

MID-TERM EVALUATION OF THE INTERREG IIC PROGRAMME

**Final Report submitted to the
INTERREG IIC North Managing Authority**

by

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Contents

1	Summary of conclusions and recommendations	4
2	A short presentation of the methodology including the evaluation approach, original research undertaken, sources of data and information and evaluator's assessment of the strengths and weaknesses of the evaluation report and any specific difficulties encountered	9
2.1	Methodology and evaluation approach	9
2.2	Sources of data and information	9
2.3	Strengths and weaknesses of the evaluation report and difficulties encountered	11
3	Evaluation tasks	13
	Task 1 "To re-assess the relevance and the consistency of the strategy"	13
	Task 2 "To assess the quantification of objectives"	21
	Task 3 "Evaluation of effectiveness and of the financial resources allocation"	26
	Task 4 "To analyse the quality and adequacy of joint implementation and monitoring arrangements"	30
	Task 5 "To assess the Community added value yielded by the INTERREG IIC Programme"	42
4	Attachments	

1 Summary of conclusions and recommendations

This summary constitutes the introduction to the main report of the mid-term evaluation, and also includes an overview of the main conclusions and recommendations.

INTERREG IIIC started late - the four CIPs¹ were only approved between December 2001 and May 2002 - when implementation of most other SF² programmes was well underway. Notwithstanding, at the time of writing this Final Report, INTERREG IIIC looks back on **significant achievements**:

Programme implementation in the four INTERREG IIIC Zones is **operational** as a result of close co-operation between the concerned Member States. A first call for projects was completed with a total of 159 applications resulting in the approval of 34 projects (6 NZ, 6 EZ, 14 SZ and 8 WZ³). Selected projects involve 307 partners from the EU and 97 partners from non Member States (including 63 partners from the new Member States). Total budget commitments amount to nearly EURO 62 million (ERDF funding of EURO 36 million). A second call for projects was completed in September 2003 – showing an even more impressive response, and confirming the strong interest in interregional co-operation. **In this context it should be noted that the present mid-term evaluation only considers the 1st call for projects - complete figures on the 2nd call were not available by end of the mid-term evaluation.**

The mid term evaluation shares a largely positive impression with programme structures and project promoters, and has adopted a **pragmatic outlook** with regard to the mid-term evaluation – focussing on constructive recommendations to improve programme implementation. Indeed, when considering the complex implementation structures and introduction of new instruments for inter-regional co-operation (i.e. RFOs⁴) it is not a difficult task to identify shortcomings. However, to a large extent, shortcomings need to be understood in the context of the Member States having to make the programme operational within a tight timeframe (see **Figure 1** below), and addressing the requirements of a programme framework conceived largely by the EC, which did not provide detailed guidance on implementation. Therefore, shortcomings often result from a lack of time or guidance.

The evaluators have identified differences in the implementation approach between the four INTERREG IIIC Zones, however, these differences do not necessarily reflect any weaknesses. The evaluators have found that differences are mainly related to the four Zones' different administrative traditions and experiences with the implementation of the SF, and do not result in more or less easy access to support under INTERREG IIIC in the different Zones. Having said this, in the light of the evaluation findings some of the implementation arrangements, can be further improved. When considering that this mid-term evaluation focuses on implementation structures and processes (in the absence of data allowing to evaluate project outputs, results or impact) it is useful to recommend how the implementation framework can be improved – not least in the light of the ongoing debate on the next programming period.

The present Final Report is submitted in compliance with the evaluation contract and the Evaluation Terms of Reference by the stipulated deadline of the 8th of December 2003. The Final Report is integrating comments received by the Evaluation Steering Group members on the 25th of November 2003. **Note that throughout the text, Recommendations are in cursive script and underlined.**

The evaluators also remind the reader that in line with the Terms of Reference, the main body of the report is limited to 35 pages, implying a focus on the key evaluation issues. An exhaustive presentation of all the programme's aspects and achievements in establishing the programme can be found in the four Zones' annual reports.

¹ Community Initiative Programmes

² Structural Funds

³ North Zone, East Zone, South Zone, West Zone

⁴ Regional Framework Operations

Figure 1: INTERREG IIIC Chronology

Event	North Zone	East Zone	South Zone	West Zone
"Guidelines for the INTERREG III Community Initiative"	23-May-00			
"Interregional Co-operation Strand C of the INTERREG III Community Initiative"	07-May-01			
First submission of CI Programme to EC	5-Oct-01	5-Nov-01	06-Dec-01	12-Oct-01
EC Approval of Community Initiative Programme	31-Dec-01	31-Dec-01	28-May-02	22-Mar-02
Approval of Programme Complement by Monitoring Committee	20-Sep-02	24-Sep-02	30-Oct-02	02-Oct-02
Approval of Monitoring / Steering Committee Rules of Procedure	23-Apr-02	May – 2002	30-Oct-02	19-Jun-02
First Monitoring Committee meeting	23-Apr-02	04-Apr-02	30-Oct-02	19-Jun-02
Second Monitoring Committee meeting	20-Sep-02	24-Sep-02	12-Jun-03	02-Oct-02
Third Monitoring Committee meeting	27-28-Mar-03	07-Apr-03	Jan-04	03-Apr-03
JTS Launch (first staff employed)	January 2001	02-Nov-02	10-Jan-03	01-Apr-02
1 st Call for Proposals	10 October 2002 – 10 January 2003			
Mid-term Evaluation	11 July – 8 December 2003			
2 nd Call for Proposals	16 June 2003 – 26 September 2003			

Overview of main conclusions and recommendations

Task	Findings / Conclusions	Recommendations
1	Re-assess the relevance and the consistency of the strategy	
1.1	All objectives relevant for the needs of inter-regional co-operation, with differences in potential attainability. Strong mobilisation potential and strong inclusion potential of the programme. Large diversity of operations / partners may prove hard to manage efficiently.	<ul style="list-style-type: none"> • <i>Close monitoring to ensure capacity of project leaders (for project management) and capacity of programme management structures (for overall programme management).</i> • <i>To increase the potential of the programme to reach even its more ambitious objectives, it is advisable that operations involve as many actors as possible, especially regional policy makers.</i> • <i>Increase participation of peripheral regions, through provision of awareness raising campaigns, dissemination of the experience of existing peripheral regions in approved operations and provision of incentives for the participation of these regions.</i>
1.2	All types of operations are relevant and appropriate to meet the programme objectives, with various shortcomings for each of them, which must be overcome to ensure effectiveness. RFO is the type that best corresponds to the philosophy of INTERREG IIIC. Key issue for effectiveness of operations is the experience of the lead partner.	<ul style="list-style-type: none"> • <i>Value added of networks to be emphasised at application stage.</i> • <i>ICPs to clearly state how they plan to transfer experience / jointly develop instruments & approaches.</i> • <i>Disseminate experience of RFOs.</i> • <i>May be appropriate to set maximum number of partners for RFOs or even maximum number of projects until adequate experience is gained.</i> • <i>Establish from the beginning balance between spending on management and spending on sub-projects for RFOs.</i> • <i>Management structures of RFOs must involve competent people from relevant institutions/departments, with demonstrated experience of the lead partner.</i> • <i>Potential applicants of RFOs to provide examples of expected outputs of sub-projects.</i> • <i>Procedures to be kept as simple as possible.</i> • <i>Border regions operations may be more appropriate to focus on setting up necessary structures and preparing candidate countries for co-operation post-enlargement.</i> • <i>Support more people to people actions in border regions as a starting point.</i> • <i>Networks and ICPs may be more appropriate for border regions with a view to introduce RFOs in the future using accumulated CBC and INTERREG experience.</i> • <i>Organise info days directly in candidate countries.</i>
1.3	Topics not defined according to thematic focus. Distribution of topics dissimilar. Variety of actions in approved applications that do not follow specific topic pattern. Some topics are misleading and cause confusion (innovative actions and border regions).	<ul style="list-style-type: none"> • <i>A re-definition of topics along the lines of those defined in the Structural Fund Indicative Guidelines.</i> • <i>A re-statement of topics, covering 3 distinct features for each topic: aims, experience required and indicative actions.</i>
1.4	Very weak participation at project-level; Programme-level participation not satisfactory	<ul style="list-style-type: none"> • <i>Strengthen new Member States' regional/ local-level participation in the Monitoring and Steering Committees.</i> • <i>Close monitoring of INTERREG IIIC operations involving partners from the new Member States to ensure full involvement.</i> • <i>RFOs selected under the first and second call to be given the possibility to include additional partners from the new Member States .</i> • <i>Carry out further INTERREG IIIC information / programme events in the new Member States. Programme-level structures (JTS) to be strengthened with staff from the new Member States.</i>
1.5	Work undertaken by the Joint Task Force for the four Community Initiative Programmes' amendments is satisfactory.	<ul style="list-style-type: none"> • <i>Recommendations are limited to compliance with CIPs; Amendments required at the level of "programme-internal" documents.</i>

2	Assess the quantification of objectives	
2.1	Monitoring & evaluation not given adequate weight during 1 st round. Indicators do not distinguish between result and output, but some good examples provided. No distinction between quantitative / qualitative indicators. Experience of partners in M&E not evident. Projects have not yet received common evaluation tools.	<ul style="list-style-type: none"> Experienced human resources and time dedicated to M&E required when applying. A clear statement to be included in the manual that the evaluation of projects is a requirement of the programme. Awareness raising exercise, in addition to the amendments in the programme manual, on the merits of evaluation. Evaluation of RFOs should distinguish between programme and project level. Common evaluation tools (indicators, etc) to be developed by JTS and communicated to operations as soon as possible.
2.2	Quantification of objectives difficult to achieve for INTERREG IIIC as certain objectives are intangible, many effects are indirect, difficulties in distinguishing effects of INTERREG from those caused by other programmes and heterogeneity of regions and actions.	<ul style="list-style-type: none"> Build on existing work on evaluation methodologies and indicators for European programmes. Construct system of indicators specifically for INTERREG IIIC. Indicators should distinguish between strategic objectives of the programme and operational objectives of operations. Develop additional indicators following enlargement. Qualitative methods may be more appropriate at the initial phases of INTERREG IIIC, enriched with quantitative methods as operations mature and experience builds up. Quantification of objectives for operations would cover four elements for each operation: management and co-ordination, implementation components, dissemination and M&E; JTS provide common evaluation method and proposed sets of indicators.
2.3	Approved operations weak on providing indicators to monitor horizontal themes.	<ul style="list-style-type: none"> Horizontal indicators to be provided together with the development of evaluation methods and operational indicators. The importance of monitoring horizontal themes to be stressed in the manual and during info days and become a prerequisite in applications.
2.4	Too early to assess, but indications are that approved operations are weak in developing specific methodology for data collection and analysis for the purposes of INTERREG IIIC.	<ul style="list-style-type: none"> Evaluation of projects, including procedures for data collection and analysis should be a requirement of the programme and applications should cover this explicitly and in detail. Close monitoring of approved operations to support them and ensure appropriate procedures are developed.
3	Evaluation of effectiveness and of the financial resources allocation	
3.1	Weak financial participation of Greece and Portugal; Commitment rates in South / West Zones low and not in line with CIP allocations.	<ul style="list-style-type: none"> Strengthen national / regional support structures in Greece and Portugal as well as increased programme promotion.
3.2	Too early to be assessed.	<ul style="list-style-type: none"> It is recommended that projects with budgets showing significant differences between the partners' financial contributions are monitored closely in order to verify whether the anticipated intensity of co-operation is achieved for all partners.
4	Analyse the quality and adequacy of joint implementation and monitoring arrangements	
4.1	Programme-level structures established and operational with some differences between the Zones.	<ul style="list-style-type: none"> Integration of Cyprus and Malta in the South Zone programme-level structures. Integration of regional-level authorities and representatives for the horizontal priorities and the economic and social partners in all Monitoring and Steering Committees or involvement in preparatory meetings for the Monitoring and Steering Committees. East, West and South Zone to consider the simplification of implementation structures by joining the Monitoring and Steering Committees (e.g. North Zone MSC). North and East Zones to consider establishing a virtual trans-national structure allowing for a quick and informal consultation of Member States' opinions on implementation issues.
4.2	Co-ordination and co-operation structures and Zone-specific contributions reflecting the availability of INTERACT start-up funds.	<ul style="list-style-type: none"> Strengthening of co-ordination between the four zones e.g. through organisation of joint programme-level meetings facilitating a genuine exchange of information and discussion on implementation between the programme-level actors. Reconsider the access to technical assistance for INTERREG IIIC via INTERACT (e.g. through more adequate technical assistance resources to ensure co-ordination between the four Zones.)

4.3	<p>TA budgets difficult to compare due to different formats of presentation; TA sources in the South Zone appear very low in relation to the volume of work; Feedback on TA support largely positive with critical feedback mostly related to start-up difficulties and lack of specialised advice.</p>	<ul style="list-style-type: none"> • <i>Technical Assistance budgets to be presented in a harmonised way across the four Zones to allow for comparison of technical assistance resources in the four zones.</i> • <i>South Zone Member States to re-consider the technical assistance resources allocated to the Joint Technical Secretariat in Valencia.</i> • <i>Planning for the remaining implementation during 2004-2008 to be improved avoiding that the selection of projects / launching of new contracts coincide.</i> • <i>Improve Regional Framework Operation format / Ensure consistency between formats.</i> • <i>Allow for the parallel use of French / English in the South Zone, at the least in the application format and during programme events.</i> • <i>JTS staff to undergo training on Structural Funds regulations' application to interregional cooperation.</i> • <i>Organise exchange of experiences between 1st and 2nd (3rd...) round projects.</i>
4.4	<p>Project selection following similar procedures (selection criteria) in the four Zones with significant requirements for improvement in all Zones.</p>	<ul style="list-style-type: none"> • <i>Inform about weighting of project selection criteria to ensure that applicants fully understand the importance of the different criteria.</i> • <i>Provide full feedback on the outcome of the quality assessment for projects which were not approved in order to allow applicants to prepare improved projects for future round and adopt a uniform information policy on information on project selection.</i> • <i>MC/SC minutes should include detailed reasons for differences from JTS assessment / Quality assessment sheets to identify the name of the assessor /SCs to be prepared in advance ensuring that all concerned SC members participate and conflicts of interest in SCs to be avoided /Experts for the JTS quality assessment and the SC assessment /approval not to be identical / Consider the establishment of SC preparatory meetings involving the relevant regional / local level representatives.</i> • <i>JTS quality assessment no longer to be carried out by JTS staff – this task should be carried out by external independent experts.</i>
4.5	<p>Article 5 Communications in compliance with regulation 438/2001</p>	<ul style="list-style-type: none"> • <i>No recommendations</i>
<p>5 Assess the Community added value yielded by the INTERREG IIIC Programme</p>		
	<p>At strategic level, INTERREG IIIC can contribute to sustainable inter-regional co-operation in various fields (e.g. employment, sustainable development, R&D, enterprise development, etc). At the level of operations there is evidence of high potential for inter-regional co-operation under SF themes. Value added of working at trans-national level seen in the development of joint approaches, instruments and tools, the co-ordination of common issues at European level, the introduction of a programming framework into inter-regional co-operation.</p>	<ul style="list-style-type: none"> • <i>Carry out the necessary amendments/improvements in the programme (as described under task 1) so as to maximise efficiency and ensure effective implementation in line with the objectives.</i> • <i>Demonstrated experience, shared commitment and responsibility, relevance, multi-sectoral representation, joint working at all levels, are all key factors for the success of the programme. The programme, through its strategic documentation and its management structures, should provide the necessary information and incentives to satisfy all of the above success criteria.</i>

2 A presentation of the methodology and the evaluation approach (2.1), sources of data and information (2.2), and the evaluator’s assessment of the strengths and weaknesses of the evaluation report (2.3)

2.1 Methodology and evaluation approach

The evaluation methodology follows the EC’s Working Paper No 8a: “The Mid Term Evaluation of Structural Fund Interventions – INTERREG III” and Working Paper No 8: “The Mid Term Evaluation of Structural Fund Interventions”.

The evaluators have structured their work in line with the five main tasks as listed by the Terms of Reference – (1) Relevance / Consistency of the Strategy, (2) Quantification of Objectives, (3) Effectiveness and Financial Resources Allocation, (4) Quality / Adequacy of Joint Implementation / Monitoring Arrangements, and (5) Community Added Value. Questionnaires and interviews with programme- and project-level structures have informed each of these five tasks. The methodology and evaluation approach for the five tasks foreseen in the Terms of Reference and the four questionnaires used were submitted with the Inception Report.

2.2 Sources of data and information

This section presents the evaluators’ main sources of data and information including programme and project documentation (e.g. the four CIPs and PCs⁵, Project applications etc.), interviews carried out and questionnaires received.

A further important source of information was the INTERREG IIIC database – at the start of the assignment, the evaluators asked the JTS North⁶ to produce a series of database outputs on project budgets, topics of co-operation and types of operation. **Figure 2** presents the evaluators’ sources of data and information:

Figure 2: INTERREG IIIC Documentation

Overview of documentation (version date)				
	North Zone	East Zone	West Zone	South Zone
Community Initiative Programme	31-Dec-01	14-Dec-01	20-Nov-01	28-May-02
Programme Complement	20-Sep-02	24-Sep-02	06-May-03	20-Sep-02
Annual Report and Annexes	03-Jun-03	29-Jun-03	30-Jun-03	30-Jun-03
MC ⁷ List of Members	23-Apr-02	29-Jun-03	04-Apr-03	24-Jun-03
MC Rules of Procedure	23-Apr-02	04-Apr-02	19-Jun-02	27-Jun-03
SC ⁸ List of Members	23-Apr-02	04-Nov-02	04-Apr-03	24-Jun-03
SC Rules of Procedure	23-Apr-02	04-Apr-02	19-Jun-02	27-Jun-03
MC / SC Minutes of Meetings	Minutes of meetings held up to the start of the mid-term evaluation			
JTS Rules of Procedure	19-Dec-02	24-Sep-02	07-Jan-02	n.a.
TA Budget 2002-2008 / TA Cost Statement 2002	20-May-03	07-Apr-03	03 – Jul – 03	22-Apr-03
Approved project applications	30-Jun-03	08-Apr-03	22-Jul-03	11-Jul-03
Quality assessment summaries	05-Mar-03	04 – Jul – 03	12-Mar-03	17-Mar to 21-may-03

⁵ Programme Complements

⁶ Joint Technical Secretariat

⁷ Monitoring Committee

⁸ Steering Committee

The following interviews were carried out (in chronological order) – including 4 interviews for the NZ, 10 interviews for the EZ, 8 interviews for the SZ, 5 interviews for the WZ and three interviews covering more than one Zone:

Figure 3: INTERREG IIIC Interviews

Zone	Interview with:	Date
North, East, West	German Ministry for Economy and Labour – MCs North, West and East	10 / 7
East	Ministry of Economy Sachsen-Anhalt, MC East, RFO Lead Partner TouriSME	10 / 7
EC	Elisabeth Helander, EC DG Regional Policy	18 / 7
South	Valencia meeting with all South Zone lead partners	28 / 7
East	Austrian Federal Chancellery, MC East	22 / 8
East	Municipality of Alonisos, IP Partner ECO-Tourism	25 / 8
South	Centre for Vocational Training of the Prefecture of Athens, IP Partner Coronas Metropolitanas	28 / 8
East	Greek Enterprise of Local Development and Management, Network Partner CEEC LOGON	28 / 8
East	JTS East	29 / 8
East	City of Vienna, MA ⁹ East	29 / 8
East	Austrian Association of Municipalities, Network Lead Partner – CEEC LOGON	1 / 9
East, South	Greek Ministry of Economy, MC East / South	1 / 9
East	Region of Carinthia, Network Lead Partner MAREMA	2 / 9
North	County Administration of Västerbotten, RFO Lead Partner STIMENT	22 / 9
North	Sør-Trøndelag County Municipality, RFO Lead Partner SQUAREG	22 / 9
West	Province of Groningen, RFO Lead Partner Hanse Passage	22 / 9
West	Town Council of Rieulay, Network Lead Partner RECORE	23 / 9
West	JTS West	23 / 9
West	Wallimage, Network Lead Partner ECRIF	24 / 9
South	Spanish Ministry of Economy, PA ¹⁰ South	29 / 9
West	UK Department for Trade and Industry, MC West	7 / 10
South	Region of Catalunya, Department for Environment, RFO Lead Partner ECOSIND	22 / 10
South	Municipality of Vilafranca del Penedes, Network Lead Partner VINTUR	23 / 10
South	Region of Catalunya, Department of Education, IP Lead Partner FPTO	24 / 10
South	Region of Valencia, MA South and JTS	28 / 10
East	Region of Valencia, RFO Partner TouriSME	28 / 10
South	Municipality of San Sebastian de los Reyes, IP Lead Partner Coronas Metropolitanas	30 / 10
East	Ministry of Economy Sachsen-Anhalt, MC East, RFO Lead Partner TouriSME	3 / 11
North, East, West	German Ministry for Economy and Labour – MCs North, West and East	3 / 11
North	Investitionsbank Schleswig Holstein, MA / PA North	4 / 11
North	Chamber of Agriculture Weser-Ems, Lower Saxony, Network Lead Partner IAREE	5 / 11

⁹ Managing Authority

¹⁰ Paying Authority

Figure 4 below shows the number of questionnaires received / completed:

Figure 4: INTERREG IIC Questionnaires

Questionnaire	Sent out / Used in Interview	Received / Completed in Interview	Who?
1	10	5	Czech Republic, Hungary, Lithuania, Slovakia, Slovenia
2	63	9	IAREE, MAREMA, RECORE, Hanse Pasage, EURBEST, ICN, CEEC Logon, ECO-Tourism, InterMETREX
3	24	17	MC/SC Members: Austria, Germany, Greece, Finland, France, Spain, Sweden, UK; European Commission MA / PA: North, East, South, West JTS: North ¹¹ , East, South, West
4	34	21	AAP 2020, EUROSAT, LUCI, EUROPEAN TOURISM VILLAGES, NEW EPOC, OLEOTOURISME, WINNET, TOURISME, CORONAS METROPOLITANAS, ECO-TOURISM, CEEC LOGON, MAREMA, STIMENT, AQUAREG, HANSE PASSAGE, RECORE, ECRIF, ECOSIND, VINTUR, FPTO, IAREE

2.3 Strengths and weaknesses of the evaluation report

Strengths of the evaluation report:

- **Strong inter-personal approach:** Following the request of the Evaluation Steering Group the evaluators adopted a strong inter-personal approach. The inter-personal approach finds itself reflected in the many interviews carried out with INTERREG IIC actors at all levels i.e. JTS, Managing Authorities and most RFO, IP and Network Lead Partners - in total, 16 project promoters were interviewed whilst only 2-3 interviews per Zone were foreseen in the proposal and inception report¹². In this context, the discussion in the framework of the submission of the Outline Draft Report should also be noted -with comments received not only from the Evaluation Steering Group members but also from several Member States and programme-level structures. Finally, the mid-term evaluation was presented at the Paris All-Zones meeting on 18-19 September 2003.
- **Comprehensive coverage of aspects concerning the new Member States:** The Mid-term Evaluation's Terms of Reference emphasise the importance of assessing the future participation of the new Member States. The evaluators have therefore prepared questionnaires covering the ten new Member States at the level of the concerned national authorities and the 63 project partners selected in the 1st call for proposals. Moreover, the mid-term evaluation and the new Member States' specific concerns with INTERREG IIC were discussed at the Paris All-Zones individually with the new Member States' representatives.

Weaknesses and difficulties encountered:

- **Late start of INTERREG IIC:** INTERREG IIC project contracts were only signed and project activities launched as of July 2003¹³ – the mid-term evaluation was therefore limited to work

¹¹ Due to time constraints, the JTS North could unfortunately not be interviewed.

¹² The evaluators would have liked to interview all project promoters, however, interviews in more remote European regions were limited by an evaluation travel budget of EURO 9260.

¹³ Note that some projects had still not signed their contract as late as October 2003.

with programme documentation (e.g. CIPs and PCs) and project applications. It should be stressed that the mid-term evaluation for INTERREG IIIC stands out from other mid-term evaluations of 2000-2006 SF programmes: due to the absence of first outputs, results or impacts, the evaluation is limited to assessing financial input indicators. Indeed, in comparison to the other mid-term evaluations, the INTERREG IIIC mid-term evaluation comes at a particularly early stage in the programme implementation process with no project outputs to be expected during the course of the evaluation (July to December 2003). This is confirmed by the interviews with programme and project actors with many questions left unanswered due to the lack of implementation experience. The willingness to dedicate time to the mid-term evaluation also proved limited – with many project promoters too involved in launching activities, and questioning the sense of such an early evaluation.

- **Delayed start of the evaluation:** The evaluation was scheduled to start in early 2003¹⁴, however, the evaluator was only contracted in July 2003 (most SF programme evaluations were contracted in early 2002) – coinciding with the start of the summer holidays and implying that INTERREG IIIC actors were not available for interviews or comments on the inception report during the first two months of the assignment. As a result, the Inception Report was only approved on the 5th of September 2003. The delayed start of the evaluation is largely explained by the late start of the INTERREG IIIC Community Initiative as such.

It should be emphasised that the above limitations have not led the evaluation team to regard the task as a mere “form exercise” in compliance of Article 42(1) of Council Regulation (EC) No 1260/1999. As noted in the introduction, the evaluators have adopted a pragmatic approach to the mid-term evaluation of the INTERREG IIIC Programme – the strong interpersonal approach with a focus on discussions with project promoters allowed to analyse implementation structures and processes in more detail as usual under a mid-term evaluation. With regard to the many evaluation tasks for which experience is still too limited, the evaluator has focussed on pointing towards areas of potential concern, thus preparing the grounds for monitoring and evaluation by the four JTS and for the future ex-post evaluation.

¹⁴ According to a INTERREG IIIC Task Force meeting in Berlin in December 2002, the evaluation was scheduled to start in March 2003 with six months allocated for the evaluation.

3 Evaluation Tasks

Task 1 Re-assess the relevance and the consistency of the strategy

1.1 Appraisal of the continuing consistency between the strategic and operational objectives of INTERREG IIIC including initial assessment of the programme is responding to needs for interregional co-operation as stated in the CIPs.

This task assesses the extent to which the strategy adopted addresses the needs of interregional co-operation and the socio-economic characteristics of the programme area. To this end the evaluators have analysed the four CIPs / PCs, annual reports and have used input from the questionnaires and interviews with programme-level structures.

As stated in all programming documents, the objective of interregional co-operation is “to improve the effectiveness of policies and instruments for regional development and cohesion”. An assessment of the main needs for interregional co-operation and how the programme responds to these needs was carried out, using a combined method of desk research and feedback from interviews/questionnaires. The key needs for interregional co-operation addressed by the programme and the innovative elements of the INTERREG IIIC approach in addressing these needs are presented in detail in **Annex 1 - Table 1**.

In summary, **the objectives of INTERREG IIIC respond to the needs for interregional co-operation** through the following key elements of the programme’s strategic approach:

- promoting the exchange of experience between different regions of the enlarged EU and third countries;
- promoting genuine co-operation through e.g. the realisation of pilot projects;
- supporting the development of “mini-programmes” and integrating co-operation into a self-standing framework, a fundamental difference from other interregional co-operation initiatives and programmes;
- promoting co-operation and mutual learning between cities, regions and other public authorities, deepening of existing partnerships to “drive” regional policy.

In addition, the strategic elements of the programme, as stated in the CIPs, are consistent with the SF Indicative Guidelines (25 August 2003) and offer various areas of potential for inter-regional co-operation and exchange of experience (**Annex 1 – Table 2** offers an overview of how INTERREG IIIC strategic elements are consistent with the SF Indicative Guidelines and specifies the potential for inter-regional co-operation and exchange of experience). As shown in Annex 2, approved operations are consistent with at least one of the policies as described in the Guidelines.

The programme appears to have a strong mobilisation potential as evidenced by the high number of applications / high number of participants in information events. This demonstrates that the programme objectives address the needs of a large number of potential beneficiaries. More particularly, the four key objectives of the programme were assessed in terms of their feasibility/relevance and results are presented in **Annex 1 – Table 3**.

In summary, **all the objectives are relevant**, however, assessment of their **attainability varies**, with the most ambitious objective (“improving policies with changes in political and institutional structures related to regional policy”) raising doubts on whether it can be a realistic objective or whether such changes can only be a long-term objective going beyond the programme’s financial and administrative capacity.

The above objectives were also assessed in terms of the programme’s “inclusion” potential, i.e. whether the objectives promote co-operation of “as many European regions as possible”, co-

operation with peripheral regions and co-operation with new Member States. The findings are described in detail in **Annex 1 – Table 4** and suggest the following:

- Co-operation of as many European regions as possible is being fulfilled, and must be distinguished from maximising the number of partners, which is not a programme objective as it entails the danger of leading to unmanageable operations;
- The programme is at an early stage to assess the efficiency of co-operation with peripheral¹⁵ regions, however, efficiency will be determined by the existence of a sufficient number of experienced partners and by the intensity of co-operation;
- There are some weaknesses with respect to co-operation with new Member States, namely, lack of co-ordination between INTERREG and other instruments (Phare, MEDA), lack of a consolidated view of programmes in new Member States, confusion with respect to the “border regions” topic of co-operation.

In summary, the programme has a **strong inclusion potential** that will be determined by the experience of partners, the intensity of co-operation and the capacity of the programme to “reach” potential partners in peripheral regions, border regions and new Member States.

The programme objectives are assessed to respond to problems facing urban and rural areas. Urban areas may have more capacity to apply and participate, however rural areas have also acquired more experience from Structural Funds in recent years, e.g. under LEADER. So far, approved operations comprise a mix of both, with urban areas being involved in operations under the “urban” topic and rural areas being involved more in operations under the “Objective 1” topic.

Overall, the INTERREG IIIC strategy is broad and flexible and responds to the demand for co-operation of European regions. Although flexibility and openness are clearly positive features of the programme, they also entail the risk of a large diversity of operations and partners that may prove hard to manage efficiently. For this reason, the capacity of project leaders (for project management) as well as the capacity of the programme management structures (for overall programme management) will be vital for the efficient management of operations.

Recommendations:

- It is too early to assess whether all programme objectives are attainable, especially those concerning changes in political and institutional structures related to regional policy, through sustainable inter-regional co-operation. However, this is a very relevant objective that reflects the very essence of the INTERREG IIIC philosophy. To increase the programme’s potential to reach its more ambitious objectives, it is advisable that operations involve actors from several levels and sectors, especially regional policy makers;
- Increase participation of peripheral¹⁶ regions using the following options:
 1. Awareness raising campaigns targeted specifically at these regions;
 2. Disseminate the experience of peripheral regions in approved operations;
 3. Provide incentives for the participation of these regions, for example increasing the co-financing rate to same level as in the SZ;
- Operations in border regions from 2004 offer significant potential for co-operation with new Member States with view to enlargement. It is recommended that the topic “border regions” is clarified in order to attract more and better quality applications, through, for example, targeted awareness raising events and with a more detailed description in the programme manual stating that this should be seen as an additional priority of the programme (describe its rationale) and providing examples of approved border regions operation;

¹⁵ Including border regions and all regions that their “economies have become peripheral within the national boundaries”, as defined in the INTERREG III Guidelines.

¹⁶ Includes all regions that their “economies have become peripheral within the national boundaries”, as defined in the INTERREG III Guidelines.

- *In addition to new Member States, the opportunities for third countries to participate more actively in the programme, as specified in the programme complements, should be explored fully (for example, act as functional lead partners).*

1.2 An assessment if the proposed types of operation are relevant / appropriate to meet the defined objectives, taking account of the special provisions for operations on border regions.

This task assesses the advantages and disadvantages, the difficulties encountered and the effectiveness of each type of operation, including border regions operations. To this end the evaluators have analysed the operational programmes and their complements, annual reports and have used input from the questionnaires and interviews with programme- and project-level structures.

Approved operations are just starting their activities, hence there is no feedback on the efficiency of operations in meeting the programme objectives. The evaluation focused therefore on the **potential** of each type of operation to meet the programme objectives. An assessment of the relevance and appropriateness of each type of operation revealed some shortcomings with each type, which should be taken into account in the mid-term review. **Annex 1 – Table 5** provides a detailed assessment of the issues/concerns for each type of operation. Below we provide a summary of the main positive features and the potential shortcomings.

Network operations

Networks comprise **positive aspects** related to their capacity to involve a large number of partners, their bottom-up approach and low capacity building needs as many of them are based on existing partnerships and build on existing experience. Networks are easy to manage and require the lowest intensity of co-operation. They are an appropriate type of co-operation for partners that seek inter-regional exchange and can constitute the basis for more concrete, future co-operation. Their value added can stem from the combination of a bottom-up approach and the participation of new Member States.

Issues and concerns related to networks stem from their relatively low value added as they may not produce visible and concrete outputs and they may overlap with other programmes. The large number of partners could lead to delays and could entail the risk of including not very relevant/experienced partners. Finding new partners in an already saturated type of co-operation may also be an issue, especially as public authorities are more interested in concrete activities/outputs. Sustainability¹⁷ of proposed networks may also be an issue that requires careful examination at the selection stage.

Individual co-operation projects (ICP).

ICPs are innovative in bringing partners to work **together** on the transfer of instruments or projects. In this way, ICPs have the potential to produce a real product and contribute to improvements in regional policies and instruments.

Shortcomings can be summarised around the number and capacity of partnerships. The number of partners may inhibit efficiency if it is combined with limited capacity or experience or if it implies a large proportion of the budget spent on co-ordination, management and exchange activities (trips, meetings, etc). Demonstrated competence (management and co-ordination capacity) of the lead partner, experience and relevance (decision makers or capable to influence decision makers) of other partners and evidence of a genuine co-operation process, are all issues related to the capacity of partnership. The objective should be not to “copy” each other’s projects/instruments, but to “transfer” experience or “jointly” develop instruments/approaches.

Regional Framework Operations (RFO).

¹⁷ Capacity to be long lasting

The concept of RFOs is the most appropriate for meeting the programme objectives and RFOs constitute the **most innovative operation** of INTERREG IIIC. RFOs have a high **value added potential** as they are about “real” inter-regional co-operation expanding beyond projects into a self-standing strategic framework. The bottom-up approach in shaping regional policies, the flexibility and independence to create a “mini-programme” are innovative features providing an opportunity for inter-regional co-operation to harmonise processes and converge policies. RFOs have the potential to increase capacity of regional actors through the transfer of concrete experience/outputs from one region to another in a programming context.

Shortcomings relate to the potential difficulties to manage such complex operations. Their innovative character, the high level of financial discretion assigned to the regions, excessive reliance on auditors appointed by the regions, differences in administrative structures and cultures, the required management and procedure intensity, are issues that call for competent lead partners and carefully designed strategies and management procedures. Moreover, the nature of RFOs makes it difficult to focus on a specific topic. The limited experience from such type of operation will require significant emphasis on setting up management structures and procedures. However, this should not take place at the expense of sub-projects. The number of partners may also be an issue since operations with a large number of partners may prove hard to manage efficiently.

Border region operations

Considering accession, it is important that INTERREG IIIC supports operations that facilitate co-operation between EU border regions and new Member States and strengthens economic competitiveness in the concerned regions. This is an additional programme priority, but causes confusion amongst applicants, as it is described as a topic (see below task 1.3 and **Annex 1 – Table 3**). Assessment of the potential effectiveness of border region operations reveal weaknesses related to the limited capacity (human and technical resources) in neighbouring regions of new Member States, which, coupled with administrative and institutional differences and difficulties with finding partners, may reduce effectiveness. Difficulties stemming from the lack of match funding may be overcome after accession, but the first round of operations has had **no applications** under the border regions topic. Efficiency of co-operation in border regions will therefore be influenced by funding opportunities and support with capacity building from EU Member States.

It can be concluded that although all types of operations are relevant and appropriate to meet the programme objectives, **RFO** is the one that **best corresponds to the philosophy** of INTERREG IIIC. More specifically, RFOs have a high potential for “improving the delivery of existing programmes and instruments for regional policy”¹⁸ and for “readjusting, reorienting or adding a new policy instrument”¹⁹, as they are the only type of operation whose strategy can form a self standing strategic framework, at regional level, using a bottom-up methodology. There is no particular type of operation more appropriate for certain regions (except for border regions, where networks/ICPs are the only ones allowed and also the most relevant); the key issue instead is **the experience of the lead partner**, especially in terms of fund management experience under ERDF and programme implementation experience.

Recommendations:

Networks

- Value added of networks (especially of existing ones) should be emphasised at the pre-application stage so as to increase the possibilities of receiving “good” network applications;

ICPs

- ICPs must clearly state in the application form how they plan to transfer experience and jointly develop instruments/approaches. The aim should be to avoid partners working in isolation and then bringing their outputs together;

¹⁸ Third main goal of INTERREG IIIC (as stated in the CIP).

¹⁹ Fourth main goal of INTERREG IIIC (as stated in the CIP).

RFOs

- It is recommended that experience acquired from approved RFOs is disseminated amongst potential applicants in order to attract more RFO applications;
- Although there is no limit to the maximum number of partners, it may be appropriate to set maximum limits for the **principal** partners of an RFO in order to ensure efficient management and adequate budget allocation to sub-projects. Most views (80% approx.) from questionnaires and interviews suggest that maximums may be appropriate at this stage, for example a maximum of 4 regions (principal partners) with 3-5 partners per region, until experience is gained from this type of operation. Excessive number of partners or regions imply heavy administrative procedures at the expense of sub-projects;
- It may also be appropriate to set maximum number of projects, until adequate experience on RFOs has been gained;
- Given the limited experience so far from RFOs, it is recommended that the condition stated in the programme that “no region should participate in more than 2 RFOs” remains valid until experience on RFOs has been gained and results from the first round operations are disseminated;
- A balance must be established from the beginning between spending on management and on sub-projects so that no excessive weight is assigned to one at the expense of the efficiency of the other;
- To maximise management efficiency of RFOs, management structures must involve competent people from relevant institutions/departments, while the lead partner must have demonstrated experience;
- Lack of experience makes it difficult for RFO applicants to distinguish clearly between strategic approach and concrete results to be generated by the RFO. A suggestion could be to ask potential applicants to provide for each of their components a couple of examples of expected outputs of the sub-projects;
- Procedures should be kept as simple as possible. To this end, it should be tested which of the proposed options for financial flows is simpler, less bureaucratic, less resource intensive and more appropriate given the management structures;

Border Regions operations

- Due to funding constraints (i.e. budget is not unlimited), it may be more appropriate to focus on operations that support the setting up the necessary structures and preparing border regions and neighbouring regions in new Member States for concrete co-operation after enlargement. E.g. ICPs could contribute to the development of new approaches / instruments for regional development with view to accession;
- It may also be appropriate to support more people-to-people actions (based on the design/concept of Small Projects Funds under Phare CBC) as a starting point for co-operation between border regions and new Member States;
- At this stage, networks /ICPs are the only types of operation allowed and are more appropriate for border regions, because setting up an RFO involving new Member States may face capacity / experience constraints. Experience from Phare CBC should not be neglected and many border regions and new Member States have significant CBC experience that can be valuable for INTERREG IIIC. CBC experience and accumulated experience from INTERREG should allow RFO operations in border regions in future calls;
- Organise more Info Days in new Member States.

1.3 An analysis to which extent a definition of topics for co-operation is relevant to meet the objectives of the programme, and recommendations for amendments.

This task aims to assess the different topics of co-operation in terms of their potential effectiveness in meeting the objectives of the programme, their relevance and difficulties encountered. To this end, the evaluators have carried out desk research based on analysis of

the CIPs / PCs, as well as projects approved so far and questionnaires/interviews, in order to test which topics of co-operation appear at this initial stage to be more appropriate.

More than half of approved operations (see **Annex 1 – Table 7**) were selected under the “others” topic, while there is no single operation selected under the “innovative actions” topic. The following issues related to topics have been identified:

- Topics are **not defined according to a thematic focus** (for example, urban, rural, etc or environment, economic development, etc). Instead, topics refer to “experience” rather than themes of co-operation. It may be more appropriate to refer specifically to the required experience of partners, for example, experience from Objective 1/2, INTERREG, etc, without of course limiting the opportunities for new partners (i.e. without previous experience) to get involved;
- The **distribution of topics is dissimilar**, with the “others” topic financing practically everything relevant to inter-regional co-operation. It should be assessed whether topics should be re-defined or re-stated to stress relevant experience. The first round of applications showed that the definition of topics caused confusion, with most applicants feeling “safer” to apply for the “others” topics. This was confirmed with interviews/questionnaires for a sample of projects;
- To support the above, the variety of actions suggested in approved applications is very wide and **does not follow a specific pattern** in terms of “topic”;
- The topic “**innovative actions**” is frequently **mistaken for a thematic focus**, whereas it actually refers to the Innovative Actions programme. This topic intends to link regions involved in one or more themes of the innovative actions programme. It is obvious that this topic was misleading for applicants as no operation under this topic was approved during the first round of applications;
- Another misleading topic is “**border regions**”. As stated earlier, this is neither a topic nor a type. It is another priority of the programme that addresses the need to facilitate co-operation in the external border regions with new Member States. A re-definition of “border regions” may be appropriate. In border regions a thematic focus could apply more easily, for example institutional development, while previous experience in candidate counties could be sought through Phare CBC.

The programme’s value added comes from its bottom-up, strategic character (allowing regions to define topics they perceive important in a programmed approach²⁰) and the association of local and regional authorities. The objective of INTERREG IIIC is “to improve the effectiveness of policies and instruments for regional development and cohesion”²¹. To achieve this objective, IIIC promotes “exchanges of experience and best practice from ... Objective 1 and 2, INTERREG, URBAN Community Initiative and urban development and the regional innovation programmes”. INTERREG IIIC is about **building on previous experience**, but also about **jointly finding innovative solutions to common problems/challenges** (“...drawing on the experience of other regions facing the same problems and finding common solutions”²²).

It is not clear that applicants have perceived inter-regional co-operation as stated above, given the lack of clarity in the definition of topics. A re-statement of the topics of co-operation in the applications manual is therefore suggested coupled with awareness raising (info days, accompaniment of project applicants by the Secretariats, etc).

Recommendations:

We propose two options for addressing the issues related to the definition of “topics”, with the second one suggested as more realistic:

²⁰ INTERREG IIIC Guidelines state that “**regions** should be given the possibility to introduce a more **strategic approach** to inter-regional co-operation” (2001/C 141/02).

²¹ INTERREG Guidelines (2000/C 143/10 and 2000/C 141/02)

²² INTERREG Guidelines (2001/C 141/03)

- **A re-definition of topics.** *All respondents to the questionnaires stated one or more of the following topics as more appropriate for meeting their regional development needs: energy policy, training, entrepreneurship, technology, social inclusion, tourism, sustainable development, business co-operation, SMEs, rural development, research and development. These topics correspond to those defined in the SF Revised Indicative Guidelines (25.08.2003), namely: Employment and human capital investment; Sustainable development, risk prevention and environment; Research and Development (R&D); Information Society; Enterprise Policy; Urban and rural development policies; INTERREG IIIC topics should be connected to the above, especially since they represent the Commission's response to policy decisions of the Council. In fact, the existing INTERREG IIIC topics cover the above, but it is not clear from their definition. **Annex 1 – Table 2** demonstrates that the vast majority of approved operations correspond to one or more of the topics as defined in the SF Indicative Guidelines.*
- **A re-statement of topics.** *Given the INTERREG IIIC guidelines have been approved and accepted by Member States, the previous option may not be easily carried out. A re-statement may therefore be more appropriate, covering, for each topic, three distinct features: aims, experience required and indicative actions. **Annex 1 – Table 8** gives a full example of the proposed re-statement. The key additional feature we propose to describe in more detail is the “experience required” to correspond to the basic principle of INTERREG IIIC (“link and promote exchange of experience and best practice”).*

1.4 An assessment to which extent the new Member States will participate in INTERREG IIIC operations as final beneficiaries from 2004-2006.

This section assesses the participation of the new Member States in INTERREG IIIC²³. In order to comment on likely participation and recommend how participation in 2004-2006 can be strengthened, the evaluator has assessed current participation in programme structures and projects. The evaluators' comments are supported by questionnaires sent to concerned national authorities and project partners in the new Member States.

Programme-level participation: The new Member States will fully participate in INTERREG IIIC as of accession in May 2004, and the MC / SC Rules of Procedure show that the relevant national-level authorities have been integrated into the INTERREG IIIC MC / SCs with the exception of Cyprus and Malta (SZ)²⁴. The new Member States are considered full members with voting rights in the NZ and EZ MC / SCs; whilst the SZ MC / SC Rules of Procedures specify that non Member States cannot participate in any decisions concerning the ERDF²⁵. Interviews with MC / SC members confirm the active participation of the new Member States' national-level representatives, however, participation at regional level is still limited with only Lithuania and Estonia participating with regional/local level representatives.

Project-level participation: The new Member States' financial participation in INTERREG IIIC (1st round projects) is very low. In comparison to average EU partner project budgets, project partners from the new Member States have, on average, total budgets of only EURO 19,707. This raises doubts over the full participation of partners from the new Member States. Low project budgets indicate a low intensity of co-operation. This is further supported by the limited involvement of the new Member States' project partners in project management functions²⁶ (no functional lead partners and limited involvement in management as project partners). It should also be noted that new Member States' partners have made only limited use of the possibility to apply for additional ERDF funds (eligible as of 1st of January 2004)²⁷.

²³ Note that the ToR only included the new Member States into the assessment – the evaluation is therefore not considering the Candidate Countries Bulgaria and Romania or any Third Countries.

²⁴ The SZ MA invited the relevant national-level authorities in Cyprus and Malta on the 20th of August 2003 to participate in the SZ INTERREG IIIC CIP. It should be noted that the SZ's invitations to Malta and Cyprus to participate in programme events were not answered.

²⁵ This is justified by the SZ on the basis that voting rights require a contribution to the programme funds.

²⁶ Notable exceptions include the Network IAREE, where the partners from the new Member States are involved in overall project management functions.

²⁷ Some project promoters noted the excessive requirements for applying for additional funds.

Support for participation: Questionnaire 1 - sent to all concerned programme-level authorities in the new Member States - confirms that support for participation in INTERREG IIIC came mainly from the INTERREG IIIC programme itself in the form of the INTERREG IIIC Info Days organised in some of the new Member States. Beyond the support under INTERREG IIIC, only limited support was received in preparing for INTERREG IIIC in the form of Technical assistance and Twinning. The new Member States' support to applicants includes national funds for participation in INTERREG IIIC as well as the provision of information through national information points. However, at the time of the first call for projects, national funding sources were limited (and not available in all new Member States), and the establishment of national information points was not yet completed - thus explaining the weak participation of partners from the new Member States. Whilst access to funding sources will change as of accession (full eligibility for SF), the capacity to co-finance the SF funds will remain limited. Moreover, the evaluators anticipate that national and regional capacities for providing support to potential applicants still require considerable strengthening.

- It is recommended that the new Member States' regional-level (or local-level) participation in the MCs / SCs is strengthened i.e. national/level representatives should be encouraged to organise regional-level (or local-level) representation following the model of the Member States.
- It is further recommended that all INTERREG IIIC operations involving partners from the new Member States are closely monitored, and that in cases of concern regarding a balanced participation, the lead partners are reminded that partners from the new Member States need to be fully involved.
- Considering the limited project participation the evaluator supports the idea that RFOs selected under the first and second call are given the possibility to include additional partners from the new Member States – allowing at least a participation as observers and covering related costs for the participation in meetings and translation and dissemination of documentation.
- It is also recommended that further INTERREG IIIC information / programme events are carried out in the new Member States. Programme-level structures (JTS) should be strengthened with staff from the new Member States.

1.5 Recommendations for amendments to the programme documents following EU enlargement including necessary changes of implementation structures, and adoption of audit and control measures.

This task is informed by the work undertaken by the Joint Task Force for the four CIPs' amendments – resulting in four amended CIPs which were submitted to the evaluators for comments.

Having studied the four amended CIPs the evaluators note that the mid-term evaluation's recommendations do not require any additional changes to the CIPs – the mid-term evaluation's recommendations are mainly concerned with the full application of the CIPs. E.g. the CIPs for some of the zones foresee the participation of regional level authorities, NGOs (in the areas of the environment and equal opportunities) and the economic and social partners in the Mcs / SCs – an analysis of the list of members of the different MCs / SCs shows that the integration of such members still needs to be completed to comply fully with the CIPs (For details see Task 4.1 below). Other recommendations require changes at the level of the “internal” programme implementation documents e.g. MC / SC Rules of Procedure.

Task 2 To assess the quantification of objectives

2.1 A review of the proposed indicators and the method for measuring effects of the programme (proposed evaluation methods).

This task examines the relevance of indicators, their number and simplicity. The systems for collecting the necessary data was also analysed to assess whether adequate resources are envisaged, and the evaluation analysed approved operations' monitoring and evaluation (M&E) systems. To this end, the evaluators carried out desk based research (CIPs and approved applications) and interviews with a sample of projects.

It is still too early to assess the relevance of indicators as they have only been developed at a higher level in approved applications. The JTS are expected to provide tools for M&E so that the M&E process is similar and data can be aggregated, analysed and compared. **As INTERREG IIIC did not have an ex ante evaluation, M&E tools are being developed during programme implementation.** *It is important to speed up this process as most operations are now starting and the M&E process is crucial for efficient management and implementation.*

M&E was not given adequate weight during the first round of applications. Although **operations will actually be monitored through the provision of progress reports, there was no specific emphasis on evaluation.** This is a fundamental element of any project in order to ensure that objectives are fulfilled and outputs measured in relation to the objectives. Evaluation should not be confused with auditing of activities and its importance as a tool for efficient management should be clearly understood by applicants. The programme manual for the first round of applications did not include a chapter on M&E. This may be the reason why approved operations do not assign weight to M&E. Out of all the first round projects, **only two** (WINNET and TouriSME) have a separate component for M&E. The programme manual for the second round of applications includes a section (chapter 4.4) on M&E.

When examining first round projects, the following issues have been identified:

- Indicators provided by applicants did **not specifically distinguish** between **result, output and impact indicators** and the programme manual did not include a section defining and explaining indicator categories. Better indicators are expected during the second round since the programme manual was amended to include a section (2.4) on “outputs and results”;
- Out of the total of 34 operations, 8 provide only “result” indicators, 6 provide only “output” indicators, 2 provide predominantly output indicators and 18 provide mixed (both result and output) indicators, without however, making an explicit distinction between the two (see also previous point).; In addition, there is no explicit distinction between **quantitative and qualitative** indicators;
- There are generally **no provisions made explicitly for M&E** systems. Although auditing of activities is incorporated, evaluation is not necessarily included;
- The experience of **partners** in M&E is not evident (not explicitly mentioned);
- There are, however, some **good examples of output or result indicators** (e.g. EURBEST provides good output indicators; EUROTRAD provides indicators on a yearly basis which reflects well the programming element of INTERREG, while Hanse Passage provides a good combination of result and output indicators);
- **JTS** have not yet provided applicants with common evaluation tools;
- **Evaluation** is very important especially for **RFOs** and should distinguish between **programme and project level**. Although on one hand it is too early to assess RFOs, only 1 out of 5 RFOs (TouriSME) has a separate component for Evaluation, 2 do not distinguish between programme and project level indicators, while the remaining 2 provide both programme and project level indicators without specifying it. **None** of the RFOs (not even TouriSME) give a specific description of the approach to be followed regarding **M&E** of the (mini) programme or of individual projects (two levels of evaluation should apply: programme and project level);

- In 10% of the applications we found very **ambitious and general** indicators, like “establishment of overall joint European strategy”, and in 17% of them we found **confusion between result and output**, for example:
 - confusing indicators with “expected results” (“joint European best practice catalogue” is an expected result, not an indicator);
 - confusing indicators with component descriptions (e.g. “paper produced includes.....” is rather a description than an indicator);
 - mixing output and result indicators;
 - confusing management and dissemination indicators;

M&E procedures require **experienced human resources** and are **time consuming**. This function may prove too heavy on existing lead partners, when they already regard that the 6-month reporting procedure may be too short. Operations must be closely monitored by the JTS in order to assess in practice the management and M&E functions in terms of their human resource intensity. The aim should be a balance between project management and implementation (not focus on one at the expense of the other).

Recommendations:

- In addition to the amendments carried out in the programme manual, a clear statement to be included in the manual and/or communicated to project applicants that the evaluation of projects is a **requirement** of the programme
- An awareness raising exercise on the **merits** of evaluation so as to ensure that M&E is adequately covered in subsequent application rounds;
- A common M&E methodology should be developed and communicated to projects;
- A common set of **programme** level indicators should be developed and synchronised with a common set of **project** level indicators (for details, see below task 2.2). In addition, there may be a need for project related indicators to be developed as well by individual projects to reflect the specifics of each operation;
- The existing database could be a useful tool for extracting horizontal indicators.

2.2 Proposals for quantification of objectives (taking account of effects following EU enlargement).

This task proposes quantification of the objectives bearing in mind that indicators must not only reflect outputs and results of the programme but also provide insight into the impact of the programme and drive policy lessons. The evaluators carried out desk based research of existing documentation of indicator methodologies and approved applications and used interviews to confirm findings.

The quantification of objectives is a crucial step that allows the establishment of “what a programme is supposed to achieve”. It is clearly stated in existing documentation that past experience shows this is much more difficult to achieve for INTERREG programmes than for any other category of Structural Funds programmes. With reference to INTERREG IIIC, there are various explanations for this:

- there are certain programme objectives and actions which are intangible (e.g. “to promote inter-regional co-operation”, “disseminating experience regionally”);
- many of the effects (results/impacts) are of indirect nature and can only be seen in the medium to long-term (e.g. “to create co-operation networks”, “changes in political and institutional structures”);
- given the emphasis on building on previous experience (e.g. from Objective 1 and 2, INTERREG, etc), it is difficult to distinguish the effects of INTERREG IIIC from effects caused by other programmes;

- heterogeneity of regions and proposed actions (topics of co-operation) and dispersal of projects makes it more difficult to aggregate outputs/results/impacts through the use of a small number of quantitative indicators.

Although the programme manual for the first round did not provide any information on indicators, the manual for the second round includes a definition and distinction between result and output indicators and their quantification. It is, however, a very short section in the manual and can be elaborated to include a detailed matrix of type of indicator, definition, propositions for measurement and sources of information.

There is a vast amount of existing work on evaluation methodologies and indicators for European programmes (e.g. the DG REGIO indicators for M&E, indicators for ex ante evaluation for INTERREG etc.).

Taking into account all this existing work, the difficulties described above for the quantification of objectives and the special features of INTERREG IIIC, we propose the following approach for quantifying objectives:

- constructing a system of indicators specifically for INTERREG IIIC;
- indicators should distinguish between the strategic objectives of INTERREG IIIC and operational objectives for approved operations;
- additional indicators for strategic and operational objectives would apply following EU enlargement;
- to the extent possible, operational objectives should apply to all zones, types and topics of co-operation, with some additional provision for RFOs, which involve both programme and project level issues that need to be evaluated separately;
- **qualitative** methods may be more appropriate at the initial phases of INTERREG IIIC, but should be **enriched increasingly** with **quantitative** methods as operations mature and overall experience builds up;
- JTS in each zone would communicate to project applicants the proposed evaluation method and indicative list of indicators through the programme manual as well as during the info days.

Annex 2 – Table 1 provides a list of key evaluation questions and indicative indicators for each of the objectives of INTERREG IIIC.

- The quantification of objectives for operations²⁸ would cover four elements for each operation: **inter-regional co-operation, management and co-ordination, implementation components and dissemination**. For each of these elements, both result and output indicators would be produced, following the definition in the programme manual.

Annex 2 – Table 2 provides a proposal for indicators for INTERREG IIIC operations, describing: the type of indicator, its definition and how to measure it. It is very common with community initiatives and programmes that evaluations are hindered by the lack of consistent data and the heterogeneity of M&E systems used by individual projects that produce a variety of not always comparable data. In addition, INTERREG IIIC has the special administrative feature of being split into four zones which can complicate the overall programme monitoring if different M&E methods are used.

Recommendations:

- For the above, *it is strongly suggested that a common system of indicators is used by all projects so that the overall progress, efficiency and effectiveness and management quality of the operations can be assessed by management structures. Information collected on the basis of a common indicator system would also feed into the continuous and ex post evaluation of the programme. Approved operations could also use these indicators as a guide to develop more specific indicators for internal management purposes, if required. It*

²⁸ See graph in Annex 3 on the proposed methodology for the development of indicators for operations)

must be noted that RFOs would need to develop different indicators at programme and project level.

- Indicators should include a combination of **quantitative and qualitative** data and use a combination of **three different sources**: project monitoring reports, statistical sources and surveys/studies.
- The indicators provided in **Annex 2** are common to all types and topics of co-operation for the reasons described above. However, each project should develop more specific indicators to measure the achievement of concrete objectives (e.g. urban development, promotion of entrepreneurship, tourism development, sustainable development, innovation, etc). The Ex Ante Evaluation Indicators developed for INTERREG Strand A and B offer a good starting basis for context, output, result and process indicators and should be made available to applicants.
- It must be noted that the objective of this evaluation is not to develop a comprehensive list of indicators, but to offer suggestions on the quantification of objectives. The annexes go a bit further providing detailed proposals for indicators, but this is not an exhaustive list. An exhaustive / comprehensive indicator list should be the object of a separate assignment dedicated exclusively to M&E methodology.

2.3 An assessment of the appropriateness of indicators to monitor equal opportunities, environmental sustainability and other horizontal themes.

The proposed indicators in applications were examined to assess whether gender, environmental and other horizontal themes are taken into account. Desk based research and interviews were carried out.

As already described under task 2.1, approved operations from the first round did not give much emphasis to M&E and evaluation did not appear to be a requirement of the programme as it was not included in the programme manual.

Following examination of all 34 applications, it was found that, although operations provided a self-assessment of their contribution towards horizontal policies (equal opportunities and environment mainly), horizontal themes were not taken into account in the development of indicators. Only operations that covered the environment or equal opportunities as part of their strategy or components provided some indicators related to these themes (e.g. W.IN.NET, ECOSIND).

The other operations related to environmental issues did not necessarily provide indicators that assess the results on the environment, e.g. RECORE, which is about regeneration of coal-field regions, does not provide any environmental indicators.

2.4 Assessment of the reliability / timeliness of data collection procedures.

This task examined assessed weaknesses and needs of procedures of data collection for M&E purposes. The evaluators carried out desk research based on the programme complements, questionnaires to lead partners and interviews with a sample of projects. The availability and quality of existing data, the human resource intensity of proposed data collection procedures, the reliability of statistical sources and weaknesses in data collection procedures were examined with interviews and questionnaires.

When assessing the sources, collection methods, frequency of collection and methods of analysis, the findings show the following:

- Operations have not yet developed specific methodology for data collection and analysis for INTERREG IIIC;

- The approach varies from projects hiring external consultants to develop evaluation methodologies and carry out M&E to projects using their existing database software or developing evaluation methodologies according to the programme complements;
- Some projects show a weakness in understanding M&E stating that partners “will be free to provide the data required”;
- There are also operations that regard evaluation as important as implementation, since evaluation is necessary for effective implementation and sustainability of the operation (e.g. ECOSIND).

Although data collection systems for M&E are either not developed yet or will be sub-contracted and applications show a lack of concern for M&E, lead partners do not state any capacity building needs. Since partners already have experience from other SF programmes, there may not be significant capacity building needs for data collection, except maybe in border regions with new Member States where cross border data may be more difficult to obtain (there was no feedback, however, from questionnaires/interviews on border regions availability/quality of existing data).

The prevailing feedback is, however, that although data collection procedures may be available and well developed as a result of participation in previous programmes, specific provision for INTERREG IIIC has not been made. Projects are starting their activities and M&E methodologies are not yet developed. As stated again under Task 2.1, *evaluation of projects should be a requirement of the programme and applications should cover this aspect explicitly and in detail. Otherwise, there is also the danger of developing methodologies and indicators that “match” the results, instead of using indicators to “steer” projects towards high quality results.*

Task 3 Evaluation of effectiveness / financial resources allocation

3.1 Conclusions on the continuing sound footing of the programme strategy and of the financial allocations in relation to the remaining time for implementation.

Considering that INTERREG IIIC projects are only just starting, it is too early to reflect on the sound footing of the programme strategy in terms of content. This section comments on the footing of the programme strategy in terms of the financial allocations (**after the 1st call for projects**) in relation to the remaining time for implementation. The evaluators' comments are based on the analysis of the following aspects: Financial allocations per Member State (3.1.1), Financial allocations per INTERREG IIIC Zone (3.1.2), and Financial allocations per type of operation (3.1.3).

3.1.1 Financial allocations per Member State

The evaluators have compared the financial allocations per Member State (total project partner budgets per Member State) with the European Commission's indicative allocations for INTERREG III (comparison of percentages). This comparison helps to understand whether INTERREG IIIC financial participation in the different Member States is in line with the EC's anticipated level of participation (expressed in terms of the indicative allocations, which are based primarily on population rates). More specifically, the comparison aims to identify whether financial participation in any specific Member States is lagging significantly behind – thus demonstrating the need for additional promotion efforts.

Figure 5: Financial allocations per Member State (EURO)

(1) Member State	(2) ERDF Funding (Total ERDF Budget per Member State)	(3) National Co-financing (Total National Co-financing per Member State)	(4) Total Budget (2+3)	(5) Total Budget in %	(6) Indicative INTERREG III allocation in % ²⁹
Austria	730,250	667,750	1,398,000	2.34	3.75
Belgium	402,714.5	236,714.5	639,429	1.07	2.13
Denmark	62,361	62,361	124,722	0.21	0.69
Finland	871,551	578,033	1,449,584	2.42	2.64
France	2,870,568.5	2,434,242.5	5,304,811	8.86	8.14
Germany	4,603,259.66	2,942,197.66	7,545,417.32	12.61	15.11
Greece	2,467,137.75	822,379.25	3,289,517	5.5	11.65
Ireland	1,582,560	527,520	2,110,080	3.53	1.72
Italy	5,348,182.75	4,632,225.25	9,980,408	16.68	8.73
Luxembourg	70,000	70,000	140,000	0.23	0.14
Netherlands	3,194,985	2,596,535	5,791,520	9.68	7.15
Portugal	1,274,245	424,748	1,698,993	2.84	8.08
Spain	8,031,314.78	4,249,336.78	12,280,651.56	20.52	18.46
Sweden	1,580,245	1,018,945	2,599,190	4.34	3.15
UK	3,182,282.25	2,304,425.75	5,486,708	9.17	7.42
Total	36,271,657	23,567,374	59,839,031	100	100

Figure 5 allows to differentiate between three distinct groups of Member States: (Group 1) Member States whose financial participation in INTERREG IIIC corresponds approximately or is higher than the EC's indicative allocation i.e. France, Ireland, Italy Luxembourg, the Netherlands, Spain, Sweden and the UK; (Group 2) Member States whose financial participation in INTERREG IIIC corresponds approximately or is slightly lower than the EC's

²⁹ From "Indicative allocation per Member State" – see DG Regional Policy Website www.europa.eu.int/comm/regional_policy/

indicative allocation i.e. Austria, Belgium, Denmark, Finland and Germany; and (Group 3) Member States whose financial participation in INTERREG IIIC is significantly below the EC's indicative allocation i.e. Greece and Portugal.

Figure 6 supports the establishment / strengthening of national and regional support structures in Greece and Portugal as well as increased programme promotion - e.g. hosting of national or all-Zone programme events. Findings for the other Member States confirm the sound footing of the programme strategy in terms of financial participation.

3.1.2 Financial allocations per INTERREG IIIC Zone

Figure 6 sets the 1st round financial allocations in the context of available INTERREG IIIC budgets in the four Zones.

Figure 6: INTERREG IIIC - First application round - ERDF available, ERDF committed, remaining ERDF funds (EURO)

	Total ERDF budget available	ERDF committed		Remaining ERDF funds	
		ERDF committed	in % of total ERDF budget	Remaining ERDF funds	in % of total ERDF budget
NZ	27,387,450	6,229,137	22.74%	21,158,314	77.3%
EZ	44,295,612	8,169,641	18.44%	36,125,971	81.6%
SZ	131,449,599	12,067,718	9.18%	119,381,882	90.8%
WZ	89,422,314	9,805,162	10.97%	79,617,152	89.0%
Total	292,554,975	36,271,657	12.40%	256,283,318	87.6%

Figure 6 shows considerable differences between the four Zones with regard to the percentages of ERDF funds committed during the first round: Whilst the commitment rates for the NZ and EZ are both around 20% of total ERDF budget, commitment rates for the SZ and WZ are considerably lower at around 10% of overall ERDF budget.

The lower commitment rates in the SZ can be explained by the later start of technical assistance activity in this Zone, implying less time for project development and support to promoters (leading to the submission of a lower number of project applications of a sufficiently high quality) than in the NZ and EZ³⁰. The WZ's low commitment rate is explained by the JTS West with the high amount of funding available (in comparison to funding available in the NZ and EZ).

Overall, the commitment rate of 12.4 % of total ERDF funds can be considered satisfactory for a first call for proposals under a new programme with new and relatively complex types of operations (i.e. RFOs). Moreover, the first call's low commitment rate can be considered an advantage for the full integration of the new Member States, in so far as sufficient funding is available under the ongoing 2nd call for proposals and future calls when applicants from the new Member States can apply for ERDF funding³¹. The evaluator anticipates that the 2nd call figures will re-establish the balance of commitment rates between the four Zones.

3.1.3 Financial allocations per type of operation

Finally, the evaluator has analysed 1st round financial allocations per type of operation (RFO, IP, N) and has compared the 1st round findings with the financial allocations per type of operation as foreseen in the four Community Initiative Programmes.

³⁰ The SZ confirmed this by noting that neither the JTS nor the Programme Manual (French language) were available at the start of the 1st call for projects.

³¹ In this context it can be noted that the new Member States' representatives in the SCs have to some extent followed the strategy to approve as limited funding as possible in order to ensure that sufficient funding is left for the time when project applicants from the new Member States are eligible for ERDF funding.

Figure 7 shows that the 1st call ERDF allocations per type of operation are in line with the CIP figures (RFO: 50-80% of funding; IP: 10-30%; N: 10-20%) in the NZ and EZ, whilst in the SZ and WZ allocations to RFOs (respectively 26% and 42% of approved ERDF funding) are significantly below the CIP ceilings (and allocations to IP / N above the CIP ceilings). As mentioned above, for the SZ these findings can be explained by the later start of TA activities in the SZ, and it is anticipated that the 2nd call will re-establish the balance of operations in line with the CIPs.

Figure 7

North	ERDF approved	% of total ERDF committed in the North zone
North RFO	3,808,000	61.1%
North IP	660,107	10.6%
North N	1,761,030	28.3%
East	ERDF approved	% of total ERDF committed in the East zone
East RFO	5,000,000	61.2%
East IP	2,201,641	26.9%
East N	968,000	11.8%
South	ERDF approved	% of total ERDF committed in the South zone
South RFO	3,141,348	26.0%
South IP	5,010,897	41.5%
South N	3,915,473	32.4%
West	ERDF approved	% of total ERDF committed in the West zone
West RFO	4,189,150	42.7%
West IP	3,717,541	37.9%
West N	1,898,471	19.4%
All zones	ERDF approved	% of total ERDF committed in all zones
Total RFO	16,138,498	44.5%
Total IP	11,590,186	32.0%
Total N	8,542,974	23.6%
TOTAL	36,271,657	100.0%

3.2 Appraisal of the likely effectiveness and impact of operations towards their objectives and conclusions towards their cost-effectiveness.

At the present moment, the likely effectiveness and impact of INTERREG IIIC operations can only be appraised on the basis of the project partners' own judgement concerning the intensity of co-operation / innovation of projects, and on the basis of input indicators, i.e. the financial contributions allocated.

The appraisal can not be supported by output, result or impact indicators due to the fact that project activities are only about to start (by October 2003, not all project contracts were signed, and in most cases, RFO-internal projects have not yet been selected). All 16 projects interviewed by the evaluator confirmed that it is too early to address the likely effectiveness and impact of operations in a meaningful way. This is confirmed by the remaining projects which submitted Questionnaire 4.

This section assesses the selected projects' degree of intensity of co-operation and innovation.

Intensity of co-operation: The four Community Initiative programmes use the concept of "Intensity of co-operation" in order to define expected outputs from the three different types of co-operation:

Figure 8

Intensity	Definition	Output
1) Exchange and Dissemination of experience	The exchange of experiences enhances the capacity of the partner involved, but does not lead directly to changes in policy instruments or new projects	New knowledge, ability: learning
2) Transfer of instruments/projects	An instrument/project is transferred from one region to another	New Instrument, project
3) Development of new approaches (separately)	The co-operation results in the development of new approaches that are not only transferred within the operation, but create something new in at least one region involved	Innovative instrument, project
4) Joint development of new approaches	The co-operation results in the joint development of a new instrument or approach. This is done by several regions involved together.	Innovative instrument, project

Applicants are requested to indicate the degree of intensity for their operation (Section 1.5 – Main application format). The 1st round selected applications note the following degree of intensity of co-operation:

Figure 9

Zone	Intensity of co-operation			
	1) Exchange and Dissemination of experience	2) Transfer of instruments/projects	3) Development of new approaches (separately)	4) Joint development of new approaches
NZ	-	3 NW	1 RFO, 1 IP	1 RFO
EZ	1 NW	1 NW, 1 IP	-	1 RFO, 2 IP
SZ	-	-	1 IP	1 RFO, 6 IP, 5 NW
WZ	1 NW	-	-	1 RFO, 4 IP, 2 NW

In general, projects from the SZ and WZ note a high degree of intensity of co-operation whilst operations from the NZ and EZ note a lower or more balanced degree of intensity of co-operation. It is noteworthy that the stated degree of intensity of co-operation is not based on the allocation of financial resources as shown in the following figure (i.e. higher financial resources indicating a higher degree of intensity of co-operation):

Figure 10:

	Intensity of co-operation (average budget per partner)			
	1) Exchange and Dissemination of experience	2) Transfer of instruments/projects	3) Development of new approaches (separately)	4) Joint development of new approaches
NZ	-	76736 - 120165	94781 - 602000	1600000
EZ	34625	93153 – 159278	-	41675 – 1970000
SZ	-	-	128824	46777 - 1415966
WZ	133969	-	-	36379 – 480427

Whilst the intensity of co-operation can only be verified against concrete project outputs, results and impact, first feedback from project partners as well as an analysis of project budgets confirms that the stated intensity of co-operation does not indicate that the same intensity of co-operation will be achieved by all project partners.

It is recommended that projects with budgets showing significant differences between the partners' financial contributions are monitored closely in order to verify whether the anticipated intensity of co-operation is achieved for all partners.

Innovation: At this early stage in the implementation process it is not possible to make any meaningful assumptions on the likely level of innovation of the selected projects. The concept of innovation was discussed with all 16 projects interviewed, and without exception, the innovative character of the projects' content was confirmed, whilst it was noted that there is no experience which can confirm the level of innovation and that related monitoring systems were still in the process of being established.

Task 4 To analyse the quality and adequacy of joint implementation and monitoring arrangements

In the absence of project outputs, results or first impact, the evaluation of programme-level structures is one of the most meaningful tasks under this mid-term evaluation.

The evaluator wishes to make two introductory comments:

Interviews with Member State representatives and discussions at the Paris All-Zones meeting raised the issue of **centralised versus decentralised implementation** of INTERREG IIIC. Considering the complex implementation arrangements, the organisation of implementation in four Zones, and the considerable co-ordination effort required to ensure harmonised implementation across the EU, the question obviously arises, whether it would not be more efficient in terms of time, human and financial resources to implement INTERREG IIIC in a more centralised way e.g. similar to previous successful EU programmes for inter-regional co-operation such as ECOS-Ouverture or RECITE.

The evaluator has addressed this issue during interviews with both programme level structures as well as with project promoters, and feedback shows that the limited experience to date with the decentralised INTERREG IIIC implementation approach does not yet allow for a final verdict on whether the adopted approach is more efficient than previous centralised models.

On the one hand, experience shows that the costs related to decentralised implementation are higher than for centralised implementation – on the other hand, these costs are balanced by a gain in quality of implementation i.e. implementation structures closer to project promoters and quality of technical assistance benefiting from national and regional experience with Structural Funds implementation.

The updating of the mid-term evaluation (according to Regulation 1260/1999 to be completed by 2005) is likely to find sufficient evidence to determine this question by analysing whether the decentralised approach has really resulted in higher quality technical assistance than under previous similar programmes. The evaluator proposes to reflect on this issue throughout the following sections.

A further comment concerns the role of the EC in the programme's establishment. Feedback from programme-level structures suggests that the EC provided only limited support on the application of its Strand C Communication - which also arrived rather late (one year after the general INTERREG III Communication), thus putting considerable time pressure on implementation processes, and resulting in a negative impact on the quality of implementation³². It appears that this was further exacerbated by applying a time schedule and rules to INTERREG IIIC conceived for mainstream SF programmes, which started two years earlier than INTERREG IIIC, e.g. the N+2 rule and the mid term evaluation.

4.1 In each of the four INTERREG IIIC zones, a review of the adequacy and quality of the implementation structures, the clarity of management and implementation responsibilities, and their operations on the ground.

This section compares the programme structures in the four zones, i.e. the MCs, SCs, MAs, PAs and JTS (For a comprehensive overview of all programme-level structures see **Annex 3**). Desk research (based on an analysis of the CIPs and the MC / SC / JTS Rules of Procedures) is supported by Questionnaire 3 and interviews with programme-level structures.

By the start of this mid-term evaluation, programme-level structures have been established in all four zones and are operational. A first analysis of the CIPs shows that the approach towards the programme-level structures is largely uniform across all four zones with only minor differences in the distribution of tasks between the different programme structures - with two notable

³² A more recent example is the EC' delay in responding to the Article 5 Communications.

differences i.e. the joint MSC³³ in the NZ and the establishment of a Trans-national Secretariat in the SZ.

The detailed analysis of programme-level structures in the four zones reveals some further differences between the four zones:

- There are some notable differences in the importance of the JTS vis-a-vis the MAs. In the NZ, the JTS operates in a largely autonomous way with rather limited involvement by the MA in daily programme management. This strongly contrasts with the SZ where the MA is taking a very active role in programme management. The different approaches are closely related to previous experience with the SF and specifically INTERREG II – in the NZ, the JTS builds on previous INTERREG IIC implementation experience, whilst in the SZ, the JTS is new, and the Managing Authority balances this with SF implementation experience under Objective 1.
- The new Member States can be considered fully integrated in the NZ and EZ programme-level structures; this contrasts with the SZ where the two new Member States still remain to be integrated into the programme-level structures (the slow integration of Malta and Cyprus being largely explained by the limited amount of INTERREG IIIC funding for the two countries – INTERREG IIIC can not be considered a priority in the two countries' accession process).
- The CIPs for the NZ, EZ and WZ foresee the participation of regional level authorities in the MCs / SCs – an analysis of the list of members of the different MCs / SCs shows that the integration of regional-level authorities still needs to be completed (Regional-level or local-level authorities for the following countries need to be integrated: Latvia, Belarus, Greece, Luxembourg and all new Member States in the EZ)³⁴. Moreover, the CIPs for some of the zones foresee the participation of NGOs (in the areas of the environment and equal opportunities) and the economic and social partners in the MCs / SCs – an analysis of the list of members of the different MCs / SCs shows that none of the Zones have integrated such representatives.
- Questionnaire 3 has addressed best practice in implementation in the four Zones – an analysis of feedback shows that in all four Zones close co-operation mechanisms have been established between the respective MAs and PAs and the JTS (sometimes achieved very simply through close physical location). In the context of best practice, some Zones also noted the well developed national support structures (e.g. in Finland and Sweden) or the availability of additional national co-financing for approved projects (e.g. in Italy). The Zones also emphasised the close contact to project promoters.
- Two Zones have adopted an innovative approach with regard to INTERREG IIIC implementation i.e. the NZ's Joint MSC and the SZ's Trans-national Secretariat. Establishing a Joint MSC basically recognises the fact that membership of both committees is largely identical – in this context it should be noted that the difference with other zones appears to be limited to the distinct names of the two committees in so far as membership of the two committees in the three other zones is also largely identical. The SZ's Trans-national Secretariat is a "virtual structure" composed of the SZ's six Member States' representatives and allowing for the SZ's other implementation structures to request opinions and information based on the respective Member State's experience with programme implementation under the SF. Note that in the WZ a similar function has been established with the "Supervisory group" (1 representative per Member State, without any decision making powers, in order to prepare and lighten discussions in the MC).

The above differences reflect different national administrative traditions and there is no evidence that the different approaches have any negative impact on overall programme implementation. Experience to date with the NZ's Joint MSC and the SZ's Trans-national Secretariat is considered positive by the concerned actors.

³³ Monitoring and Steering Committee

³⁴ Interviews with representatives from the NZ MSC confirm that some of the new Member States' regional-level representatives do participate "only on paper".

Recommendations include:

- The full integration of Cyprus and Malta in the SZ programme-level structures.
- The full integration of regional-level authorities in all MCs / SCs.
- The full integration of representatives for the areas of the environment and equal opportunities and the economic and social partners in all MCs / SCs. In this context it should be noted that a participation of environmental representatives in the MCs / SCs can contribute when it comes to assessing applications – considering the large number of applications in the area of environment. Note that some Member States (e.g. Germany) involve the economic and social partners as well as representatives for equal opportunities and the environment in the preparatory meetings to the MCs / SCs – this can be considered a pragmatic solution to avoiding too large MCs / SCs. An alternative solution is to invite representatives of EU-level bodies representing the interests of equal opportunities, the environment and the economic and social partners.
- Finally, it is recommended that the EZ, WZ and SZ consider the simplification of implementation structures by joining the Monitoring and Steering Committees following the example of the NZ's Joint MSC.
- Similarly the NZ and EZ might find it useful to establish a virtual trans-national structure allowing for a quick and informal consultation of Member States' opinions on implementation issues – this would allow for a more continuous forum for the exchange of information between Member States than under the current Monitoring and Steering Committees - addressing the concern of some Member States (in the NZ) who have expressed the interest to be more closely involved in the implementation process³⁵.

4.2 For overall implementation structure, appraisal of the co-ordination and co-operation structures, level of involvement of all zones in establishing, implementing and improving the Programme procedures.

This section assesses the overall implementation, co-ordination and co-operation structures and the level of involvement of the four zones. Desk research is supported by Questionnaire 3, which focussed on zone-specific contributions to the implementation of INTERREG IIIC. Note that due to the direct relation between the two tasks, this section integrates task 4.4 "For all zones, a proposal for methods of continuous co-operation with particular view on potential provisions of INTERACT".

The overall implementation, co-ordination and co-operation structures: During the start-up phase of the INTERREG IIIC programme (2001-2003), co-ordination between the four zones was supported with INTERACT funds under the lead of the NZ JTS (Budget Line Strand C Co-ordination: NZ - EURO 2,220,000 (out of which ERDF: EURO 2 million) during 2002-2003; WZ - EURO 1,111,111 (out of which ERDF EURO 1 million)). The funds were used to establish most INTERREG IIIC instruments / tools during the start-up phase (e.g. corporate design, web site, administration database, legal framework, application procedure and documents, assessment procedures, reporting and monitoring documents and procedures). Co-ordination was further supported by holding joint programme-level meetings (e.g. all-Zone Monitoring Committee meetings, and Task Force meetings). As of 2004, co-ordination will continue to be ensured through INTERACT – more specifically each of the four INTERREG IIIC Zones has applied for so-called "INTERACT Points" – each of which will contribute to co-operation between the Zones. On behalf of all four Zones, the NZ has applied for an INTERACT Point to continue with the overall co-ordination between the four Zones "INTERREG IIIC Co-ordination".

- The evaluator strongly recommends a further strengthening of co-ordination between the four zones. The organisation of joint programme-level meetings (e.g. the all-Zones meeting in Paris 18-19 September 2003) allows to exchange information on implementation across the four zones. In this context it should be noted that all-Zone meetings should facilitate a

³⁵E.g. some Member States criticised their limited involvement in the mid-term evaluation, and noted their interest to be more closely involved in programme implementation – the comment reads as follows: "MS must be given the possibility to co-operate on a regular basis, not only the JTS - The programme is a EU15 (EU 25) programme and not a 4 JTS programme!".

genuine exchange of information and discussion on implementation between the programme-level actors and not be limited to the presentation of information without time for discussion (as occurred during the all-Zone meeting in Paris). All-Zone meetings should be organised at least once a year and the four Zones should also continue to organise MCs / SCs at the same time and in central locations to allow for better co-ordination between the Zones.

- Finally, for the future, the access to technical assistance for INTERREG IIIC via INTERACT should be reconsidered. In fact, INTERACT is being used to provide additional funding for INTERREG IIIC technical assistance - this can be achieved in a more straightforward way by making more adequate technical assistance resources available to ensure co-ordination between the four Zones.

Level of involvement of the four zones: Zone-specific contributions to the implementation process can be considered as an indicator for the value added of the INTERREG IIIC decentralised implementation process as compared to the more centralised implementation under previous inter-regional co-operation programmes such as the former ERDF Art. 10 ECOS Ouverture programme, which did not allow for national or regional best practice to influence the implementation process.

Questionnaire 3 addressed the issue of Zone-specific contributions to the implementation process and findings show that Zone-specific contributions largely reflect the availability of dedicated funding under INTERACT i.e. the INTERACT start-up funds for the NZ and WZ. Beyond these INTERACT-supported contributions, the evaluator has found an equally active involvement of all four Zones. Programme-level structures usually answered the issue of Zone-specific contributions by noting the limited experience to date with programme implementation.

4.3 In each zone, an appraisal of the adequacy of resources (Technical Assistance) allocated to supporting implementation in each of the four zones including an appraisal of the cost-effectiveness of work carried out.

This section presents and compares the technical assistance budgets in the four zones (4.3.1) and comments on issues related to the provision of technical assistance in the four zones (4.3.2). This section also reflects on the advantages / disadvantages of the decentralised implementation model.

4.3.1 Technical Assistance Budgets

The analysis is based on the TA budgets included in the four Community Initiative Programmes as well as a detailed technical assistance budget plan for the entire programme period which the evaluator prepared on the basis of information received from the four JTS / MAs.

According to the CIPs, Technical Assistance Budgets represent between 4.76 % and 5.8 % of total INTERREG IIIC funds (i.e. ERDF and national funds) per zone as shown in **Figure 11** below. This is in line with the technical assistance budgets of the other two INTERREG III strands, e.g. the 14 different INTERREG IIIB programmes have technical assistance budgets between 3,4% and 8,2%). The Community Initiatives EQUAL and URBAN also have similar technical assistance allocations³⁶.

³⁶ Technical assistance rates under EQUAL vary between 1% (e.g. Netherlands) and 8% (e.g. Ireland or Denmark). Technical assistance rates under the URBAN II Programmes vary between 2% (e.g. Vienna) and 15% (e.g. Leipzig).

Figure 11: Technical Assistance Budgets³⁷

	North Zone	% ERDF	% of Total Funds - NZ	East Zone	% ERDF	% of Total Funds EZ	South Zone	% ERDF	% of Total Funds SZ	West Zone	% ERDF	% of Total Funds WZ
Rule 11, 2	2,325,100	4.06	4.83	4,185,988	4.50	5.35	9,838,635	4.50	4.50	8,460,900	4.50	5.35
Rule 11, 3	120,000	0.21	0.24	242,788	0.26	0.31	1,093,182	0.50	0.50	714,476	0.38	0.45
Total Budget	2,445,100	4.27	5.08	4,428,776	4.76	5.66	10,931,817	5	5.00	9,175,376	4.88	5.80
Total Funds per Zone	48,090,850			78,254,796			218,636,340			158,212,566		

Before looking at the detailed allocation of funding within the four technical assistance budgets (see **Figure 12** below), a brief explanatory note is required. The technical assistance budgets' presentation or organisation of the budgets in specific budget lines varies considerably between the four Zones, making a comprehensive assessment difficult and limiting analysis to budget positions for which comparable information was provided. The evaluators asked all JTS / MA for uniform budget presentation, however, such information was not obtained due to time constraints. The basis for the comparison between the four technical assistance budgets are the "TA Budget Plans 2002-2008", which have been prepared by the four Zones as an annex for the first annual implementation reports. In order to measure and compare technical assistance, the evaluator relates the technical assistance allocations to the total INTERREG IIIC funds available in each zone (i.e. ERDF and national funds). This relation allows to draw conclusions on the adequacy of technical assistance (financial) resources in relation to the overall workload of the four Zones' implementation structures – assuming that the total INTERREG IIIC funds in each zone constitutes an indicator for overall workload³⁸.

³⁷ Source: Programme Complement - Table 5 Breakdown of TA Budget. Note that the TA Budgets do not include Strand C technical assistance or Border regions technical assistance due to the fact that these do not apply to all zones and therefore hinder comparison.

³⁸ The volume of funds is of course only a first indicator for the technical assistance workload in the four zones and needs to be completed with a more in-depth assessment of resource adequacy at a later stage when more experience with the functioning of the technical assistance is available. Whilst at the launching stage it can be argued that the volume of funds to be managed is not a meaningful indicator because the same structures need to be established in all four zones no matter the volume of funds, as soon as the first call is launched the volume of funds is a useful indicator – considering the time required for assessing different numbers of applications and bringing different numbers of projects on the way.

Figure 12: Technical Assistance Budget³⁹ (Rule 11.2 / 11.3)

Function and Allocation	NZ		EZ		SZ ⁴⁰		WZ	
Measure 1: TA JTS/Experts/Control	Total Budget	%	Total Budget	%	Total Budget	%	Total Budget	%
1.1. JTS	2,545,071	5.29	3,699,787	4.73	3,616,798	1.65	6,780,327	4.29
Staff costs total (incl. salary + social security)	1,303,836	2.71	2,354,209	3.01	2,344,480	1.07	3,972,780	2.51
Overheads (office rent, furniture, materials, maintenance, communication, other costs)	1,221,235 ⁴¹	2.54	293,436	0.37	762,318	0.35	1,364,906	0.86
Training for JTS staff			58,500	0.07			198,187	0.13
Participation of JTS in MC/SC meetings			138,000	0.18				
JTS staff travel and allowances			45,000	0.06	510000	0.23	1,023,547	0.65
JTS Support to the MA / PA, Coordination activities, Management of project applications	20,000 ⁴⁴	0.04	810,642	1.04			220,907	0.14
1.2 External experts - project assessment	150,000	0.31	243,000	0.31	136,800	0.06	337,824	0.21
1.3 Monitoring, Audit, Financial control	50,000	0.10	286,000	0.37				
1.4 Studies			360,000	0.46				
1.5 Other			284,201	0.36	54000	0.02	388,633	0.25
1.6 Reserve			420,000	0.54				
1.7 MA								
Staff costs total (incl. salary + social security costs)					559,000	0.26		
MA staff travel and allowances (per diems)					330,000	0.15		
Legal Employer (Structure Management)							535,121	0.34
Other MA costs					47,229	0.02		
1.8 PA							418,995	0.26
Staff costs total (incl. salary + social security costs)					279,500	0.13		
PA staff travel and allowances					66,000	0.03		
Total Measure 1	2,745,071	5.71	5,292,989	6.76	5,089,327	2.33	8,460,900	5.35
Measure 2: TA other								
2.1 Information activities / events / materials	50,000	0.10	211,020	0.27			250,000	0.16
2.2 Evaluations	50,000	0.10	46,000	0.06			200,000	0.13
2.3 Acquisition/installation PC tools	120,000	0.25	86,950	0.11			200,000	0.13
2.4 Other			21,817	0.03			64,476	0.04
Total Measure 2	220,000	0.46	365,787	0.47	350,000	0.16	714,476	0.45
Total Measure 1 + Total Measure 2	2,965,071	6.17	5,658,776	7.23	5,439,327	2.49	9,175,376	5.80
TOTAL INTERREG IIIC FUNDS	48,090,850		78,254,796		218,636,340		158,212,566	

³⁹ Source: Annual Report TA cost statements for 2002-2008 - Note that due to differences in presentation between the four zones, the following table only presents comparable budget positions - i.e. not all budget positions are shown.

⁴⁰ Budget for 2003-2008 + 1st semester 2009 (constant prices)

⁴¹ Budgeted for IIIC North as a total sum, this includes travel (JTS), investments, rental fees, management overhead, other office running costs

⁴² Included in the staff costs, budget is 1,000 €/year/person

⁴³ Included in the overheads (travel)

⁴⁴ 2004-2008

⁴⁵ Included in the overheads (management oh)

⁴⁶ MA and PA costs are under the budget line Support to the MA and PA

⁴⁷ MA and PA travels and allowances are in budget line Support to the MA and PA

Figure 12 supports the following findings:

- **JTS:** Technical assistance resources allocated to the JTS are difficult to compare because the JTS budgets in the NZ, EZ and WZ integrate the costs related to the MA and PA (and in the case of the WZ, the legal employer costs), whilst the latter are shown separately in the SZ. Having said this, resource for the JTS in the NZ, EZ and WZ account for 4.29% (WZ) to 5.29% (NZ) of total INTERREG IIIC resources. This is in strong contrast with resources allocated to the JTS in the SZ, which accounts for 1.65% of total INTERREG IIIC resources (and just slightly over 2% when adding the MA and PA costs). Findings are even more pronounced when comparing JTS staff costs (including salary and social security costs) across the four Zones, with resources in the SZ accounting for between a third to half of the resources (in %) allocated in the other three Zones. Note that these findings were explained by the SZ PA by the fact that the budget forecast was based on costs incurred during the start up phase which were low due to the late start of the JTS.
- **Training for JTS staff:** The NZ allocates EURO 1,000 per year/person; the EZ allocates a total of EURO 58,000; the WZ allocates EURO 198,187 (note that this also includes recruitment costs, medical checks, lunch vouchers⁴⁸); whilst there is no allocation for staff training in the SZ.
- **External experts:** Allocations for external experts (project selection / JTS quality assessment) account for 0.06% of total funds in the SZ; with the NZ and EZ both allocating 0.31% and the WZ 0.21% of total resources. Note that the SZ is not making use of this budget line to contract external experts for project assessment.
- **MA / PA:** As mentioned above, technical assistance resources allocated to the four Zones' MA / PA are difficult to compare because costs are not identified separately in the NZ and EZ. Total MA / PA costs in the SZ amount to 0.59% of total resources – compared to 0.6% in the WZ (PA and Legal Employer).

Recommendations based on the above findings include:

- *It is strongly recommended that Technical Assistance budgets are presented in a harmonised way across the four Zones to allow the Member States to compare the use of technical assistance resources in the four zones with a view to efficient use of resources.*
- *The evaluator recommends that Member States in the SZ re-consider the technical assistance resources allocated to the JTS in Valencia – resources should be brought to the same level (% in relation to total funds) as in the other three Zones. In this context it should be thoroughly examined whether the lower JTS budget in the SZ is justified by lower staff costs in the SZ (comparing living costs in Valencia with those in Rostock, Lille and Vienna). Training of South Zone staff should be introduced. Finally, the allocation for external experts should be increased (and used during project selection).*

4.3.2 Cost-Effectiveness

Considering the recent start of technical assistance in the four zones (e.g. the JTS for the SZ has only been operational as of the beginning of 2003) it is too early to make a comprehensive assessment of cost effectiveness. Overall, feedback on technical assistance provided by the four JTS has been very positive across all four Zones⁴⁹, and the evaluator therefore limits comments to a series of specific aspects which appear to have influenced effectiveness of technical assistance, and which have raised the justified concerns of project promoters.

⁴⁸ EUR 5.000 per person per year for other personnel costs like training, recruitment (newspaper ads, HR consultants, moving costs), medecine de travail, lunch vouchers (ticket restaurant).

⁴⁹ After the confidential treatment of questionnaires and interview discussions was guaranteed, all interviewed project promoters stated their appreciation of highly experienced and committed technical assistance support – one promoter noted that critical comments should be understood in a spirit of “learning together”.

Implementation delays: Feedback from interviews with project promoters indicates that technical assistance is not always accessible when needed⁵⁰. The demanding implementation time schedule appears to be the main cause for this problem – e.g. the launching of the first round projects (contract signature) is coinciding with the assessment of the second round applications. Delays also affected the launching of contracts - whilst expenses for approved projects were eligible as of the approval date (the date of the respective SC meeting), most projects waited for contract signature before launching project activities⁵¹.

It is crucial that planning for the remaining implementation during 2004-2008 is improved avoiding that the selection of projects and the launching of new contracts coincide, resulting in lower quality technical assistance.

Application format: Many project promoters noted difficulties (partly of a technical nature e.g. printing the application format) with filling out the application format⁵². These problems have been addressed in the context of the second round. Some promoters also noted that the form does not give sufficient space for the detailed description of activities. Moreover, it appears that requirements in the format are not always consistent (with changing contents / terminology between the first and the corrected application format and the progress report format).

The evaluator believes that the format can be improved at least for Regional Framework Operations – the scale of a RFO justifies more space for description than a IP or Network (e.g. with a view to Annex A of the CIP). More attention should be paid to consistency between formats – this will be especially important when it comes to monitoring / providing guidance to projects on the use of indicators.

Official languages: The use of the French language as official language of the SZ (with the three other Zones using English) has caused delays in the implementation process in the SZ – mainly due to time-consuming translation of documents and INTERREG IIIC instruments (i.e. the INTERREG IIIC database or web site applications)⁵³. The evaluator doubts whether the decision to use the French language as the SZ's exclusive official language was taken in the best interests of the programme's beneficiaries. Questionnaires and interviews confirm that project partners in the SZ largely communicate in English amongst each other and incur additional costs in translating documentation into French. The use of the French language can also be considered an obstacle for the full participation of new Member State applicants in SZ projects.

The evaluator recommends to allow for the use of both languages in the SZ, at the very least in the application format and during programme events. This would need to be accompanied by adequate technical assistance resources for the SZ JTS.

Structural Funds advice: Whilst feedback from interviews confirms the excellent quality of technical assistance advice (the presence of different nationalities in the JTS with in-depth understanding of different national contexts is noted positively), there are some gaps with regard to professional advice on specific legal and financial issues related to the SF regulations and their application in the different Member States. E.g. several RFO partners have noted conflicting advice with regard to the issue of selecting "RFO-internal projects" (application of EU state aid and public procurement legislation).

⁵⁰ Project promoters from one Zone noted that at the important time of launching first round projects, the JTS is not available - with an answering machine explaining that staff is involved in the selection procedure of the second call.

⁵¹ Note that some projects had still not signed their contract as late as October 2003, which has caused considerable problems e.g. one promoter noted that in order to obtain bank credits to start activities a contract is required as guarantee/proof.

⁵² One project promoter made a more serious comment (not verified by the evaluator): "In addition, the Budget Form forced us to request the maximum percentage of grant possible by Objective area, when in some case we would have requested slightly less."

⁵³ See SZ Annual Report 2002, page 9: "Particulièrement, l'utilisation d'une langue différente de travail a obligé à dupliquer les efforts car la sensibilité des autres zones face à cette réalité était faible." and "Finalement il faut souligner des problèmes techniques associés à la version électronique du dossier de candidature en français dont quelques domaines étaient impossibles de compléter."

The evaluator recommends that JTS staff undergo training in the application of Structural Funds regulation 1260/1999 and related regulations to interregional co-operation under INTERREG IIIC.

Programme events: The four Zones have organised a series of events for approved projects. Feedback from interviews indicates that such events are very useful, whilst they need to be organised in a more focussed way – allowing for sufficient time to discuss concrete management issues.

Future programme events might consider to organise an exchange of experiences between 1st and 2nd (3rd ...) round projects.

4.4 In each zone, an assessment if transparent, competitive and common procedures and criteria for project selection are in operation including a review to which extent these procedures are applied in the same way in all four zones and an examination of project selection criteria to ensure their quality and application and that they reflect the objectives of the CIP and also incorporate equal opportunities and environmental considerations.

The evaluator has assessed project selection procedures and the used project selection criteria in the four zones (see **Figure 14** below) and concludes that in general terms, common procedures and criteria are in operation, and are applied in the same way in all four zones (including selection criteria in the areas of equal opportunities and environment). However, looking at the details, there are some differences between the four zones, and there is room for improvement of the project selection process.

Transparency of selection procedure: Eligibility and selection criteria are listed in the programme manual and applied accordingly in the course of the project selection procedure. Interviewed project promoters note that the transparency of the selection process is limited because the weighting of project selection criteria is not known beforehand. It is common practice that the weighting of project selection criteria is made available in advance in order to ensure that applicants fully understand the importance of the different criteria. Feedback on the outcome of the quality assessment is particularly important for projects which were not approved in order to allow applicants to prepare improved projects for future rounds. Further concern is noted concerning the “leaking” of information during the selection process – e.g. one interviewed lead partner noted that he was refused information on the outcome of the JTS Quality Assessment whilst one of his project partners was given a copy of the Quality Assessment Summary during the project selection process. The evaluator sees no harm in providing information to applicants during the project selection process, however, if it is decided to make information during the selection process available, a uniform information policy should be adopted with information to be provided only to the lead partner. Further recommendations regarding the selection procedure are listed below (based on findings shown in **Figure 13** below):

- MC/SC minutes should include detailed reasons for differences with JTS assessment – in some cases, the minutes includes no description of a MC/SC discussion. In the absence of clear minutes, the deviations from JTS recommendations might suggest that SC support is provided on grounds of project partners’ nationality and not on the basis of the application’s overall quality. Quality assessment sheets / assessment summaries should identify the name of the assessor.
- SCs should be prepared well in advance ensuring that all concerned SC members participate and conflicts of interest in SCs should be avoided by ensuring that SC members which as a region are involved in a project abstain from voting on “their” projects. Finally, it should be ensured that the experts for the JTS quality assessment and the SC assessment /approval are not identical (as occurred during the selection of 1st round projects).

The SC meetings: Prior to the SC meetings, all members receive the application dossiers including the application format and the JTS eligibility and quality assessment. During the

interviews the evaluator has learned that some Member States prepare for participation in the SC meetings by organising prior national assessment meetings. E.g. in Germany, the national-level MC/SC representative organises a meeting for a German regions ("Deutscher Ausschuss für die Gemeinschaftsinitiative INTERREG IIIC") where all INTERREG IIIC participations from the respective regions are assessed (on the basis of the application dossiers), preparing the grounds on a "common German position" during the SC meetings. This national-level preparatory meeting ensures that the SC representative can take decisions in full knowledge of the regional and sectoral relevance of a German project participation. *It is recommended that other Member States which have no similar preparation mechanisms consider the establishment of SC preparatory meetings involving the relevant regional / local level representatives.*

Figure 13 - Project Selection

	Applications / JTS Eligibility Check	JTS Quality Assessment (Recommended for approval)	SC Assessment	
			Source and Method	Differences from JTS recommendation
North Zone	21 / 18	Method: JTS quality assessment for all eligible projects (2 JTS staff); support by three external experts ⁵⁴ JTS Recommended (5): 1N0005R, 1N0011N, 1N0013R, 1N0014N, 1N0018N,	Source: MSC minutes of meeting of 27/28 March 03 Method: MSC members received JTS assessment on 5 March 03; MSC assessment of each application	<ul style="list-style-type: none"> • “1N0016I approved under conditions: Provide information about activities carried out in previous EU-funded projects. Provide information about activities financed within the fee-based budget of existing network. JTS will negotiate a realistic budget.” • Selection (6): 1N0005R, 1N0011N, 1N0013R, 1N0014N, 1N0018N, 1N0016I
East Zone	27 / 24	Method: JTS quality assessment for all eligible projects (all JTS staff involved); (only) for RFOs – two external experts per project JTS Recommended (7): 1E0002N, 1E0008R, 1E0009R, 1E0013I, 1E0014I, 1E0023N, 1E0027I	Source: SC minutes of meeting of 8 April 03 Method: SC members received JTS assessment on 17 March 03; assessment of each application	<ul style="list-style-type: none"> • Italy supports 1E0010I – the most important partner being Italian - no support by other SC members • Austria supports 1E0021I – Austrian lead partner - no support by other SC members • 1E0008R rejected - supported by Germany⁵⁵ • Selection (6): 1E0002N, 1E0009R, 1E0013I, 1E0014I, 1E0023N, 1E0027I
South Zone	93 / 60	Method: JTS quality assessment for all eligible projects; support by national experts ⁵⁶ JTS Recommended (11): 1S0034N, 1S0040N, 1S0046N, 1S0083N, 1S0024N, 1S0027N, 1S0008I, 1S0003I, 1S0004I, 1S0070I, 1S0049I	Source: SC minutes of meeting of 12-13 June 03 Method: SC members received JTS assessment on 27 May 03; SC assessment of each application	<ul style="list-style-type: none"> • Spain and France support 1S0053R - Spanish lead partner - approved under condition and against JTS recommendation • Spain and Portugal support 1S0017I - Portuguese lead partner - approved under condition and against JTS recommendation • Spain, France and Italy support 1S0063I - Spanish lead partner - approved under condition and against JTS recommendation • Selection (14): 1S0053R, 1S0034N, 1S0040N, 1S0046N, 1S0083N, 1S0024N, 1S0027N, 1S0008I, 1S0003I, 1S0004I, 1S0070I, 1S0017I, 1S0063I, 1S0049I
West Zone	18 / 17	Method: JTS quality assessment for all eligible projects; JTS Recommended (6): 1W0001R, 1W0002I, 1W0005I, 1W00014N, 1W00011I, 1W00016I	Source: SC minutes of meeting of 4 April 03 Method: SC assessment of each application	<ul style="list-style-type: none"> • Belgium supports 1W0004R - lead partner Walloon region - no support by other SC members • UK supports 1W00018I, 1W00013N - UK lead partner - no support by other SC members • UK, Belgium, Netherlands support 1W0008N approved under condition against JTS recommendation • UK, Belgium and Netherlands support 1W00015N approved under condition – despite very low JTS scoring including knock-out criteria • Selection (8): 1W0001R, 1W0002I, 1W0005I, 1W00014N, 1W00011I, 1W00016I, 1W0008N, 1W00015N

⁵⁴ MSC Minutes: “Method: First, expert team and JTS individually studied the applications, afterwards jointly discussed each single application in a 2-days-session at the JTS in Rostock, and jointly agreed on result. Experts were nominated by participating countries of NZ. Experts are not paid, only travel expenses are reimbursed by TA budget NZ.”

⁵⁵ SC Minutes: “The two RFOs submitted by Saxony Anhalt are similar in approach and methodology, so no different assessment can be done. Since RFOs are a new and innovative operation form, of which no experiences with implementation exist to date, the Steering Committee wants to avoid the risk to fund the same methodology twice. The SC wants to see whether this methodology works and also allow for the development and experimentation with other methodologies.”

⁵⁶ See JTS South Recapitulatif de la procedure d’instruction des projets - Methodologie : «Dans cette deuxième phase, les quatre STC ont été assistés par des experts externes indépendants, afin de compléter les compétences requises pour l’évaluation des sujets spécifiques traités par les projets présentés. Mais, par rapport aux autres zones de programmation, le mode d’implication des experts de la zone Sud, s’est avéré le moins efficace. Ce qui, entre autres, doit aussi être attribué à un nombre élevé des projets à examiner dans un temps assez réduit, déterminé par le calendrier des autres zones, qui traitaient un nombre des projets quatre à cinq fois inférieur à celui de la zone Sud. »

Beyond the recommendations mentioned under the preceding paragraphs:

The evaluator strongly recommends that the first (JTS) quality assessment is no longer carried out by JTS staff – this task should be carried out by external independent experts.

Two reasons support this recommendation: (1) JTS staff might be subject to influence due to the fact that they are also involved in providing support to project promoters during the preparation of applications; and (2) The JTS staff are administrators / managers and do not have sufficient sectoral and regional development expertise to ensure adequate quality assessment and make a sound judgement on the projects' sectoral and regional relevance - especially when considering the vast range of topics covered under INTERREG IIIC, and the growing number of high-quality applications. For these two reasons, project assessment (apart from carrying out the formal eligibility check and organising the assessment process) was not a secretariat task under previous EU Programmes for interregional co-operation and is not usually a secretariat task under other EU programmes.

The evaluator stresses that this comment is not meant to belittle the qualifications of the JTS – the JTS should continue to be in charge of organising the first quality assessment, however, the assessment itself should be carried out by independent experts.

Inspiration for an improved assessment procedure can be drawn from the highly professional assessment procedures established under the EC's LIFE Programme. Assessment could be organised by sectors (following the organisation of the assessment process in the SZ where applications were grouped by sector) and independent evaluation experts could be nominated by the different Member States' specialised sectoral administrations.

Note in this context that the availability of in-depth sectoral and regional expertise during the first quality assessment gains importance when considering that the SC members taking the final decision on project selection are usually administrators and not sectoral experts (and in the best case regional development experts).

Task 4.5 A review of control mechanisms and control and audit arrangements being in place for implementing the requirements for audit of 5% of the programme.

This task is based on the analysis of the four Article 5 Communications. The evaluators have found the documentation established by the four Zones to comply with Regulation 438/2001. Considering that the control and audit arrangements are currently being established, and have not been applied yet, there is no basis for commenting on their adequacy.

Task 5 Community added value

A preliminary judgement is provided on whether the programme has created the conditions for sustained inter-regional co-operation in the EU. This task was carried out on the basis of an analysis of questionnaires / interviews with programme- and project-level structures.

Our analysis was carried out first at strategic level, assessing the value added of INTERREG IIC and the potential to achieve sustainable inter-regional co-operation, followed by a list of concluding recommendations related to the relevance/consistency of objectives and the effectiveness of operations.

The consistency of INTERREG IIC objectives with SF priorities and policies has already been described in this report (see **Annex 2 – Table 2**). **At strategic level** INTERREG IIC can contribute to sustainable inter-regional co-operation in a number of ways:

- In the field of **employment**, INTERREG IIC can contribute to the delivery of policies and to strengthen the institutional capacity through operations that address social inclusion issues, adaptability, entrepreneurship, life-long learning and equal opportunities. SF Guidelines call for effective implementation including the regional/local level, stressing efficient and effective operational services;
- In the field of **sustainable development and the environment**, inter-regional co-operation can contribute to better integration of economic, social and environmental dimensions of sustainable regional development. Many regions have already moved towards a more sustainable path in their SF programming. Inter-regional co-operation will help spread this experience and promote best practices;
- In the field of **Research and Development (R&D)**, SF programmes have already adopted a more strategic approach to the promotion of innovation and R&D at the regional level. Inter-regional co-operation can take the experience gained via existing innovative actions programmes and expand it to other regions. More specifically, the type of co-operation set up to provide systematic exchange of experience between regions is exactly what INTERREG IIC can build on and expand;
- In the field of **enterprise development**, the EC identifies innovation and entrepreneurship as key drivers of European competitiveness. INTERREG IIC can contribute to sustainable inter-regional co-operation in this field, focusing on operations that address common weaknesses identified in the business sector at European level, like insufficient innovative activity and weak diffusion of information and communication technologies, and providing joint solutions to these;
- In the field of **urban and rural development**, INTERREG IIC can contribute to sustainable inter-regional co-operation through its inclusive and bottom-up approach, addressing common issues facing rural and urban areas in Europe.

At the level of operations there is evidence of **high potential for inter-regional co-operation** under SF themes, approved operations correspond to one or more SF policies. Indeed, INTERREG IIC operations can contribute to **sustainable inter-regional co-operation** in the following ways:

- Compatibility between SF priorities and INTERREG IIC co-operation topics enable regions to learn from each other new ways of using SF. Partnerships developed for the exchange of know-how and experience develop links for the future as experiences **are not “static”**. In addition to the transfer of “dynamic” experiences, the **joint** development of new methods/tools for regional development can guarantee the sustainability of partnerships and the evolution of operations into long-lasting co-operation;
- **Dissemination** is a component in practically all approved operations. It is a proof of the value assigned to sustainability of the proposed co-operation;
- The principle of **“solidarity”** is inherent in the programme, as it aims to involve peripheral as well as less developed regions and promote their close co-operation with more developed/experienced regions to achieve the aim of “transferring instruments/policies” and “learning from each other”;

- Generally, approved operations assign **responsibilities to all partners**, either for a specific component or for leading a working group, etc. This helps build strong, sustainable partnerships;
- Some operations include “sustainability” as one of their main objectives.

The value added of INTERREG IIIC stems from its bottom-up, strategic character and potential to expand throughout Europe the individual SF interventions. The **value added of working at trans-national level** can be described in more detail:

- Learning from each other's knowledge and experience through the development of **joint approaches/instruments/tools**;
- The programme goes beyond the transfer of experience into a **more concrete co-operation sphere** where the development of instruments/policies/methods is the responsibility of the partnership, not of individual partners who simply exchange final products;
- The **co-ordination of common issues** facing certain sectors at European level;
- The comparison of different policies and programmes in different regions and the **contribution of regions to the development of policies** at European level is fundamental for the legitimacy of such policies;
- Introducing a **programming framework** into inter-regional co-operation, also when enlargement is taken into account, is indispensable for the development of “good” projects. EU regions have sufficient experience that points to the merits of a programming framework, while new Member States have also acquired some experience through their Phare programmes. Most approved operations recognise the programming framework as **more appropriate**, which is consistent with the Commission's wish to “favour structured, coherent inter-regional co-operation, rather than a series of one-off projects”.

Although it is too early to assess what experience has been transferred so far and how this confirms the potential for sustainable inter-regional co-operation, it is widely recognised that the “**EU label**” **increases commitment** of partners and creates the conditions for attracting more partners. It is often stated that the amount of funding available would not have raised much interest if it was not offered under the “EU label”.

At strategic level, therefore, the programme demonstrates value added and offers strong potential for sustained inter-regional co-operation.

Recommendations:

- In order to guarantee the potential contribution of the programme to sustainable inter-regional co-operation, the involvement of relevant public sector actors, the participation of peripheral regions and an active role for new Member States should be sought more explicitly. *It is therefore recommended that, in line with the INTERREG IIIC strategic objectives, the necessary amendments/improvements should take place as recommended under task 1;*
- *To ensure effectiveness of operations and contribute to the sustainability of co-operation, the recommendations at operation level presented in previous sections for improving the effectiveness of the different types of operations, including the provision made for border regions, should be taken forward;*
- *Critical success factors for the effectiveness of the programme include:*
 - *Demonstrated experience, commitment and responsibility of those involved;*
 - *Multi-sectoral representation in operations;*
 - *Consistency and relevance between needs, objectives and actions;*
 - *Joint working at all levels (programme and project);*
- *Programme management structures should continue providing the necessary information and incentives to ensure high quality applications and outputs.*

Finally we may comment that encouraging a strategic and programmed approach is the element of IIC that distinguishes it from the other strands and adds value to existing initiatives and mainstream programmes. Approved projects contain the necessary elements for a more programmed approach. It remains to be seen to what extent weaknesses identified in this report and suggestions for improvement will be taken into account during project implementation and the design of subsequent calls.

Annex 1

Table 1 – Needs for interregional cooperation (Task 1.1)	
Key needs for interregional cooperation	Innovative elements of the Interreg IIC approach
To enhance regional development and better develop policies and projects to overcome problems and exploit potentials.	1. The programme promotes the exchange of experiences between different regions of the enlarged EU, as well as with third countries (eg, networks). This is particularly useful for new Member States who will benefit from access to experience of their EU counterparts in preparing their structures and procedures for participating as an equal player beyond 2004;
	2. The programme does not merely offer the opportunity to gain access to the experience of others but it promotes genuine co-operation through, for example, co-operation in the realisation of a concrete pilot project (eg, ICPs). The requirements set out in the programme documents ensure that individual co-operation projects will only be selected if they promote genuine co-operation. In this way, the programme is more likely to improve regional policies and instruments;
	3. By supporting the development of “mini-programmes” (RFOs), the programme integrates co-operation into a self-standing strategic framework, which forms the basis for the realisation of projects among a group of regions. This is a fundamental difference from other interregional co-operation initiatives and programmes and should contribute to the development of interregional strategies structured around common objectives and outputs.
To boost European policies by added value through expanding the effects from individual Structural Funds interventions to different regions across Europe.	4. It offers the opportunity to cities, regions and other public authorities or equivalent bodies to co-operate and learn from each other regardless of geographic proximity;
	5. The opportunity to deepen/enlarge existing partnerships further contributes to multiplier effects.
	6. The programme is not only demand driven, but is also used to “drive” regional policy.

Table 2 - Interreg IIC and Structural Funds: Evidence of consistency (Task 1.1 and 1.3)

Examples of projects from the 1st round of applications offer concrete evidence of consistency between Interreg IIC objectives and the needs for inter-regional cooperation as specified by the Structural Funds guidelines.

Priorities/Policies	Specific aspect of the guidelines relevant for inter-regional cooperation	Potential for exchange of experience	Examples of IIC operations
Employment and human capital investment	Enhance cooperation with between the social re-integration services and the employment services. Promote occupational and geographical mobility	<ul style="list-style-type: none"> - Labour market policies; - Social inclusion; - Entrepreneurship, adaptability, mobility; - Equal opportunities; - Life long learning. 	W.IN.NET (N) Hanse Passage (W) Industrial Dev/pmnt (S) New EPOC (W) Formation Profes. (S) ICN (W)
Sustainable development	Achieve better integration of the economic, social and environmental dimensions of sustainable regional development.	<ul style="list-style-type: none"> - Impact of human activity on land use and emissions, biodiversity; - Impact of tourism on natural habitat; - Investment in eco-tourism, leading to economic development and environmental improvements; - Spatial development. 	Oleotourismo (S) Village Tourism (S) Aap2020 (E) Ecoland (E) EcoTourism (E) GEOPARKS (S) Industrial change (W) Eurosat (N) InterMetrex (W) AQUAREG (N)
Risk prevention	Natural disasters, ecological disasters.	<ul style="list-style-type: none"> - Members states should boost and coordinate their measures. 	
Environment	Natura 2000 Network. Water Framework Directive.	<ul style="list-style-type: none"> - Integrated management; - Site protection. 	RECORE (W) ECOSIND (S)
R&D	"Innovative actions", in the fields of R&D, the information society and sustainable development.	<ul style="list-style-type: none"> - Strategies developed by regional partnerships to boost competitiveness; - Access experience gained via the existing innovative actions programmes; - Examine how good practices could be incorporated into the mainstream; - Examine how this type of cooperation could be extended to regions in the future MS; 	LUCI (S) STIMENT (N) STRATING (W)

		<ul style="list-style-type: none"> - Establish local, tailor-made research and innovation policy taking into account the variety of regional situations; - Re-examining the role of each of the players (including public and private actors), establishing synergies and taking advantage of complementarities among European, national and regional instruments. 	
Enterprise policy	Small business needs. Promotion of entrepreneurship. Boost innovation, SMEs and industrial and regional competitiveness.	<ul style="list-style-type: none"> - Better understanding of needs; - How to encourage entrepreneurial activity and tackle barriers to business creation and growth; - Experiences in setting out relevant policy measures at different levels; - How to facilitate the emergence of regional or local "clusters" and of innovative production networks; - Ensure synergy between public authorities, users, regulatory authorities, industry, consumers and poles of excellence. 	TouriSME (E) EURBEST (W) STRATING (W) Dynamiques Territ. (S)
Trans-European energy networks	Construction and/or strengthening of cross-border connections between national networks	<ul style="list-style-type: none"> - Experiences from priority projects. 	
Transport policy	Trans-European transport networks. Secondary networks and connections. Coordination of Community sources of financing. Urban transport.	<ul style="list-style-type: none"> - Effectiveness and coordination of the different Community sources of financing; - Explore feasibility of new legal and financial instruments to encourage public-private partnerships; - How to reduce harmful effects of urban transport; - How to promote alternative forms of energy. 	
Rural Development	Sustainable agricultural sector Strengthening rural development Protection of biodiversity	<ul style="list-style-type: none"> - Rural development in deprived rural areas; - Experiences from rural areas on certain rural activities that promote regional development; - Rural tourism. 	REPS (S) IAREE (N) VINTUR (S) Culinary Heritage (N) Tourisme de Village (S)
Other policies (not described in detail in the SF Guidelines)			
Urban development			Coronas Metrop.(S) LUCI (S) CEEC-LOGON (E) New EPOC (W)

			RIVERLINKS (S)
Cultural Heritage			Villes Cinemas (S) EUROTRAD (S)
Development of Peripheral regions			GEDERI (S)
Governance			Marema (E)

Table 3 – Objectives and relevance (Task 1.1)

Key objectives of the programme	Feasibility/relevance of objectives
a) Accessing experience of others	<ul style="list-style-type: none">- Most straightforward and fundamental objective;- A precondition for any project and easily attainable;- Particularly relevant for new Member States who are ready for and need access to EU experience in view of accession.
b) Expanding the effects of Structural Funds and disseminating experience regionally	<ul style="list-style-type: none">- The requirement to demonstrate previous SF experience makes this objective feasible;- Feasibility will further depend on the quality of partnership and the quality of proposed results;- Relevant for new Member States as it gives them the opportunity to develop new regional structures taking into account the experience of experienced (in Structural Funds) Member States.
c) Improving the delivery of existing programmes with the introduction of new methods and approaches or improvements of existing ones	<ul style="list-style-type: none">- Approved operations support this objective;- Due to late start of operations, it is difficult to assess at this stage the degree to which new methods and approaches will be introduced.
d) Improving policies with changes in political and institutional structures related to regional policy	<ul style="list-style-type: none">- Relevant for all participating regions;- Still too early to assess the real changes to policies and/or instruments;- More relevant for individual co-operation projects or RFOs, but there are early indications that networks can also in the long term contribute to this;- The issue still remains on whether changes in political and institutional structures can be a realistic objective of this programme or whether such changes can only be a long-term objective that goes beyond the financial and administrative capacity of this programme.

Table 4 – Inclusion potential of the programme (Task 1.1)	
Objectives related to cooperation	Evidence of their inclusion potential
Cooperation of as many European regions as possible	The operations approved so far confirm that this objective is being fulfilled. However, although inclusion of European regions is an objective, maximising the number of partners is not – and should not be – the key aim of the programme, as it may lead to unmanageable operations. It was assessed as positive that the required high degree of intensity of co-operation (with the exception of networks) naturally limits the number of partners.
Cooperation with peripheral ¹ regions	<ul style="list-style-type: none"> - Approved operations are at a very early stage to show the extent to which this objective is fulfilled; - Initial assessment suggests that the efficiency of operations in peripheral or border regions will also be determined by the existence of a sufficient number of experienced partners and by the intensity of co-operation.
Cooperation with new Member States	<p>Co-operation of border regions of the EU with new Member States is clearly an objective of the programme. However, there are some weaknesses:</p> <ul style="list-style-type: none"> - lack of co-ordination between INTERREG and other programmes in new Member States (Phare, MEDA), may be resolved now that new Member States can access ERDF funds; - need for a consolidated view on all existing programmes and funding in new Member States and thirds countries; - low quality of applications with the border regions topic revealed the need for more awareness raising events and better information provision on this topic in border regions; - confusion on how to treat border regions operations topic: it resembles more a “type” of operation, in particular, a special type of network or individual co-operation. In reality, “border regions” is neither a topic nor a type of cooperation, but a special priority that was added to the programme in a practically uncomplicated manner (no extra programme management structures had to be established) to take account of the special issues facing border regions, especially the effects of enlargement; - Opportunities for third countries to participate more actively in the programme should be explored fully, for example as functional partners.

¹ Any peripheral regions, including outermost regions.

Table 5 – Types of operations: Positive features and concerns (Task 1.2)

Positive features	Issues/concerns
NETWORKS	
<ul style="list-style-type: none"> • Network operations allow for a very high number of partners and focus on large scale information exchange; • Ample experience amongst EU regions from networks from other programmes; • Easy to manage as they require the lowest intensity of co-operation, with exchange of dissemination and experience leading to outputs related to new knowledge, ability and learning; • Applicants to network operations have not encountered any difficulties so far (36% of networks questioned); • The bottom-up character gives flexibility in meeting the real needs of potential beneficiaries and has contributed to the mobilisation of partners at regional level; • Appropriate type of cooperation for partners that seek interregional exchange on a specific issue or for existing regional networks that need to develop links to European level networks; • Does not require significant capacity building; • Offer a starting point for inter-regional cooperation that may lead to more concrete cooperation in the future (eg, ICPs or RFOs); • Added value can stem from the combination of their bottom-up approach and the participation of new Member States; 	<ul style="list-style-type: none"> • Even though networks allow for a very high number of partners, the quality and relevance of partners should be ensured so as avoid the creation of unmanageably large networks. Geographic proximity may not be an issue, but the common experience and similar regional development problems must be stressed; • Although networks finance actions related to seminars, study trips and exchanges, these actions should contain some innovative elements so as to offer some value added and not be seen as producing again the same outputs as in previous programmes; • There may be some overlap with other programmes, like for example URBACT; • Other issues that require careful examination in the selection stage is the sustainability of proposed networks and the extension of existing networks to include partners that may not be so relevant; • The relatively large number of partners involved in networks may lead to delays as various barriers (different administrative and legislative structures, different languages and cultures) need time to be overcome (one example is IntereMetrex network from the West zone with 32 partners); • Networks may not produce visible and concrete outputs (eg, infrastructure, equipment) and may be hard to “sell” or to obtain support from socio-economic actors in the areas concerned. In this sense, it may be hard to find additional partners, as many public authorities are interested in more concrete activities/outputs;
INDIVIDUAL COOPERATION PROJECTS (ICPs)	
<ul style="list-style-type: none"> • Innovative element of INTERREG IIIC with respect to the 	<ul style="list-style-type: none"> • Some partners interviewed in ICP operations seem to be rather influenced by previous co-

<p>required level of intensity (at least intensity level 2). This is a key difference from previous programmes where partners worked in relative isolation and then brought together their results into a common output;</p> <ul style="list-style-type: none"> • Potential to produce a real product (not mere cooperation) to contribute to efficient regional policy and development; • A significant sample of ICPs that were questioned have not encountered any difficulties in applying for this type of operation (27%); • The existence of previous knowledge and a clear project idea has facilitated the development of good applications; 	<p>operation projects where each partner develops his own product and then adjusts it to a “common” output. The lead partner should have a demonstrated competence to manage the ICP in a way that common approaches/projects/instruments are developed through a genuine co-operation process. Regions should not “copy” each others’ projects/instruments, instead they must “transfer” experience or “jointly” develop new instruments/approaches;</p> <ul style="list-style-type: none"> • The number of partners in ICPs is more limited than that of networks, but there are some ICPs with too many partners (for example, Aap2020, East zone with 27 partners, EURBEST, West zone with 28 partners, Industrial Change Network, West zone with 22 partners). The issue here may not be the number of partners but the experience and relevance of them. The lead partner must possess strong management experience and good co-ordination capacity, while other partners should preferably be decision-makers; • Although in the official documentation there is not reference to a maximum number of partners, the number of partners can be an issue where it limits the possibilities for producing concrete results. For instance if the project envisages many trips, meetings, etc, a large proportion of the budget will be spent on those actions if there are many partners participating, at the expense of other, more strategic/productive actions; • The capacity to co-finance may also limit the effectiveness of operations, for example, ICPs with a proportionately high number of accession/third country participation that do not provide co-finance; • A common issue in non-approved ICP applications was that the inter-regional aspect was missing or not sufficiently taken into account.
<p>REGIONAL FRAMEWORK OPERATIONS (RFOs)</p>	
<ul style="list-style-type: none"> • Most innovative operation of INTERREG IIC and are designed with significant potential for regional development; • Innovative elements include flexibility and independence to create a “mini programme” that by-pass the national level; • Can lead to empowerment of regions in shaping regional policies with a bottom-up approach; 	<ul style="list-style-type: none"> • Very difficult to assess at this early implementation stage the effectiveness of RFOs, but close monitoring of this type of operation is highly recommended due to: <ul style="list-style-type: none"> - innovative character; - high level of discretion on how to spend the funds handed to the regions; - little external evaluation and much reliance on auditors appointed by the regions themselves (compared to mainstream Structural Funds); • Highly complex and difficult to manage. Require very competent lead partners and carefully designed management procedures. Emphasis should be given on setting up the appropriate management structures and procedures (including project selection criteria and

<ul style="list-style-type: none"> • First time where interregional co-operation will expand beyond projects into a self-standing strategic framework; • Well designed to meet the programme objectives; • RFOs approved so far comprise lead –and other-partners with competent staff; • Imply stable and concrete institutional cooperation at European level; • Although cultural and administrative differences between regions can constitute a barrier (see next column on issues/concerns), at the same time they constitute an opportunity for inter-regional cooperation to harmonise processes and converge policies; • Close institutional cooperation, inherent in RFOs, can contribute to increased confidence and promote cooperation between departments that had never worked together before; • May lead to increased capacity through the transfer of experience from one region to another (this is true for networks and ICPs too, but RFOs involve more concrete exchange actions in a programming context); 	<p>procedures);</p> <ul style="list-style-type: none"> • Require a long time for strategy development (approved RFOs took on average one year for strategy development and team building), while calls for RFO projects are not expected before January 2004; • A reasonable relation must be established between budget allocation for management and funding for sub-projects (i.e. no excessive weight to management of the RFO at the expense of sub-projects); • Given the innovative character of RFOs, their complex nature and the limited experience from such a type of operation, RFOs with a large number of partners may prove hard to manage efficiently (eg, West zone RFO, Hanse Passage, with 15 partners); • Difficult to focus on a specific topic. Interviews with management structures raise doubts about the appropriateness of specifying topics for RFOs (4 out of a total of 5 RFOs have chosen the topic “other”); • May be an ambitious operation to develop and manage in some regions, especially in regions with little experience. Overall the number of approved RFOs is very low, only 5 out of a total of 34 approved operations. Non-approved RFOs show weaknesses with the description of the partnership and the project description; • The NUTS 2 rule has been a problem in some countries whose administrative structure does not correspond to NUTS 2; • Differences in cultures and administrative structures can be a barrier both between and within regions (for example, in Spain there are differences even within regions); • Financial flows for RFOs include two options. Implementation should examine which system is more easily manageable (simpler procedures, less “bureaucratic”, no excessive reporting requirements at the expense of implementation of actions).
BORDER REGIONS OPERATIONS	
<ul style="list-style-type: none"> • Can facilitate co-operation between EU border regions and new Member States and strengthen economic competitiveness in the regions concerned; 	<ul style="list-style-type: none"> • Contradicts the structure of the programme that has no particular geographical focus and causes confusion as it is neither a type nor a topic of cooperation; • Difficulties in finding appropriate partners;

- | | |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none">• Financial constraints where accession/third countries do not offer co-finance;• Difficulties to consolidate INTERREG IIC with other programmes in new Member States (eg, Phare);• Human resource and capacity problems in neighbouring new Member States;• Administrative and institutional differences or weakly developed institutions. |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Table 6 – Current status (1st round) of approved operations by topic (Task 1.3)		
Topic	No of approved operations	In % of total
Objective 1/2	8	23.5%
INTERREG	6	17.6%
Urban development	2	5.9%
Innovative Actions	0	0%
Other	18	52.9%
Total	34	100%

Table 7 – Recommendations on topics definitions (Task 1.3)				
	Topic	Aims	Experience required ²	Indicative Actions?
a)	Objective 1&2	Address the limited opportunities to exchange information and experience from Objective 1 and 2 programmes with other regions in Europe.	Lead partners (preferably other partners too) would have demonstrated experience from activities supported under Objective 1 and 2 programmes.	Exchange of experience. Dissemination of results from Interreg A or B projects. Direct cooperation between public authorities or equivalent bodies across Europe on the types of projects supported under Objective 1 and 2 programmes. Develop new solutions to problems identified under Objective 1 and 2 projects.
b)	INTERREG	Enable exchanges of experience and networking among border areas (Interreg Strand A) and among transnational areas (Interreg Strand B).	Lead partners (preferably other partners too) would have demonstrated experience from Interreg A or B (current or previous).	Exchange of experience. Dissemination of results from Objective 1&2 projects. Cooperation on cross-border and transnational activities, where a wider degree of cooperation would be beneficial. Implementation dimension of Interreg programmes (eg, networking among several secretariats to examine procedures and operational structures). Develop new solutions to problems identified under other Interreg projects.
c)	Urban development	Wider cooperation related to urban development in addition to the URBAN Initiative.	<i>(Guidelines do not state experience as a requirement)</i> Lead partners (preferably other partners too) would have demonstrated experience from Structural Funds programmes/initiatives related to urban development.	Dissemination of project ideas and results from URBAN projects. Dissemination of project ideas and results from other urban development projects. Dissemination of urban development practices. Concrete exchange of experience. Bets practice ideas concerning implementation of urban development. Develop joint solutions to common urban development

² Basic principle of Interreg IIIC is to “link and promote exchange of experience and best practice”. Partner experience should therefore be clearly demonstrated.

				problems.
d)	Regional Innovative Actions	Promote cooperation under the 3 priorities of innovative actions for 2000-2006.	Regions applying must already have an Innovative Actions programme and build on its contents.	Transfer and implement successful project ideas to other regions. No networking actions (already supported through "regional innovative actions" programme and through "promotion of innovation and encouragement of SME participation" programme).
e)	Other subjects	Promote cooperation under other subjects appropriate for interregional cooperation (not covered under a, b, c or d).	<i>(Not specified in guidelines).</i> Lead partners (preferably other partners too) would have demonstrated experience from projects/initiatives under the chosen subject.	<u>Joint solutions/approaches to issues related to:</u> Maritime and coastal cooperation. Spatial planning issues. Cooperation on insular and ultra-peripheral issues. Natural or man-made catastrophes. Alleviating economic effects of handicaps such as low population density and mountainous conditions. R&D. Technological development and SMEs. The information society. Tourism. Culture. Employment. Entrepreneurship. The environment. Others (included in the Structural Funds Revised Indicative Guidelines, COM(2003), 499).

Annex 2

Table 1 –Proposed quantification of Interreg IIIC objectives (Task 2.2)		
Strategic objectives	Key evaluation questions ¹	Indicative Indicators
a) Accessing experience of others	<ul style="list-style-type: none"> - What types of partners participate in Interreg IIIC? What difficulties were encountered in forming partnerships and how were they solved? - Assessment of common problems facing participating regions; - How relevant are the partners with the chosen type/topic of cooperation? - What is the degree of cooperation between partners? - What is the capacity of the programme to reach peripheral and less developed regions? - What is the intensity of cooperation to achieve this objective? 	<ul style="list-style-type: none"> - Number of regional and other public authorities participating; - Number of partners sharing common issues/problems; - Number of partners with experience from the same programme/initiative; - Number of partners from new Member States (NMS); - Percentage of partners with experience in the proposed type or topic of cooperation; - Percentage of partners with informal contracts, cooperation agreements, other; - Number of degree of involvement of peripheral and less developed regions; - Minimum Intensity 1 achieved;
b) Expanding the effects of Structural Funds and disseminating experience regionally	<ul style="list-style-type: none"> - Assess whether partners have previous SF experience; - What is the quality of partnership and of the proposed results; - Do new Member States share similar problems with current Member States (MS)? - Assess how new Member States can learn from MS; - What is the intensity of cooperation to achieve this objective? - 	<ul style="list-style-type: none"> - Number of partners with experience (SF, management, coordination); - Number of projects that disseminate existing best practices / SF experience; - Quality of results; Relation of results to SF experience; - Number of NMSs partners sharing common issues/problems with EU partners; - Number of approved operations that involve NMS; - Percentage of NMS partners in approved operations; - Percentage of NMS partners having specific responsibilities for project implementation; - Minimum Intensity 1 achieved;

¹ Takes into account enlargement

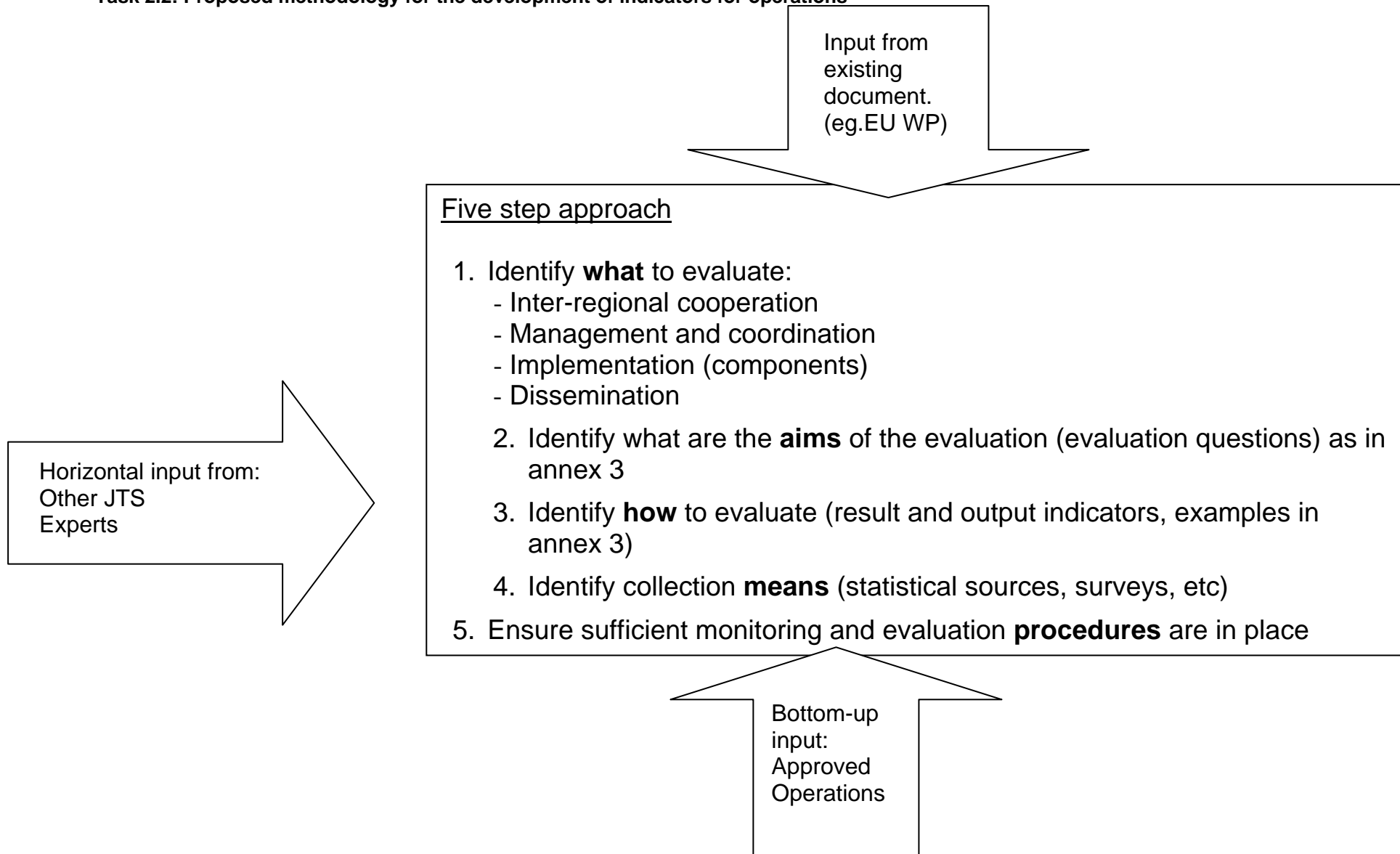
<p>c) Improving the delivery of existing programmes with the introduction of new methods and approaches or improvements of existing ones</p>	<ul style="list-style-type: none"> - What new methods and approaches are introduced? What methods/approaches are improved? - Do they reflect regional development needs? - Are they equally shared between partners? - Can they be easily disseminated? - What is the intensity of cooperation to achieve this objective? - 	<ul style="list-style-type: none"> - Number of operations that introduce new methods/approaches; - Number of operations that improve existing methods; - Minimum intensity 2 achieved;
<p>d) Improving policies with changes in political and institutional structures related to regional policy</p>	<ul style="list-style-type: none"> - How have political and institutional structures changed? - Have changes led to improved regional policies? - What institutional changes have been introduced in new Member States? - How have regional policies in new Member States changed/improved? - To what extent regional policies in new Member States converge to those in MS? - What is the intensity of cooperation to achieve this objective? - 	<ul style="list-style-type: none"> - Number of policy instruments/programmes that get re-adjusted/re-oriented; - Number of new policy instruments introduced; - Degree of acceptance/endorsement of changes by regional (or equivalent) authorities; - Number and type of institutions developed in NMS; - Degree of endorsement of policies/instruments in NMS; - Existence of common approaches in regional policies in EU and NMS; - Minimum intensity 3 achieved;

Table 2 – Proposed indicators for Interreg IIIC operations (Task 2.2) ²			
Type of Indicator	Purpose/Definition	Measurement (indicative list of choices)	
		Output indicators	Result indicators
Inter-regional cooperation	To measure the relevance, quality and intensity of inter-regional cooperation (common to all types/topics)	<ul style="list-style-type: none"> - Numbers of: EU partners, NMS partners, third country partners; - Percentage of partners with relevant experience; - Percentage of projects that introduce new instruments/approaches and/or bring about policy changes; - Intensity of cooperation (at least 1 for networks, at least 2 for ICPs and RFOs): percentage of operations that produce new knowledge; percentage of operations that produce new instruments/projects; percentage of operations that produce innovative instruments/projects; percentage of projects that produce any of the above jointly; 	<ul style="list-style-type: none"> - Increased contacts at inter-regional level; - Increased number of actors involved as a result of IIIC operations; - Increased participation of NMS; - Increased participation in regional policy making; - Increased coherence of regional policies; - Increased intensity of cooperation (compared to situation prior to the programme);
Management and Coordination	To measure the effectiveness, efficiency and quality of management and coordination arrangements and processes (common to all types/topics).	<ul style="list-style-type: none"> - Numbers of: Steering Committee meetings, partners involved, audit reports produced; - Frequency of: coordination meetings, exchanges of info between partners, communication processes, evaluation reports, contacts with JTS; - Percentage of financial execution of the operation; - Creation of management structures for RFOs; - Human resource intensity for management and coordination in relation to budget of the operation; 	<ul style="list-style-type: none"> - Positive audit and evaluation reports; - Quick problem resolution; - Smooth communication procedures; - Clarity of coordination processes and communication procedures; - Consistency with timetable and budget; - Conformity with work plan; - Smooth approval of periodic reports; - Quality of contacts with programme level structures; - Increased contribution of NMS partners to project management;

² Suggestions for indicators in the programme complements should also be taken into account.

<p>Implementa- tion of Components</p>	<p>To measure whether the specific objectives of the operation are achieved. To assess effectiveness/efficiency of implementation</p>	<ul style="list-style-type: none"> - Number and frequency of partner meetings/seminars/exchanges; - Number of actors/other target group that benefited from the operation (specify for NMS, third countries); - Number of regions that benefited from the operation (specify for NMS, third countries); - Percentage of objectives achieved; - Number and quality of indicators per specific operational objective; - Number of new tools/instruments/approaches/policies; - Percentage of budget spent within agreed timetable; - Overall absorption rate of the operation; - Financial indicators as defined in the programme complements; - Number and quality of indicators that address horizontal themes; 	<ul style="list-style-type: none"> - Appraisal of achievement of objectives; - Improvements in existing instruments/processes/policies; - Increased commitment to future cooperation; - Provisions made for sustainability of the operation; - SWOT results on implementation of the operation; - Conformity with the strategic objectives of Interreg IIIC; - Increased capacity to address regional development problems; - Degree of innovation (process, goal and context oriented as described in the programme complements); - Degree of involvement of NMS/third country partners;
<p>Dissemination</p>	<p>To measure the degree of dissemination of results and the potential for sustainable inter-regional cooperation</p>	<ul style="list-style-type: none"> - Number and quality of dissemination activities/events/products/publications; - Number of partners that participate in dissemination events; - Percentage of target group reached; - Number of new cooperation agreements; - Number of partners that continue cooperating beyond the operation; - Number of new actors reached by dissemination; 	<ul style="list-style-type: none"> - Increased commitment of partners to continued cooperation; - Increased interest from regions on inter-regional cooperation;

Task 2.2: Proposed methodology for the development of indicators for operations



Annex 3

The Monitoring Committees¹ (Note differences with the Community Initiative Programmes or MC Rules of Procedures or other deviations from common Monitoring Committee practice in red letters)

	North Zone ²	East Zone	South Zone	West Zone
Composition				
Member States	DK, FI, DE, SE	AT, DE, GR, IT	ES, FR, IT, PT, GB, GR	DE, FR, BE, L, NL, GB, IE
Non Member States	NO, LT, LV, EE, BY	BG, HR, CZ, HU, PL, CS, SK, SI	No	Not applicable
Member State national-level representation	DK, FI, DE, SE	AT, DE, GR, IT	ES, FR, IT, PT, GB, GR	DE, FR, BE, L, NL, GB, IE
Member State regional / local -level representation	DK, FI, DE, SE	AT, DE, IT	ES, F, PT	DE, FR, BE, NL, GB, IE
Non Member State national-level representation	NO, LT, LV, EE, BY	BG, HR, CZ, HU, PL, CS, SK, SI	No	Not applicable
Non Member State regional / local -level representation	NO, LT, EE	No	No	Not applicable
EC, EIB, Managing / Paying Authority, JTS representation (no voting rights)	MA, PA, EC, EIB, JTS	MA, PA, EC, EIB ³ , JTS	MA, PA, EC, EIB⁴	MA, PA, EC, EIB, JTS
Economic and social partners / NGOs	No	No	No	No
Balanced representation of men and women	✓	✓	✓	✓
Environmental representatives	No	No	No	No
Procedures				
Quorum (by national delegation)	6 / 9	8/12	4/6	5/7
Decision taking by consensus	✓	✓	✓	✓

¹ Information is based on the Monitoring Committee Rules of Procedures.

² In the North Zone a Joint Monitoring and Steering Committee was established.

³ Note that the EIB does not participate in MC/SC meetings, however, this is not mentioned in the respective rules of procedure.

⁴ Note that the JTS does participate in MC/SC meetings, however, this is not mentioned in the respective rules of procedure.

The Monitoring Committees (continued)

	North Zone ⁵	East Zone	South Zone	West Zone
Tasks				
Confirm or adjust the programme complement incl. physical and financial indicators	✓	✓	✓	✓
Consider and approve the criteria to be used in the selection of operations	✓	✓	✓	✓
Approve and if necessary adjust the Terms of Reference for Calls for Project Proposals		✓		
If necessary re-orient the project development process to ensure that the strategic objectives are met		✓		
Review progress made towards achieving the specific objectives of the assistance	✓	✓	✓	✓
Examine the results of implementation and the mid-term evaluation	✓	✓	✓	✓
Consider and approve the annual /final implementation reports	✓	✓	✓	✓
Consider and approve any proposal to amend the contents of the EC decision	✓	✓		✓
Propose to the Managing Authority any adjustment / review of the assistance	✓	✓		✓
Publicity and information tasks	✓	✓	✓	✓
Implementation of the technical assistance budget	✓	✓	✓	✓
Approve rules of procedure of the JTS and annual working plan	✓	✓		✓
Set up task forces for agreements, administrative affairs, staff management and audit / controls	✓	✓		✓

⁵ In the North Zone a Joint Monitoring and Steering Committee was established.

The Steering Committees⁶ (Note differences with the Community Initiative Programmes or MC Rules of Procedures or other deviations from common Steering Committee practice in red letters)

	North Zone	East Zone	South Zone	West Zone
Composition				
Member States	DK, FI, DE, SE	AT, DE, GR, IT	ES, FR, IT, PT, GB, GR	DE, FR, BE, LU, NL, GB, IE
Non Member States	NO, LT, LV, EE, BY	BG, HR, CZ, HU, PL, CS, SK, SI	No	Not applicable
Member State national-level representation	DK, FI, DE, SE	AT, DE, GR, IT	ES, FR, IT, PT, GB, GR	DE, FR, BE, LU, NL, UK, IRL
Member State regional / local -level representation	DK, FI, DE, SE	AT, DE, IT	ES, FR, PT	DE, FR, BE, NL, GB, IE
Non Member State national-level representation	NO, LT, LV, EE, BY	BG, HR, CZ, HU, PL, CS, SK, SI	No	Not applicable
Non Member State regional / local -level representation	NO, LT, EE	No	No	Not applicable
EC, EIB, Managing / Paying Authority, JTS representation (no voting rights)	MA, PA, EC, EIB, JTS	MA, PA, EC, EIB ⁷ , JTS	MA, PA, EC, EIB⁸	MA, PA, EC, EIB, JTS
Economic and social partners / NGOs	No	No	No	No
Balanced representation of men and women	✓	✓	✓	✓
Environmental representatives	No	No	No	No
Procedures				
Quorum (by national delegation)	6 / 9	8/12	4/6	5/7
Decision taking by consensus	✓	✓	✓	✓
Tasks				
Approve applications for funding and decide on the use of the available SF	✓	✓	✓	✓
Monitor the implementation of operations by means of progress reports, annual reports and interim appraisals	✓	✓	✓	✓
Co-ordinate decisions with other INTERREG IIIC Zones, and urge for better harmonised procedures with EU funding instruments for Non Member States	✓	✓	No	✓
Liaise with other relevant Community programmes	✓	✓	✓	✓
Adopt an information and publicity plan to be implemented by the MA / JTS	✓	No	No	✓

⁶ Information is based on the Steering Committee Rules of Procedures.

⁷ Note that the EIB does not participate in MC/SC meetings, however, this is not mentioned in the respective rules of procedure.

⁸ Note that the JTS does participate in MC/SC meetings, however, this is not mentioned in the respective rules of procedure.

The Managing Authorities, Paying Authorities and Joint Technical Secretariats⁹

Managing Authorities	North Zone	East Zone	South Zone	West Zone
Tasks				
Collection / transmission of financial / statistical information on the implementation of the programme incl. monitoring and evaluation indicators	✓	✓	✓	✓
Preparation of the annual / final implementation report; presentation to the MC for approval prior to submission to the EC	✓	✓	✓	✓
Organisation of the mid-term evaluation in co-operation with the EC and Member States	✓	✓	✓	✓
Adjusting the programme at the request of the Monitoring Committee without changing the total amount of the ERDF contribution	✓	✓	✓	✓
Ensuring that all bodies involved in management / implementation install separate accounting systems for transactions relating to ERDF assistance	✓	✓	✓	✓
Ensuring the correctness / legality of operational payments and TA budget, including the implementation of internal controls and corrective measures	✓	✓	✓	✓
Ensuring compliance with Community regulations	✓	✓	✓	✓
Promotion and presentation of the programme within and outside the respective zone (carried out by the JTS under the overall supervision of the MA)	No	✓	✓	✓
Information and publicity relating to measures (carried out by the JTS under the overall supervision of the MA)	No	✓	✓	✓
Liaison with the implementing authorities and other interested parties (carried out by the JTS under the overall supervision of the MA)	No	✓	✓	✓
Liaison with the EC incl. forwarding of financial and implementation data, annual meetings and implementation of any EC recommendations for changes in monitoring and management procedures (carried out by the JTS under the overall supervision of the MA)	No	✓	✓	✓

Paying Authorities	North Zone	East Zone	South Zone	West Zone
Tasks				
Drawing up and submitting payment applications to the European Commission	✓	✓	✓	✓
Receiving payments from the European Commission	✓	✓	✓	✓
Payments to the beneficiaries	✓	✓	✓	✓
Certifying the accuracy of declarations of expenditure presented to the Commission, in line with the procedures of financial control	✓	✓	✓	✓
Receiving payments from the Member States for their share of the technical assistance budget	✓	✓	✓	✓

⁹ Information is based on the Community Initiative Programmes.

Joint Technical Secretariats¹⁰	North Zone	East Zone	South Zone	West Zone
Tasks				
Support the Managing Authority and Paying Authority in implementing its tasks	✓	✓	✓	✓
Prepare, implement and follow-up decisions of the Monitoring Committee	✓	✓	✓	✓
Manage the project application process for all projects, including information and advice to applicants (e.g. by means of an applicants' package), checking and pre-assessing applications, and advising partners of decisions	✓	✓	✓	✓
Provide advice and assistance to projects regarding implementation of activities and financial administration	✓	✓	✓	✓
Monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation	✓	✓	✓	✓
Monitor commitments and payments of ERDF funds at programme level	✓	✓	✓	✓
Distribute information and implement publicity measures on the programme and its projects, including running a programme web-site;	✓	✓	✓	✓
Assist and organise activities to support project generation and development	✓	✓	✓	✓
Liaise with the implementing authorities, the European Commission and especially with other INTERREG III C zones	✓	✓	✓	✓
Co-operate with organisations, institutions and networks relevant for the objectives of the programme	✓	✓	✓	✓
Fulfil the usual work of a secretariat i.e. organisation of meetings, drafting of minutes etc.	✓	✓	✓	✓

¹⁰ Information is based on the Joint Technical Secretariat Rules of Procedures and Community Initiative Programmes.