the management of the geographical area. Evaluation evidence indicates that the least-experienced applicants face real challenges getting involved in INTERREG, while even the experienced applicants comment on the complexity and demanding nature of these projects.
- **Learning within thematic areas.** Most projects are likely to have been preceded by ones addressing similar issues, even if not under the same programme or in the same geographical area. Nonetheless, projects currently operate largely in isolation of information about this bigger picture. This is a wasted opportunity for thematic learning and for synergies between projects. It also neglects the opportunity for INTERREG lessons to benefit the wider population of public authorities working in a given field.

Facilitating exchanges about the content and conduct of projects could be useful to potential INTERREG applicants, to successful applicants about to launch implementation, to more experienced actors who are aiming to improve their practices or broaden their thematic horizon and to those responsible for advising projects. There is currently a tendency for projects to be inward-looking, lacking opportunities for exchange, especially between more and less experienced projects. This leads to a lack of opportunities to pass on thematic and operational learning from one project to the next, which in turn can mean effort is wasted 'reinventing the wheel'. In addition, opportunities are wasted to achieve synergies between complementary projects.

At the same time, it will be important not to confuse project-level actors. The primary source of technical advice for any given project has to continue to be the INTERREG programme from which it will be co-funded. Most programmes undertake activities to support project managers and partners in their activities, both at the application stage and during implementation. INTERACT Services must clearly position themselves as complementary to this.

Taking into account those activities to which INTERACT is already committed, a range of specific INTERACT Actions could be recommended:

- **Dedicated space on the INTERACT Website.** Dedicate part of the INTERACT Website to project-level issues so that applicants and grant-holders can obtain the information they are looking for quickly and conveniently. This might signpost other parts of the site but indicating how resources there are of relevance to project-level actors. Ensure interconnections are made between INTERREG programme websites and the INTERACT Website to channel applicants and grant-holders towards relevant information. At the same time, clearly set out the respective roles of each information provider.
- **Designate someone as responsible for project issues.** Allocate specific responsibility for project-level concerns to selected INTERACT Staff to ensure that the project level is addressed consistently, that applicants and grant-holders are communicated with in a way which is relevant to them and that their concerns and priorities are also reflected in wider INTERACT Activities targeting programme managers, administrators and strategic stakeholders.
- **Draw out specific lessons for project level actors.** Where INTERACT Materials and Events, even those targeting programme administrators or partners, generate information of genuine relevance to project-level actors, relevant information should be made available to them, set out in non-technical terms, ideally as news items on a dedicated project page.
- **Promote thematic exchanges organised around areas of intervention, e.g. spatial planning, networks.** Consider organising thematically focused project events at which relevant actors can exchange experiences, e.g. about water resource management, integrated labour markets or physical planning. In the field of spatial development, this could usefully include a strong input to disseminate the findings of ESPON projects.
- **Ensure the project database adds value and enriches understanding.** The project database which is currently under construction will be an important element of the service INTERACT can provide to project-level actors. It should be designed to respond directly to the needs and interests of project actors. This resource will have most value if it is enriched by the insights of project actors and this is more likely if the resource is known to them and regarded by them as useful. This is discussed in the box on the next page.

*Box 9.1: Maximising the usefulness of the projects database*

The database of INTERREG projects which is under construction will be a valuable resource, especially if it is able to go beyond a neutral cataloguing of projects to included added value information from project managers. The content of the database clearly needs to be informed by its intended uses.

*Database design*

Include the option of multi-criteria searches to enable sub-sets of projects to be extracted. Search criteria should be informed by the searches which the beneficiary population is likely to want to make.

Go beyond description in as many cases as possible, inviting project actors to supply information about learning outcomes anticipated or achieved in terms of:

- Project content. What elements might give a head start to other actors developing a project in a similar area? What would projects have done with the benefit of hindsight?
- Project conduct. Lessons that have been learned about designing and implementing INTERREG projects. Was the partnership the right size? Were the right partners involved? Were aims and activity plans sufficiently clear? Was the project able to run to timetable and budget? How was momentum created and sustained? What would project actors have done differently? What advice would they give to others?

Decisions will need to be made about how to address language issues efficiently, proportionally and economically. A database which is only available in English would be easy to search but would exclude many potential users. A compromise is needed between the ability to manage and use the database and making it accessible to as wide an audience as possible.

*Database management*

- A password-protected mechanism which allowed project managers to supply and then edit their project level information would reduce the work associated with database maintenance. However, this would still require the services of a moderator.
- The database needs to be managed by someone who is actively engaging with its content, helping to identify patterns and articulate learning. Ideally, they would be exploiting the database on a regular basis as a source of information for newsletters, events, etc.
- Appropriate maintenance regimes will need to be put in place. In particular, a mechanism is needed to follow up on projects and to encourage added value in the information provided. Information about good practice will emerge as projects progress. INTERACT could usefully ask project leaders to supply relevant information at the start and end of projects.

## **9.4 ISSUES AND QUESTIONS FOR THE REFORM DEBATE**

### **9.4.1 THE FUTURE OF TERRITORIAL COOPERATION**

In the current debate over the reform of EU cohesion policy, the continuation of the INTERREG programme commands widespread support. There is a general acceptance among Member States that it is one of the areas of EU intervention where Community Added Value is most evident. Even among those Member States (e.g. the UK, Netherlands, Germany) which are advocating strict limits on the EU budget and a rationalisation of cohesion policy under the so-called 'cohesion model' or 'concentration model', there is explicit acknowledgement that INTERREG plays an important role.

In this context, the EC has proposed that territorial cooperation should be one of three 'Objectives' for EU cohesion policy in the 2007-2013 programming period (see box below). The proposal to allocate 3.94 per cent of future cohesion policy resources (EUR 13.2 billion) to this heading under a new, dedicated objective would represent a significant increase in resources, in both percentage and absolute terms, for cross-border and transnational cooperation (under the EC's proposals, interregional cooperation actions would be incorporated in the regional programmes). On the one hand, the additional funding would provide scope for more concrete investment projects, especially in the field of infrastructure; on the other hand, it would also bring new challenges for programme management and financial absorption.

The EC's proposals in the Third Cohesion Report, and subsequently in the draft Council Regulations, also identify ways in which the management of INTERREG programmes might be simplified. Based on Article 159 of the Treaty and with the aim of overcoming existing obstacles hindering cross-border cooperation, a new legal instrument will be introduced to create European groupings of cross-border cooperation (EGCC). These EGCCs will be invested with legal personality for the implementation of cooperation programmes and based on an optional convention of participating regional, local and other public authorities.

Two further new proposals will address regional development and cross-border cooperation – the Instrument for Pre-Accession (IPA) will cover the candidate and potential candidate countries, replacing PHARE, ISPA, SAPARD and CARDS; while the European Neighbourhood and Partnership Instrument (ENPI) will cover third countries participating in the European Neighbourhood Policy, replacing MEDA and part of TACIS. Roughly EUR 1.6 billion of the amounts earmarked for ENPI and IPA will come from the new European Territorial Cooperation objective and the ERDF, covering the components for cross-border cooperation at EU external borders between Member States and both ENPI and IPA countries. These new instruments may help overcome some of the problems caused by the different management/administration systems of INTERREG and Phare CBC experienced to date on the EU's external borders.

*Box 9.2: EC proposals for the territorial cooperation priority*

Focus is on cross-border and transnational cooperation with two strands:

- support for cross-border cooperation between local authorities and partners along the internal land and short sea-borders of the Union (similar to INTERREG IIIA)
- support for cooperation between regions and Member States in wider transnational zones (similar to INTERREG IIIB)

Cooperation networks and exchange of experience eligible throughout the Community territory.

Menu of actions linked to the Lisbon and Gothenburg agendas

All maritime borders, usually separated by a maximum of 150 km.

New Council Regulation to facilitate cross-border cooperation between regional and local authorities

Creation of a Instrument for Pre-Accession and European Neighbourhood and Partnership Instrument to address regional development and cross-border cooperation with candidate countries, potential candidate countries and third countries at the EU's external border in the east and the South

The new legal and institutional arrangements reflect the EC's analysis of the added value of cooperation and networking under INTERREG outlined in the Third Cohesion Report. This rightly recognises that management capacity is vital to the effectiveness of INTERREG programmes, a factor which has often been underestimated, and states that:

*“The fundamental problem of managing cross-border and transnational programmes is the often very different legal and administrative rules and traditions in the different countries involved [which] require ad hoc legal arrangements”.*

It is important to note however, that variation in the effectiveness of INTERREG programmes is not wholly attributable to the legal and administrative differences between countries, significant though these differences are. Other major factors influencing effectiveness of INTERREG programming are the following.

- **Institutional pre-conditions.** National institutional and administrative arrangements do not always facilitate effective INTERREG programming. This is reflected in factors such as the profile given to programmes nationally, the management resources made available and the level and flexibility of co-financing. This raises the question of whether Member States should be expected to meet a minimum set of institutional and management pre-conditions to participate in INTERREG.
- **Experience.** It is evident that INTERREG programmes (and projects) are often more complex to manage than mainstream regional programmes. This report has emphasised the need to recognise the process of evolution of INTERREG management; experience for effective management generally can only be acquired over multiple development phases or programming periods. The challenge for INTERREG is whether ways can be found to accelerate the process of acquiring experience through (incentives linked to) investment in capacity building.
- **Organisational learning.** There is some evidence to suggest that the effectiveness of INTERREG is limited by insufficient attention to 'organisational learning'. Successful INTERREG project generation and delivery depends on networks of partners from different institutional contexts, organisations, professions and cultures learning how to cooperate to achieve common economic development goals. In some cases, this experience is highly 'individualised' – i.e. restricted to the individual participants involved in projects – rather than being transmitted and, crucially, embedded within organisations. Arguably, the design of future territorial cooperation policy should promote a greater degree of organisational learning (e.g. by raising the importance of 'embeddedness' or 'transmission' criteria) if the benefits of INTERREG experience are to be exploited effectively and to increase the potential legacy of programmes.

At a more specific level, there are several detailed issues that should be taken into account in framing the Regulations and guidance for future territorial cooperation programmes.

- **Financial absorption.** This report has shown the relatively slow pace of commitment and even more, of expenditure among INTERREG programmes and the danger of considerable decommitment under n+2. It should be recognised that INTERREG programmes are more difficult to deliver than mainstream regional programmes because of the additional complexity built in at every stage and at both the programme and project levels. There is a strong case for these factors to be recognised in the future financial management requirements, with concessions on the expected rate of absorption.

- **Programme documentation.** In the interests of simplification, the EC appears to be downgrading the importance of the Programme Complement. While this may be justifiable in the case of regional programmes, it could be counterproductive for INTERREG programmes, given the complicated nature of management arrangements and activities. A detailed document to guide programme implementation, produced along prescribed lines, should arguably remain part of the process of negotiating and approving programmes.
- **Resolving the barriers to delivering international programmes and projects.** The very real difficulties faced in delivering programmes and projects in international settings are well documented and calls for European level solutions have been being made for some time. The EC has responded to this through its proposals for a new institutional structure, the EGCC. However, whilst potentially a useful addition, it is questionable whether this provision targets the root causes of many of the difficulties encountered. Those programmes that already have the most integrated INTERREG management solutions are potentially the best qualified to reflect on the potential of the Commission's proposals.
- **Evaluation obligations.** As noted earlier in this report, there was huge variation in the start date of the INTERREG programmes; a sizeable number have been running for less than two years by the time the evaluation was undertaken. The requirement for evaluation to be undertaken at the same time presented two problems: some programmes had little progress to report; and there were some problems in finding experienced evaluators, compounded by the parallel evaluations of the regional programmes. Greater flexibility in the timing of evaluations, perhaps related to the start date of the programmes, would reduce the practical problems and ensure that evaluations were more useful.

Beyond these general issues, applicable to INTERREG A, B and C, there are some specific questions to be considered which apply to the individual strands of INTERREG.

#### 9.4.2 THE FUTURE OF CROSS-BORDER PROGRAMMES (STRAND A)

Under the EC's proposals,<sup>31</sup> "all regions along the internal terrestrial and certain regions along the external terrestrial borders as well as along certain neighbouring maritime borders will be eligible for cross-border cooperation. The aim will be to promote joint solutions to common problems between neighbouring authorities, such as urban, rural and coastal development and development of economic relations and networking of SMEs." Cross-border cooperation would be allocated 35.61 per cent of resources (EUR 4.63 billion), with a further 12.12 per cent (EUR 1.6 billion) for the contribution of ERDF to the cross-border strand of the ENPI. Based on the research for this study, several questions arise concerning future EU support for cross-border cooperation.

- **Should EU support be provided for all eligible borders?** It may be worth considering whether the universal programme coverage along all eligible borders is genuinely either wanted or warranted. As this report indicates, at one end of the spectrum there are cross-border programmes operating across well-integrated border areas where the added value of EU intervention may be limited in the medium to long term. At the other end of the scale, there

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<sup>31</sup> *Proposal for a Council Regulation laying down general provision on the European Regional Development Fund, the European Social Fund and the Cohesion Fund*, presented by the European Commission, Brussels, 14.7.2004, COM(2004)492 final.

are borders where either the scope for cross-border cooperation appears to be constrained, either by a shortage of good projects or insuperable institutional barriers. Such experiences suggest that EU support could be made dependent on a greater degree of 'conditionality' (e.g. thresholds of national or organisational commitment, anticipated cross-border objectives or the achievable added value of intervention) rather than being universally provided to eligible areas as a matter of course. With respect to the proposed definition of maritime borders (maximum separation of 150 km), such a conditionality criterion might make more sense for defining programme areas than an arbitrary figure for distance.

- **Should the EU make more of a distinction between internal and external border programmes?** In the next programming period, the EC is proposing the IPA and ENPI as a way of overcoming some of the management problems experienced in the provision of EU assistance on different sides of external borders. However, it should be noted that the operation of EU programmes on external borders is also distinctive in other ways. For example, external programmes have to date tended to be 'border-oriented' rather than cross-border and the ambitions, objectives and types of project have been more limited than on internal borders. Given that the aspirations, characteristics and support needs of external and internal borders are so different, it may be worth organising the types of border programme as separate strands from the outset.
- **How can the governance of cross-border programmes be improved?** As noted earlier, more attention needs to be given to the legal, institutional and management pre-conditions that underpin effective programming. Apart from the legal issues being addressed by the EC and national institutional and administrative arrangements (discussed above), a specific issue for cross-border programmes is the 'remoteness of governance'. In some cases, it appears that the organisations managing the programme (especially the Managing Authority and Joint Technical Secretariat) are geographically and administratively too remote from the areas they are responsible for and the organisations with which they need to engage. For some types of project, in particular, there would be clear advantages from programme managers having more of a visible, physical presence in the border areas. For example, it may be worth considering having dual management arrangements: one for major infrastructure projects which require close liaison with central government sectoral ministries; and one for small, soft and locally oriented projects which require contact with local authorities, business development agencies etc.

### 9.4.3 THE FUTURE OF TRANSNATIONAL PROGRAMMES (STRAND B)

The EC proposes to provide 47.73 per cent of territorial cooperation resources for transnational cooperation (EUR 6.29 billion). With respect to the organisation of the eligible areas, the Commission has invited consultation *"to assess the usefulness and effectiveness of the existing transnational cooperation zones (defined under INTERREG IIIB) in the light of enlargement. The objective will be to decide together with the Commission on a number of zones for transnational cooperation which are sufficiently coherent and where there are common interests and opportunities to be developed. It is envisaged that such cooperation will focus on strategic priorities with a transnational characters such as R&D, environment, risk prevention and integrated water management."* On these issues, there are several questions that emerge from this study.

- **How can more concrete outcomes be achieved from transnational activities?** This report has discussed the difficulty of creating effective monitoring systems for INTERREG programmes and in particular, the problems of identifying and measuring tangible outcomes from some INTERREG interventions. This applies especially to transnational programmes which may lack the geographical coherence of cross-border programmes and the thematic commonality of interregional networks. Evaluation studies reveal that many Strand B programmes have difficulty in recording concrete outcomes. Also of concern is that there are apparently contrasting expectations of these programmes at European, Member State, programme and project levels. Therefore, there is a need for an open debate about the aspirations from Strand B programmes and the best means to achieve them. In this respect, the EC's proposals for more strategic priorities and projects are welcome. There may also be a need for clearer objectives and eligibility guidelines to ensure that more transnational projects are connected to the 'real world' of policy and at least in the medium term, have a prospect of moving beyond research to tangible implementation.
- **How should the geographical configuration of transnational cooperation be reconsidered?** The current geography of INTERREG IIIB has several advantages. The programmes are generally sufficiently broad and flexible to accommodate a wide range of cooperation and network activities in different sectors or on different themes. Groupings such as Alpine Space, Baltic Sea or Northern Periphery are either building on or encouraging, territorial integration in areas that share common development challenges and prospects of collective policy action. Equally however, it has to be recognised that some areas may be too broad, there is overlap among zones and some encompass too many different types of activity for there to be a coherent approach to programming. There are also reported difficulties in achieving a sense of ownership and identity over such large areas. Combined with the problems of measuring concrete outcomes, noted above, there are strong arguments – as implied by the Commission's consultation with Member States and regions – for reconsidering the geographical configuration of the current transnational cooperation zones. On the one hand, there is a need for a solution which is meaningful for cooperation, achieves territorial integration and reflects the complex realities of the European space. On the other hand, the solution must be transparent, flexible and easy for applicants to understand. The box on the next page considers the advantages and disadvantages of three options: (a) maintaining the status quo; (b) rationalising the current system; and (c) merging Strand B with Strand C.

Table 9.4: Options for the INTERREG transnational strand in 2007-13

Options	Advantages	Disadvantages
<b>Option 1: No change</b>		
Maintain the status quo.	Institutional continuity, which is very important. Change would mean time lost in establishing new working norms, protocols, designing and documenting processes, gaining trust etc.	Not clear that the zones are meaningful. Some projects may be held back because the official zones do not match their interests/needs; also, there may be confusion where IIIB zones overlap.  While some programmes are relatively cohesive, others have challenging geographies with major problems of involving numerous external countries,
<b>Option 2: Rationalisation</b>		
Maintain the status quo but remove overlapping zones, so that any one region only participates in one IIIB programme.	In theory, this simplifies programming by making it clear which programme is responsible for which region.	Inflexible and constraining, potentially denying one of the realities of geography – the simultaneous presence of multiple identities/affiliations/meanings.  Prospect of ‘winner’ and ‘loser’ IIIB programmes in the rationalisation process.
<b>Option 3: Merger with IIIC</b>		
Remove the zones – run IIIB like IIIC with a network of funding offices but still requiring projects to form around specific coherent environmental, economic, cultural or geographical resources.	Allows flexibility for networks and projects to emerge based on their own logic.  Could retain the idea of IIIB programmes using the Regional Framework Operation idea from IIIC, but they would be smaller, with greater coherence around a narrower range of activities leading to more chance of critical mass.	Disruption to management system, although transfer to the IIIC structures could minimise this.  Loss of capacity from IIIB JTSs, MAs and PAs, although these could be applicants for the equivalent of RFOs.  Loss of sense of ownership and identity.

- Should IIIB apply to the outermost regions?** It is evident that the Strand B programmes for the outermost regions, especially the very small programmes for the Caribbean and Réunion, are in a different situation from the other transnational cooperation programmes. While recognising the importance of inclusivity and the need to promote external cooperation with the rest of the EU, it is perhaps questionable whether Strand B is the best way of achieving this. Incorporating an external cooperation element within the mainstream regional development programmes for these areas may well be a more efficient and effective way of deploying available resources.

#### 9.4.4 THE FUTURE OF INTERREGIONAL COOPERATION (STRAND C)

The Commission proposes that: “regions should in future incorporate actions in the field of interregional cooperation within their regional programmes. To achieve this, regional programmes will need to dedicated a certain amount of resources to exchanges, cooperation and networking with regions in other Member States”. This is one of the contested areas of the EC proposals for future territorial cooperation and raises several important questions.

- **Is the mainstreaming of interregional cooperation desirable?** The aim of the Commission’s proposal – to ensure more universal engagement in exchange of experience – is to be welcomed but it is highly questionable whether mainstreaming of Strand C is desirable, for several reasons.
  - Interregional cooperation under INTERREG IIIC has been progressing reasonably successfully and the IIIC secretariats have gradually become embedded. The disruption caused by mainstreaming would lose both experience and expertise.
  - Mainstreaming would place a disproportionate administrative burden on regional programmes, particularly with respect to the complexities of budgetary management. It could also lead to a rash of *ad hoc* activities in some cases motivated by the need to spend the ring-fenced money rather than by purposeful exchange of experience.
  - Effective interregional networking and exchange of experience requires a personal and organisational commitment to learning and an interest in exploring the possible transfer of ideas, knowledge and good practice from one operational environment into another. This type of commitment is not universal, either because of the individuals involved in programme management or because of institutional constraints. In such circumstances, forcing regions to engage in interregional cooperation could be highly counterproductive.
- **How can the experience of successful networks be exploited?** A more effective means of ‘mainstreaming’ the benefits of interregional cooperation would be to investigate how the experiences and results of existing networks could be made more widely available. Over the past decade, EU cohesion policy has facilitated the emergence of numerous interregional networks, both under and beyond the umbrella of INTERREG C. The level of awareness about the existence of these networks and their objectives, the mechanisms which enable effective network management and the results of network activity is very variable. There is considerable scope to improve the availability and dissemination of such information, perhaps including EU-level codification of the knowledge produced, which could serve to inspire more regions to engage in future cooperation.



## 10 ANNEX TABLES

### 10.1 MID TERM EVALUATIONS USED FOR THIS STUDY

Strand A Programmes	Evaluator(s)	MTE Language
Skärgården	– M-Value OY COOP Consult AB, Sweden	Swedish
Kvarken – Mittskandia	– Öhrlings PriceWaterHouseCoopers, Sweden – PFM Research	Swedish
Deutschland/Bayern-Österreich	– Austrian Institute for Regional Studies and Spatial Planning, Vienna	German
Austria-Czech Republic	– ÖAR-Regionalberatung GmbH, Vienna	English
Austria-Slovenia	– OAR-Regionalberatung – OIKOS	English
Austria-Hungary	– OAR Regionalberatung, Vienna – BUTE Regional Research Centre, Budapest	English
Austria-Slovakia	– OAR Regionalberatung, Vienna	English
Sweden-Norway	– Inno Scandinavia AB, Sweden – Agderforskning, Norway	Swedish
Ems-Dollart-Region	– ERAC, Netherlands – ZENIT, Germany	German
Alperhein-Bodensee-Hochrhein	– Institut der Öffentliche Dienstleistungen und Tourismus, Universität St Gallen – TAURUS Forschung und Beratung für Umwelt, Wirtschafts-und Regionalentwicklung, Universität Trier	German
Sachsen-Poland	– IfS Institut für Stadtforschung und Strukturpolitik GmbH, Berlin	German
Sachsen-Czech Republic	– IfS Institut für Stadtforschung und Strukturpolitik GmbH, Berlin	German
Rhein Maas Nord/Rijn Waal/EUREGIO	– ERAC, Netherlands – ZENIT, Germany	German
Bradenburg-Lubuskie and Mecklenburg – Poland	– Infrastruktur und Umwelt, Professor Böhm und Partner – Universität Darmstadt – Universität Trier, Germany	German
Italy Austria	– GRETA	German
Alps IT, FR Italian, French	– APRI SpA – IZI SpA	French
Italia-Francia "Isole" -Sardegna-Corsica-Toscana	– ESA Economie Sviluppo Ambiente Srl, Rome	Italian and French
Italy-Slovenia	– ATI CLES S.r.l./ESA S.r.l., Rome	Italian
Ireland Northern Ireland	– PriceWaterHouseCoopers	English

<b>Strand A Programmes</b>	<b>Evaluator(s)</b>	<b>MTE Language</b>
Ireland-Wales	– CRG Research Ltd., Cardiff – Fitzpatrick Associates Economic Consultants, Dublin – Cardiff University	English
Pamina	– Cegos, Issy-les-Moulineaux France – Prognos AG, Basel	French
Oberrhein-Mitte Süd	– Cegos, Issy-les-Moulineaux France – Prognos AG, Basel	German
Bayern-Czech Republic	– ConM Gesellschaft für Marktforschung und Regionalanalysen mbH	German
Sønderjylland/Schleswig, Fyn/K.E.R.N.and Storstrøm/Ostholstein-Lübeck	– PLS Rambøll Management, Copenhagen	German
Germany-Luxembourg-Germanophone Belgium	– Bureau d'Etudes en Urbanisme et Aménagement du Territoire ZILM, Luxembourg	German
Saarland Moselle Westpfalz	– EDATER, Montpellier	German
Spain – Portugal	– Quasar Consultores, Madrid	Spanish
Spain – Morocco	– TAU Planificacion Territorial, Spain	Spanish
Italy – Switzerland	– Istituto per la ricerca sociale, Milan	Italian
Öresundsregionen	– Inregia AB, Sweden	Swedish
Greece-Albania	– Not known	Greek
Greece-FYROM (Former Yugoslav Republic of Macedonia)	– EEO Group AE – Global View AE	Greek
Greece-Bulgaria	– EEO Group AE – Global View AE	Greek
Greece-Cyprus	– EEO Group AE – Global View AE	Greek
Mecklenburg – Poland		German
Euregio Maas Rhein	– ERAC, Netherlands and ZENIT, Germany	German
Karelia	– Net Effect Ltd, Helsinki	English
South East Finland Russia	– Net Effect Ltd, Helsinki	English
Franche Comte – Rhone Alpes/Switzerland	– Evaluanda, Geneva, Switzerland – Trajectoires Reflex	French
France-Spain	– MC2 Consultants – ECAS	French
Nord	– NIBR and Norut Finnmark, Norway – Nordregio, Sweden	Norwegian
South Finland-Estonia	– University of Tampere, Department of Regional Studies and Environmental Policy, Finland	English
Flanders-Netherlands	– ERAC, Netherlands	Dutch
Wallonie-Lorraine-Luxembourg	– EDATER, Montpellier, France	French
Gibraltar-Morocco	– ECOTEC, Birmingham, UK	English

<b>Strand A Programmes</b>	<b>Evaluator(s)</b>	<b>MTE Language</b>
Kent-Sussex – Nord Pas de Calais-Picardie	– MC2 Consultants	English French
France-Wallonie-Flandre	– OGM, Brussels – IDEA Consult, Brussels – Euro-Initiative	French
Greece-Italy	– Same organisation as ARCHIMED, but not named	English
<b>Strand B Programmes</b>	<b>Evaluator(s)</b>	<b>MTE Language</b>
South West Europe	– ECOTEC Research & Consulting, Birmingham	French
Western Mediterranean	– ECOTEC Research & Consulting, Birmingham	French
Acores-Madeira-Canarias	– Quasar Consultores, Madrid	Spanish
Baltic Sea	– Rambøll Management, Aarhus, Denmark	English
Northern Periphery	– Nordland Research Institute, Norway	English
North Sea Region	– ECORYS Nederland BV , ECOTEC Ltd., Norwegian Institute for Urban and Regional Research – MR Gesellschaft für Regionalberatung GmbH	English
Alpine Space	– Austrian Institute for Regional Studies and Spatial Planning, Vienna	English
Espace Atlantique	– EDATER, Montpellier, France – ADE	French
North West Europe	– Rupprecht Consult, Forschung und Beratung GmbH, Köln	English
CADSES	– KANTOR Development Consultants S.A., Thessaloniki, Greece	English
Caribbean	– PricewaterhouseCoopers	French
ARCHIMED	– Same organisation as Greece-Italy, but not named	English
Réunion	– Ernst & Young	French
<b>Strand C Programmes</b>	<b>Evaluator(s)</b>	<b>MTE Language</b>
North, East, South, West	– LRDP Ltd, London	English

## 10.2 ACRONYMS

DG Regio	Directorate General for Regional Policy
ESPON	European Spatial Planning Observation Network
INTERACT	Technical Assistance programme supporting the successful delivery of INTERREG III
JTS	Joint Technical Secretariat
MA	Managing Authority
MC	Monitoring Committee
MTE	Mid Term Evaluation
PA	Paying Authority
Phare CBC	Phare Cross-border Cooperation
SC	Steering Committee

## 10.3 INTERVIEWEES

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