



**Community Initiative Programme
INTERACT 2002 – 2006**

**Approved by
the European Commission**

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O. EXECUTIVE SUMMARY

INTERACT is part of the Community Initiative INTERREG. The programme seeks to build on the experience and lessons of INTERREG I and INTERREG II, and to increase the effectiveness of INTERREG III during the current programming period.

INTERACT capitalises on the vast pools of expertise in the fields of regional development, cross-border cooperation, transnational cooperation and interregional cooperation developed through INTERREG in all Member States of the EU. It also addresses the weaknesses observed in these areas with a view to increasing the impact of INTERREG III on economic and social cohesion and cooperation throughout the EU and with neighbouring countries.

This programme has been submitted by the Federal Chancellery of the Republic of Austria on behalf of all the Member States. It is the result of an extensive process of consultation and discussion with all relevant national authorities and institutions.

The summary highlights the background and motivation for the INTERACT Programme and demonstrates the value added of INTERACT. Chapter 1 analyses the background in more detail. In chapter 2 the proposed strategy is shown. The following chapters contain detailed objectives and targets, the key priorities and measures (Chapter 3), the financial plan (Chapter 4), the organisational framework (Chapter 5), the management structure (Chapter 6), the key indicators to be used in evaluating the programme (Chapter 7) and a report on the ex-ante evaluation (Chapter 8).

RATIONALE AND ADDED VALUE OF THE INTERACT PROGRAMME

This introductory chapter sets out to provide a description of the background to the INTERACT programme and the motivation and rationale for its development. It also summarises the added value that the programme aims to contribute.

The INTERACT Programme - Background and Rationale

At the European Council in Berlin 1999 the Member States emphasised the **particular contribution that the INTERREG Programme makes to cohesion** in the Community by promoting cross-border, transnational and interregional co-operation and balanced development of the Community territory. Because of this, the Council increased substantially **the commitment appropriations** for the new phase of INTERREG and almost half of the budget for the Community Initiatives Programmes was earmarked for INTERREG III.

The INTERREG guidelines from the European Commission translated this political commitment into a mandate to build on the positive experience gained from INTERREG II and to expand it in such a way as to intensify cooperation between border areas, Member States and neighbouring countries. It is intended that INTERREG III should overcome the obstacles to genuine co-operation that stem from a lack of appropriate structures and procedures, experience, institutional capacity or availability of specific know-how. With the consolidation of its transnational strand and the integration of the interregional activities formerly implemented under the innovative actions, the **geographical and thematic scope of INTERREG was widened** considerably.

The INTERREG guidelines have introduced a set of **new and challenging principles** that will assist in ensuring significant progress beyond the present situation:

- Joint development of strategies and programmes: all measures and operations must be based on this joint programming
- Operations selected for INTERREG must be clearly cross-border/transnational in nature
- Adoption of a project leader approach in all project application and implementation

- Development of a wide partnership approach, from the elaboration of the joint strategy to the implementation of the operations
- Coherence and synchronisation of INTERREG III implementation programmes with other financial instruments, especially in view of enlargement.

Joint structures for co-operation have been introduced to implement these principles, namely the managing and the paying authority, the joint technical secretariat, the single bank account, the joint steering committee for selection of projects and systems for joint monitoring and evaluation. **Specific arrangements and procedures** have been developed for monitoring, implementing and evaluating interventions aimed at enhancing efficiency and transparency.

The future **enlargement of the Community** which is expected to occur during the programming period 2000-2006, will increase the number of its internal borders and shift the Community's external borders eastwards. INTERREG III will contribute to the preparation of the border regions for enlargement and to the management of the transition phase.

The determination of the European Union to improve the cost-effectiveness of structural funds has given rise to **new and extensive European legislation on financial management and control**. For INTERREG III a new challenge has emerged: how to translate requirements designed for individual Member States into a transnational context.

Added Value of INTERACT

Against this background all the institutions, stakeholders and project leaders involved in the implementation of INTERREG III programmes and projects face considerable (and very often comparable) challenges which shall be addressed by INTERACT:

- As far as cross-border co-operation under Strand A of INTERREG III is concerned, a pool of experience has already emerged, which is dispersed among various stakeholders all over Europe. Incentives have to be offered to make this special know-how available outside the individual programmes or areas of co-operation. However, as the framework conditions and the degree of institution building differ widely throughout the Union, the new approach of INTERREG III will also challenge existing institutional settings, procedures and standards.

- INTERACT promotes the exchange of experience, makes best practise accessible to interested stakeholders in the European Union through an active programme of dissemination. INTERACT provides support to upgrade all aspects of INTERREG programme management, for example the financial management and the project implementation. INTERACT also provides tools and know-how for managing institutional change and readjusting to new quality-control standards.
- In view of the future enlargement of the European Union, improved coordination of the pre-accession instrument PHARE with INTERREG programmes and successful management of the transition from external to internal border programmes presents INTERACT with a particular challenge. Other external policy instruments of the Community such as TACIS and MEDA also suffer from significant differences in their operational rules. INTERACT encourages, facilitates and strengthens the coordination at the external border and develops tools and options for the management of the transition phase.
- The implementation of INTERREG III requires specific, transnational know-how which is rarely available at national or regional level. This holds especially true for the transnational and interregional programmes under strands B and C of INTERREG. Although a series of new transnational structures and stakeholders is now emerging, resources devoted to building up this specific know-how are still very limited. INTERACT is designed to meet this demand and to develop and offer decentralised training interventions and workshops for implementing bodies and project leaders aimed at enhancing their management skills.
- In order to bridge the gap between nationally anchored responsibilities for financial control and transnational programme implementation, INTERACT promotes the development and the application of joint co-operation tools and procedures. This approach also helps to address the need to co-ordinate and align activities between the four INTERREG IIIC-zones. As legal matters require clarification, INTERACT contributes in finding sustainable legal solutions for cross-border as well as for transnational and inter-regional co-operative structures.
- The implementation of INTERREG III is divided into three different strands. With its cross-strand perspective, INTERACT contributes to the internal coherence of this Community Initiative as a whole and enhances the use of synergies.

- INTERACT therefore improves substantially the efficiency and quality of programme implementation within INTERREG.

Objectives of INTERACT

The INTERREG Community Initiative comprises three strands and a large number of individual projects. Thus accompanying actions are of high importance in order to safeguard the added value of cross-border, inter-regional and trans-national co-operation. With this in mind, the INTERACT Programme is designed to achieve the following objectives (the hierarchy of objectives is shown in Section 2, Figure 1) :

- To contribute to the quality of the INTERREG Community Initiative and provide support to the programme implementation for all 3 strands of the INTERREG Programme
- To enable and encourage transfer of experiences and good practice between institutions and players in different geographical areas, programmes and INTERREG strands
- To provide a joint platform for INTERREG and establish common standards and procedures for the implementation of INTERREG programmes, (especially for inter-regional and transnational co-operation and for co-operation with neighbouring countries)
- To enhance the know-how, the technical and organisational capacity of institutions, organisations and persons directly involved in the realisation of INTERREG programmes and projects and improve the link between regional and national instruments and INTERREG
- To develop common tools for the realisation of INTERREG Programmes
- To prepare the ground for improving the legal conditions for co-operation in the context of INTERREG
- To encourage and strengthen co-operation in regions along external borders, especially those with Accession Countries and other neighbouring countries¹
- To support Accession Countries in their preparations for participation in and co-ordination with INTERREG Programmes and to support the programme partners after accession in managing transition

¹ Neighbouring countries are not only contiguous countries but also countries in the wider neighbourhood of the EU.

- To enlarge the group of project applicants for all strands of INTERREG through broad information activities and support for project development and implementation
- To act as a platform for the transfer of data and information between related initiatives like ESPON, URBACT and the INTERREG-programmes in both directions.

Based on these objectives, four Priorities have been identified for the INTERACT Programme:

- INTERREG management support
- INTERREG development: local and regional initiatives
- Co-operation and management of transition in border regions with Accession Countries
- Technical Assistance

Programme management

The main entities and bodies involved in the programme management are the Monitoring Committee, the Managing Authority, the INTERACT Secretariat and the INTERACT Points. The **Managing Authority (MA)** is responsible for the overall coherence of the programme, the co-ordination of the programme and the drafting of proposals of the annual work programmes. The Managing Authority and the Monitoring Committee are supported by the **INTERACT Secretariat**, which provides technical management support and is in charge of implementing parts of the programme. **INTERACT Points** may be designated for **the implementation** of specific projects financed from priority 1 and measure 1 of priority 3 according to the annual work programme. INTERACT Points are Joint Technical Secretariats, Managing or Paying Authorities of INTERREG programmes and are selected by the Monitoring Committee. The **Monitoring Committee** supervises the activities of these institutions and also acts as a Steering Committee for selection of INTERACT Points and projects.

The legal relations are defined by

- arrangements between all Member States and the Managing Authority , that in particular will define the task division in the financial management and control of the programme.

- agreements between the INTERACT-Managing Authority and the Managing Authorities of Interreg programmes selected to provide INTERACT Points

There are two different types of projects within the INTERACT programme (see also the diagram below)

- In priority 1 and priority 3 measure 1 projects (operations) are defined on the basis of the annual work plans. These projects are developed by the Managing Authority with assistance of the INTERACT Secretariat and the INTERACT Points. They are approved by the Monitoring Committee. Projects under priority 1 and priority 3 measure 1 are usually complex and large (in principal: minimum amount of total costs: € 500.000, minimum duration: 2 years). The projects have to demonstrate that continuous development efforts are needed in the respective field. These projects receive national co-finance raised at an ex-ante basis.
- In priority 2 and priority 3 measure 2 projects (operations) are developed by a wider group of applicants (national and regional authorities or equivalent regional bodies as well as public equivalent bodies). Based upon a call for proposals the Monitoring Committee selects the projects to be carried out under this priority. In compliance with the INTERREG III Guidelines a joint project assessment and selection procedure will be put in place. Thus, national and regional authorities or equivalent bodies as well as public equivalent bodies with the capacity to take the full responsibility for the administration and spending of public funds are eligible.

1. THE CONTEXT OF INTERACT

INTERACT is part of the Community Initiative INTERREG. The programme seeks to build on the experience and lessons of INTERREG I and INTERREG II, and to increase the effectiveness of INTERREG III during the current programming period.

INTERACT is designed on the basis of a thorough analysis of the strengths and weaknesses of INTERREG and will capitalise on the vast pools of expertise in the fields of regional development, cross-border cooperation, transnational cooperation and interregional cooperation developed through INTERREG in all Member States of the EU. It addresses the weaknesses observed in these areas with a view to increasing the impact of INTERREG III on economic and social cohesion and cooperation throughout the EU and with Third Countries.

1.1 Strengthening cohesion through INTERREG

The Community Initiative INTERREG was created in order to promote cross-border, transnational and interregional co-operation. The programme is financed by the European Regional Development Fund (ERDF) and it is based on the creation of partnerships across borders in order to encourage the harmonious and balanced development of the European territory.

INTERREG III, which covers the programming period for 2000 to 2006, and has a total budget of €4,875 billion (1999 prices) is made up of 3 strands :

- **Strand A** comprises cross-border co-operation between adjacent regions and supports projects in the fields of socio-economic development, planning, culture, infrastructure and related fields. Programmes are set up on a bilateral basis². During the programming period 1994 to 1999 about 60 programmes were adopted. It is anticipated that during the current programming (2000 to 2006) period, 53 programmes will be launched. The pool of experience in cross border co-operation, which has emerged from these activities, including the work carried out in the framework of the LACE project, should be utilised.
- **Strand B** promotes transnational co-operation between national, regional and local authorities with the aim of achieving better integration within the Union through the formation of large groups of European regions. During

² There exists also a small number of INTERREG IIIA Programmes which are set up on a multilateral basis.

the previous programming period 12 transnational INTERREG programmes and 4 Art. 10-Pilot Action Programmes were set up. During the current programming period, 13 INTERREG IIIB-programmes are to be launched. Most of the programmes include co-operation with neighbouring countries.

- **Strand C** promotes interregional co-operation and aims to improve the effectiveness of regional development policies and instruments through large-scale information exchange, co-operation projects and sharing of experience (networks). Under this strand, four parallel programmes have been set up that will operate simultaneously throughout the 15 EU-Member States.

Supplementing the three Strands, and with a view to further encouraging the formation of networks that promote the sharing of experiences and best practices, INTERREG III has also provided for the following :

- **ESPON** (The European Spatial Planning Observatory Network) (Art.53 INTERREG Guideline) has been developed under a programme financed jointly by the European Union and the 15 Member States. This network of cooperation between national spatial planning institutes is specialised in the observation and analysis of regional development trends in Europe and beyond.
- Co-operation with neighbouring countries, which had already begun through the TACIS, PHARE and MEDA programmes in the previous programming period, will continue to be developed in INTERREG III. These Countries may receive financial assistance for their cooperation from the PHARE, ISPA and SAPARD programmes and the EDF. Also loans from the European Investment Bank (EIB) may be available. In the future, the Balkans may also benefit from financial assistance under the INTERREG initiative (Regulation CARDS 5/12/2000).

Strengths and weaknesses of INTERREG II

An initial assessment³ of the INTERREG II initiative, for the period 1994 to 1999 has clearly highlighted the **added value of INTERREG** for the European Community by its contribution to

- the integration of regions belonging to the institutional structures of various Member States;
- the improvement of economic and social cohesion and co-operation between regions which are particularly disadvantaged due to the presence of borders;
- the implementation of the principles of subsidiarity and partnership on the basis of direct participation by the local and regional actors and the socio-economic partners;
- the preparation for accession of new members, in particular through co-operation and the transfer of know-how between Community regions and those in the Candidate Countries.

The **added institutional and cultural value** has been derived from acquaintance with and co-operation between territorial authorities and bodies as well as social partners and exchanges of information and know-how in the regions.

However, the evaluation also revealed the following shortcomings:

- Co-operation is often hampered due to a **lack of experience with co-operation**. Centralised administrative bodies, insufficient acquaintance and a lack of mutual trust make the creation of lasting structures for co-operation difficult. The obvious result is that the extent of involvement of the local and regional actors and social partners is still quite low.
- In many cases the **cross-border nature** of INTERREG could still be improved, especially as regards the largest INTERREG programmes which are geared mainly to infrastructure and economic development in the border regions. Some border programmes were developed in parallel with a neighbouring country following mainly a national perspective, rather than on the basis of true cross border cooperation. As a result, these projects have had no significant impact on both sides of the border.

³ European Commission. „Community initiative Interreg II 1994 – 1999: An initial evaluation“, January 2000; info.regio.cec.eu.int

There certainly is scope for the improvement of the cross-border – as well as the trans-national (under INTERREG IIIB) character of projects.

- The border regions at the EU's **external borders** have to overcome the greatest obstacles during the implementation of INTERREG. This is due to their peripheral location, long separation from the neighbours and continuing major differences despite political changes to administrative structures. Furthermore in Central and Eastern Europe the PHARE-programmes aimed at supporting co-operation under cross-border projects began only in 1994 and with very different funding mechanisms. As a result, in the implementation of the same programmes there is a complex array of different legal and financial instruments, including, on the one hand the ERDF and on the other, PHARE, TACIS, CARDS and MEDA. Because of this, certain administrative difficulties have arisen during the implementation of INTERREG.

New principles for INTERREG III

With these considerations in mind therefore, the Commission has laid down a number of **conditions for the implementation of INTERREG III**. These include :

- The true **joint transnational or cross-border nature of projects**
- **Joint programme management structures** with one single managing authority, one paying authority and one joint secretariat, responsible for implementing the programme and supporting the work of the transnational monitoring and steering committees
- Adoption of a **bottom-up approach** in Strand A, ensuring the participation of local and regional authorities and socio-economic partners in the joint bodies created under INTERREG. This should be combined with a top-down approach in Strand B.

The mechanism linked to **external co-operation** also plays a crucial role in the implementation of the INTERREG programmes. In this context, the Berlin European Council emphasised the need to co-ordinate the external policy instruments and the Structural Funds in order to make external co-operation possible under INTERREG. For its part, the Commission has already described the co-ordination mechanisms to be used in the guidelines for the preparation of a joint programme and the creation of joint committees for the Community regions and the neighbouring countries involved. However there are still

problems to overcome in cross-border co-operation as well as in trans-national and inter-regional co-operation.

New challenges

These new conditions and the requirement for increased external co-operation pose a significant challenge to all the institutions, entities and stakeholders involved in the implementation of INTERREG programmes and projects. Both the complexity and the scope of the INTERREG Initiative exceeds in many respects the framework of conventional programming approaches in the framework of structural funds. Its geographical reference includes cross-border regions, transnational areas and zones of interregional co-operation. The scope of actions possible range from people-to-people actions over cross-border infrastructure to concepts for transnational planning co-operations in specific fields. Even within the different strands there exist a variety of alternatives. An INTERREG-III A Programme in the core area of Europe is, for example, very different from a III A-programme at the present EU external borders. At the same time, transnational, inter-regional and cross-border co-operation in many respects also face similar challenges and could benefit from mutual learning and exchange of knowledge and experiences.

Strand A is characterised by the clear geographical focus of the programme and its bilateral programming frameworks. Like all other regions of Europe, border areas cannot deal with their future development in isolation from surrounding regions and beyond. A pool of experience in cross-border co-operation has emerged, which is dispersed among various stakeholders all over Europe. Therefore, any initiative designed to link these stakeholders and to connect them to other initiatives within INTERREG (transnational co-operation, inter-regional co-operation, spatial development in the ESPON framework) will contribute significantly to the overall success of INTERREG III A as the main pillar of the Community Initiative.

One major challenge for **Strand B** can be found in future options for the upgrading of transnational programme management, project implementation and financial control following the lead partner principle. The actual transnational co-operation mechanisms vary significantly from one region to another. Structures for the exchange of experience might foster the deepening of co-operation patterns.

Strand C faces the challenge, that all four parallel programmes have to operate within harmonised and adjusted mechanisms in order to safeguard inter-regional co-operation projects throughout all Member States and regions.

In order to outline the future territorial dimension of the structural policy the **ESPON**-programme will find valuable sources of information and data especially within the 11 transnational geographical spaces of the INTERREG IIIB programmes.

The Member States, regions and other authorities and bodies involved in INTERREG are therefore all to a certain extent breaking new ground. Transnational management structures, new international working relationships between regional and local authorities are not easy to implement. National regulations, laws and procedures are not designed to deal with cross-border, transnational and inter-regional co-operation. At the same time, INTERREG can potentially provide important lessons for adapting cohesion policy to the new demands of an enlarged Union. The Second Cohesion Report mentions the need for a territorial approach to cohesion policy in order to ensure greater effectiveness given the demands and restraints posed by enlargement. Again we have to draw from the experiences of INTERREG in order to establish what practical opportunities exist to develop this approach. For many years now, Community policies have aimed for more sustainable development, with its environmental, economic and social dimension, something at the very heart of the INTERREG Initiative. Drawing from the experiences of INTERREG will therefore encourage this policy goal.

With the accession of new Member States, the external border will change and new regions will be involved in INTERREG programmes at the external border. Structures will have to be adapted and tools to be developed to manage the transition phase. However, especially at the external borders there is a very great need for awareness raising, training, and development of joint mechanisms and instruments.

Given all these factors - the relative complexity, the wide scope, the newness and the potential influence on future Community policies - it is in the interest of those authorities and bodies participating in INTERREG III that there is an optimal exchange of experience on matters both of management and of substance.

1.2 Opportunities and threats for INTERACT

Against this background all the institutions, stakeholders and project leaders involved in the implementation of INTERREG III programmes and projects face considerable (and very often comparable) challenges which provide opportunities for INTERACT for the benefit of all INTERREG programmes:

- Within the three strands and the numerous individual programmes of INTERREG a pool of experience has already emerged, which is dispersed among various stakeholders all over Europe. Transfer and development of individual know-how on programme management, audit, control issues between programmes, also in a cross strand perspective, will contribute to the internal coherence of the Community Initiative. Furthermore INTERACT creates the opportunity to transfer and establish this knowledge in an enlarged union.
- Concerning INTERREG management the actual lack of information management tools, of training schemes and co-operation tools provides opportunities for INTERACT to fill these gaps in a productive way.
- For a wider group of players (e.g. project developers, co-financing institutions, regional agencies) transfer of know-how and good practice by INTERACT will enhance the respective capacity and the quality of INTERREG projects.
- Accession of new member states and thus the emerging of new border regions to the European Union creates further needs for actions in INTERACT.

However, as INTERACT follows an explorative and innovative approach, challenges occur due to the specific nature of the INTERREG programmes:

- On the one hand, target groups and their respective needs are very heterogeneous, they operate in different languages and within different national and regional context. On the other hand, the available information is very broad, is not systemised yet and of very different quality.
- A wide gap between nationally anchored responsibilities for financial control and transnational programme implementation exists throughout Europe. Also the framework conditions and the degree of institution building differ widely. Thus the new approach of INTERREG III will also challenge existing institutional settings, procedures and standards for

transforming nationally anchored procedures in a cross-border/transnational context.

- The implementation of INTERREG III requires specific, transnational know-how which is rarely available at national or regional level. This holds especially true for the transnational and interregional programmes under strands B and C of INTERREG. Although a series of new transnational structures and stakeholders is now emerging, resources devoted to building up this specific know-how are still very limited.
- In view of the future enlargement of the European Union, improved co-ordination of the pre-accession instrument PHARE with INTERREG programmes and successful management of the transition from external to internal border programmes presents INTERACT with a particular challenge. Other external policy instruments of the Community such as TACIS and MEDA also suffer from significant differences in their operational rules.
- There is a limited time span and there are limited funds available to overcome these obstacles. Incentives have to be offered to make this special know-how available outside the individual programmes or areas of co-operation.

Overview 1:

Strengths, weaknesses, opportunities and threats of INTERREG

| Strengths | Weaknesses |
|---|--|
| In general | |
| <ul style="list-style-type: none"> Innovative approach in terms of geographical and thematic scope | <ul style="list-style-type: none"> Backlog of strand C |
| <ul style="list-style-type: none"> Joint programming process across borders between several Member States | |
| <ul style="list-style-type: none"> Vast pool of experience in cross-border, transnational and interregional co-operation | <ul style="list-style-type: none"> Obstacles for genuine co-operation stemming from lack of experience, institutional capacity and availability of specific know-how and tools in co-operations across borders |
| Strand A | |
| <ul style="list-style-type: none"> Wide range of best practice for a variety of border regions Bottom-up approach | <ul style="list-style-type: none"> Experience dispersed among various stakeholders all over Europe In certain regions the involvement of local and regional actors is still not developed Various difficulties to progress from parallel action to true cross-border co-operation |
| Strand B | |
| <ul style="list-style-type: none"> Emerging management structures in the co-operation spaces Substantial institutional innovations in terms of programme management | <ul style="list-style-type: none"> High costs of project development Specific know-how for the implementation is rarely available at national and especially at regional level Crucial legal matters (eligibility of operations, audit and control procedures) need clarification |
| Strand C | |
| <ul style="list-style-type: none"> New approach for know-how transfer and networking without borders respectively geographical reference areas | <ul style="list-style-type: none"> No previous experience |

Opportunities and challenges for INTERACT

| Opportunities | Challenges |
|--|---|
| In general | |
| <ul style="list-style-type: none"> • Cross-strand perspective as a contribution to the internal coherence of the Community Initiative • Generation of know-how to adapt cohesion policy to the needs of an enlarged Union • Enhancing know how on INTERREG issues for a large number of players • Immediate need for support of players in all three strands | <ul style="list-style-type: none"> • Creation of lasting co-operation structures • Needs assessment for rather heterogeneous target groups/activities required • Short time span for the implementation of complex tasks • Limited funds |
| INTERREG management | |
| <ul style="list-style-type: none"> • Coherent frameworks for information, management support, training and external co-operation • Creation of common tools and standards through cross-strand exchange | <ul style="list-style-type: none"> • Large number and variety of information sources as well as heterogeneous quality of available information • Language issues for information activities • Translation of nationally anchored responsibilities into a transnational context |
| INTERREG development | |
| <ul style="list-style-type: none"> • Transfer of specific know-how, good practice to a wider audience • Broader involvement of local and regional players in INTERREG | <ul style="list-style-type: none"> • needs assessment and evaluation of projects |
| Managing transition | |
| <ul style="list-style-type: none"> • Facilitating the start-up of INTERREG after Accession • Strengthening the functions of border regions as bridges/information hubs • Improved standards in joint project development | <ul style="list-style-type: none"> • Managing transition from PHARE CBC to INTERREG: quick response to changing conditions in terms of technical support functions • Stronger involvement of Candidate Countries' regions • Huge need of awareness-raising, training and development of joint mechanism • Clear distinction to general Institution Building approaches needed |

1.3 INTERACT - Legal basis and programme preparation

Paragraph 53 of the INTERREG Guidelines sets aside €50 million (2001 prices) for networking and other activities to support the implementation of the three strands of the INTERREG Initiative. This paragraph also describes the possibility of encouraging exchanges of experience and good practice. Both the Member States and the Commission can take the initiative in the development of actions to be financed under this paragraph.

At the 54th and 56th meeting of the CDRR the European Commission presented a proposal⁴ for a new programme known as INTERACT to support the implementation of the three strands of the Community Initiative INTERREG III.

On the basis of this initiative of the Commission a broad consensus was reached in the Committee. A more elaborated working document⁵ was produced by the the Austrian Delegation and it was decided to set up a working group of representatives of all Member States for the programming. Austria was invited to take responsibility for the further development of the programme.

In close consultation with all Member States the Federal Chancellery of the Republic of Austria has drafted the INTERACT Programme. This INTERREG Community Initiative Programme is therefore being submitted to the European Commission by The Federal Chancellery of the Republic of Austria on behalf of all of the members of the EU, namely The Kingdom of Belgium, the Republic of France, the Federal Republic of Germany, the Republic of Greece, the Republic of Ireland, the Kingdom of the Netherlands, the Kingdom of Denmark, the Grand Duchy of Luxembourg, the Kingdom of Spain, the Republic of Italy, the Republic of Austria, the Republic of Portugal, the Republic of Finland, the Kingdom of Sweden, the United Kingdom of Great Britain and Northern Ireland.

In the case of Belgium, the obligations and responsibilities of Member States authorities for INTERACT are carried out by the authorities designated for this purpose. This is the case whenever this document refers to the Member States or the national authorities.

4 CDRR 01/0055/00; CDRR 01/0055/01

5 CDRR 01/0098/00

2. JOINT STRATEGY

2.1 Global and specific objectives

INTERACT is focused on the immediate needs and the support of the INTERREG initiative and aims

- to increase the efficiency and effectiveness of the three strands of INTERREG programmes and
- to contribute to the quality of the INTERREG Community Initiative and provide support to the programme implementation for all 3 strands of the INTERREG Programme

These **global objectives** incorporate three **specific objectives**, each of these targeting at specific groups of players or regions:

1. to support the managing bodies of INTERREG programmes and other key players in the fields of information and management tools, transfer of know-how in the fields of programme implementation including monitoring, evaluation, payment and control functions.
2. to deepen INTERACT activities for different groupings of players and to improve the quality of INTERREG III programmes and projects for specific geographic spaces or
3. to promote the involvement of partners from neighbouring countries across all strands and geographical areas of INTERREG.

Existing management support structures for INTERREG – the managing and paying authorities and the joint technical secretariats – will be closely involved in the implementation of the INTERACT Programme as regards to the objectives set out in the objectives 1 and partly also in 3. This is important in order to ensure that the programme builds on increased mutual learning and understanding.

It is also part of the Commission's guiding function to concentrate INTERREG support and development activities on the INTERACT Programme. A coherent networking approach under one single programme increases efficiency and at the same time helps to avoid duplication of work.

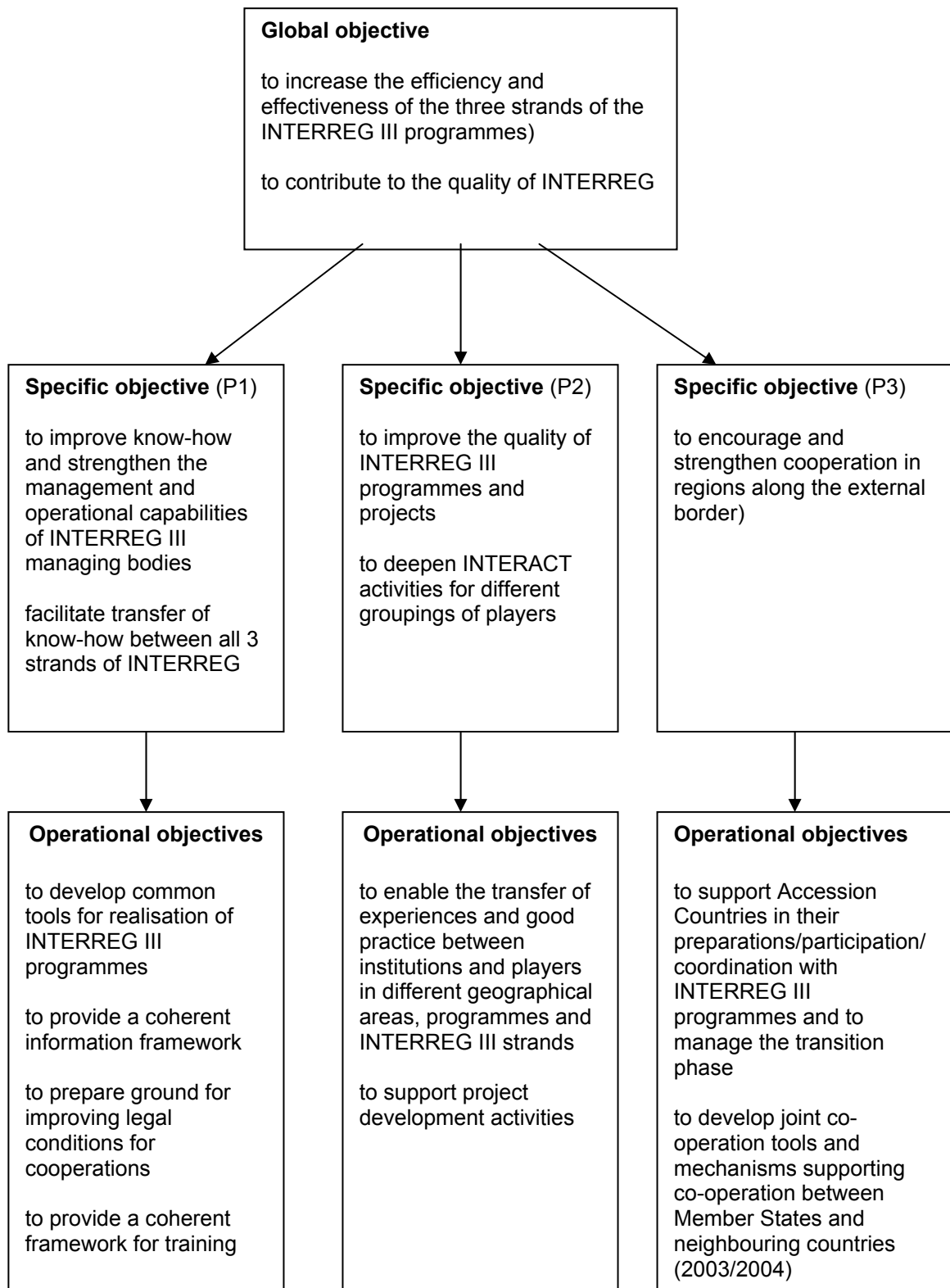
2.2 Operational objectives of the INTERACT Programme

The INTERREG Community Initiative comprises three strands and a large number of individual projects. Thus accompanying actions are of high importance in order to safeguard the added value of cross-border, inter-regional and trans-national co-operation. With this in mind, the INTERACT Programme is designed to achieve the following objectives:

- To provide a joint platform for INTERREG and establish common standards and procedures for the implementation of INTERREG programmes, (especially for inter-regional and transnational co-operation and for co-operation with neighbouring countries)
- To enhance the know-how, the technical and organisational capacity of institutions, bodies and persons directly involved in the realisation of INTERREG programmes and projects and improve the link between regional and national instruments and INTERREG
- To develop common tools for the realisation of INTERREG Programmes
- To prepare the ground for improving the legal conditions for co-operation in the context of INTERREG
- To enable and encourage transfer of experiences and good practice between institutions and players in different geographical areas, programmes and INTERREG strands
- To encourage and strengthen co-operation in regions along external borders, especially those with Accession Countries and other neighbouring countries
- To support Accession Countries in their preparations for participation in and co-ordination with INTERREG Programmes and to support the programme partners after accession in managing transition
- To enlarge the group of project applicants for all strands of INTERREG through broad information activities and support for project development and implementation
- To act as a platform for the transfer of data and information between related initiatives like ESPON and the INTERREG-programmes in both directions.

Although these objectives partly are closely interrelated to each other, there are some distinction between the specific objectives, which are shown in chart 1.

Overview 2: INTERACT objectives



2.3 Programme approach and implementation strategy

INTERACT addresses **the immediate needs of the players in each of the three INTERREG strands** and is implemented in a **managed and structured network approach**, in keeping with the co-operative spirit of the INTERREG initiative.

The INTERACT Programme is based on a consensus between the participating Member States and their common understanding of the programme's main objectives.

The complexity and at the same time the genuine explorative nature of the INTERACT-programme is reflected in its overall approach. The INTERACT Programme is designed to meet agreed objectives and priorities (see chapter 3):

Priority 1: INTERREG management support

Priority 2: INTERREG development: local and regional initiatives

Priority 3: Co-operation and management of transition in border regions with Accession Countries

The implementation structure follows an open and flexible approach. **Annual work plans** provide details of the priorities, the allocation of funds and the project selection mechanism. These plans allow for the adaptation to different needs and requirements as they emerge during the implementation phase (see chapter 5 and 6).

The Programme implementation is based on the following principles:

- Common programme steering mechanism by the Monitoring Committee
- Efficient and transparent programme management of specific tasks by the Managing Authority supported by the INTERACT Secretariat
- Delegation of a number of operative functions to designated INTERACT Points

The core activity of the INTERACT Programme is to work with those institutions involved in the implementation of INTERREG Programmes and to enhance their own capacity and the quality of their work as managers and facilitators of project promoters. For that reason, projects within priority 1 and priority 3 measure 1 of the INTERACT Programme may be carried out by INTERACT Points. The INTERACT Points will be limited in number (about 4 to 6) and will be selected among joint technical secretariats, managing authorities and paying authorities of INTERREG programmes (for details see 5.6 and 6.2.2). This approach will ensure that the maximum amount of energy is spent on the achievement of the core objectives of the programme.

3. PROGRAMME PRIORITIES

The strategic objectives described in Section 2 of this programme provide the basis for a long-term co-operation framework for the INTERACT Programme. In order to achieve these objectives however, it is necessary to define a number of priorities and measures that can provide practical guidance for concrete projects to be implemented under the programme.

Before defining the priorities for the programme, a number of general points should be made, which refer to all priorities and measures.

Priorities and measures may cover **more than one strand of the INTERREG Programme**. This is important in order to ensure transparency and feasibility in the transfer of experiences, the development of common tools and standards and the strengthening of all forms of cross-border, transnational and interregional co-operation. For strand A, a considerable pool of experience already exists, whereas for strand B knowledge and dissemination of experience is far more limited to individual programmes. The implementation of INTERREG III C-programmes highly depends upon the development of a joint co-operative mechanism between the four zones. Preparatory work has already been put in place in the form of a series of pre-INTERACT measures (see Chapter 3.5).

The starting points for the definition of **priorities** are the immediate needs and deficits that have been identified in the implementation of the three INTERREG strands and the identification of future oriented actions targeted at improving the performance of the INTERREG programmes and at shaping the process of enlargement of the European Union.

With this in mind, four priorities can be identified for the INTERACT Programme:

- Priority 1: INTERREG management support
- Priority 2: INTERREG development: local and regional initiatives
- Priority 3: Co-operation and management of transition in border regions with Accession Countries
- Priority 4: Technical Assistance

The following chapter outlines the technical contents of the programme priorities and measures. Expected results and specific output for each of the priorities and measures are given in chapter 7.

3.1 Priority 1: INTERREG management support

“INTERREG Management Support” is closely linked to the practical implementation and management, audit and control of the INTERREG programmes and focuses on institutions and persons involved in tasks related to these INTERREG programmes.

As INTERREG is focused on co-operative activities across all types of borders and across a wider Europe it is of the utmost importance to aim for a comprehensive approach to European integration. Thus measures within priority 1 may cover activities within the Member States, but are also targeted at improving the co-operation mechanism between Member States and neighbouring countries. Particular emphasis should be placed on improving co-operation between INTERREG and the PHARE, TACIS, MEDA and CARDS programmes. The target group for operations under this priority are INTERACT Points (see chapter 5.6 and 6.2.2 for more details).

3.1.1 Priority 1 measure 1: Info-Point and Animation

There is very little consistent and systematic information available linking the three strands of INTERREG programmes to the actual implementation at regional level. An intensive information campaign is required in order to achieve the goals of mutual learning and a further improvement in the quality of the projects.

This measure focuses upon the establishment of a **common and central information tool** for all three Stands of INTERREG integrating and complementing existing information in one coherent framework. The following actions deserve particular attention:⁶

- **Common tools and standards for cross-border, transnational and inter-regional projects in INTERREG IIIA, B and C:** There is an immediate and very urgent need for transnational co-ordination in the INTERREG IIIC-programmes and projects, as all four programmes

⁶ The listing is only indicative and open to further amendments.

depend upon parallel implementation procedures and logistics. The development of an 'INTERREG tool-box' for INTERREG IIIC aims at the adjusted and – to the extent possible - harmonised procedures for project selection, funding mechanism, audit and financial control in the four co-operation zones (partly provided for already as “Pre-INTERACT” measure, see 3.5). These common tools will be made available to INTERREG III A and B programmes in order to facilitate mechanism for cross border and transnational project implementation – tailored to the individual needs of INTERREG-management authorities and bodies involved in audit and control procedures. On the other hand also existing practice and experience within INTERREG III A and B programmes in these fields should be made accessible to other programmes. As regards the legal conditions for co-operative actions INTERACT will prepare an overview on the legal framework including audit and control procedures within the Member States with a view on future improvements on legal provisions for INTERREG-cooperation.

- **“Market place for co-operation”**: The development of tools for networking and linkage of projects, establishment of a partner search data base for all strands, *directorìa* events, newsletter;
- **INTERREG HELP-desk**: First contact point for the three Strands of the Community Initiative, covering aspects such as the administrative and technical organisation for all INTERREG programmes (organisational structure, contact persons and procedures, how to find co-operation partners...) and common guidelines for programme management, audit and control arrangements and procedures and project implementation. This assistance will be made available electronically (project application forms, checklists, monitoring sheets), and will provide links to the individual programmes
- **Best practice and demonstration projects** from all three strands
- **INTERREG - Project data base**: Establishment of a common data base on all received and selected INTERREG IIIB and IIIC-Projects and of selected IIIA-projects to provide a coherent overview of the ongoing projects in the transnational and interregional INTERREG programmes and facilitate programme management and project co-ordination
- **INTERREG-web-site** providing the link between the overview of the Community initiative and the actual implementation of the various programmes integrating the information available with existing programme secretariats and other institutions). As a substantial amount of programme related information is available only in the language of the

respective programme, special attention has to be paid to a multilingual approach.

3.1.2 Priority 1 measure 2: Qualification and transfer

The steering, administration, implementation, monitoring, audit and control of INTERREG programmes and projects require know-how, that is not generally available, either within the public administration systems at national and regional level, or within other involved institutions. Thus, this priority is targeted at improving the capacity of a comprehensive group of players involved in designing, managing and controlling INTERREG programmes and projects (including regional authorities, project developers, NGO etc). The following actions⁷ could be taken:

- **Feasibility studies** exploring the actual need for specific types of transfer and training activities
- Development of a coherent **framework for training** in respect to INTERREG including the development of curricula for training programmes for institutions and persons (regional authorities, technical secretariats, project developers, etc.) involved in programme management and control and project implementation; INTERREG qualification and training measures could operate as a virtual entity (distant learning, information tools) and offer seminars and other training units in a decentralised way in order to assure broad access to information.
- **Seminars, workshops** and conferences for INTERREG Programme managers; creation of a network for people working for INTERREG, task force on specific issues of common relevance;
- Transfer of relevant information on projects and results between the **ESPON and URBACT programmes** and INTERACT, providing a linkage between INTERREG, ESPON and URBACT.

This priority supports the development of training programmes for INTERREG and the implementation of small-scale actions (such as seminars and workshops) targeted directly at persons and entities involved in INTERREG programme management. Training courses for a wider target group may be co-financed only under priority 2.

⁷ the listing is only indicative and open to further amendments

3.2 Priority 2: INTERREG Development: local and regional initiatives

Priority 2 is intended to a.) complement and support the actions taken by the INTERACT Points and the INTERACT Secretariat and b.) to assist different groupings of regions and players to deepen INTERACT-activities for their clientele (e.g. mountainous regions, Mediterranean regions, sparsely populated regions).

In comparison to priority 1, Priority 2 “INTERREG Development” is aimed at a wider target group, which covers institutions, entities and persons involved in INTERREG at a programme or an operational level. Thus, national and regional authorities or equivalent bodies as well as public equivalent bodies with the capacity to take the full responsibility for the administration and spending of public funds are eligible.

Priority 2 is motivated by the experiences of INTERREG I and II, where past pilot projects on interregional co-operation have shown that genuine co-operation is difficult to organise. It is therefore important to identify the obstacles to the development of co-operation as well as the solutions that have been found, both at the level of common programme management, and of implementing joint projects. In previous INTERREG programmes and in other cross-border, transnational and interregional projects, different organisations have undertaken actions for the benefit of various groupings of project participants. Their activities have, in many cases, been an important factor for the success of these projects and the INTERACT Programme will allow their experience to be availed of where appropriate.

The diffusion of all relevant project results will be an explicit obligation for all final beneficiaries.

Actions that are suitable for co-financing could take the following forms⁸:

- **Studies:** Comparative and thematic **studies** of actions in different programmes; ad hoc studies on projects and successful actions as well as on common problems, studies on added value of transnational co-operations and further development perspectives for INTERREG; studies on legal conditions of transnational co-operations among Member States.
- **INTERREG-Platforms** and seminars for **exchange of experiences**, know-how input for specific thematic issues
- **Workshops, and conferences targeted at a wider group** of persons and institutions involved in INTERREG programmes and projects on INTERREG related issues;
- **Participation** in training actions, seminars and conferences
- Other activities addressed at a limited target group enhancing the capacity to participate in INTERREG programmes

In order to qualify for this priority **projects** have to

- focus on specific issues related to the functioning of the INTERREG initiative and
- reflect the needs of players who wish to involve themselves in co-operation (model projects, good practice, solutions to obstacles)
- enhance the capacity of regions to participate in INTERREG programmes.

3.3 Priority 3: Co-operation and management of transition in border regions with Accession Countries

This priority is part of the community actions for border regions according to the Commission Communication on the impact of enlargement on border regions with the candidate countries adopted on 25 July 2001 [COM(2001) 437 final]. Thus projects financed under this priority must be for the benefit of the 23 regions covered by COM 437:

- Finland: Uusimaa, Etelä-Suomi.

⁸ the listing is only indicative and open to further amendments

- Germany: Niederbayern, Oberpfalz, Oberfranken, Brandenburg, Berlin, Mecklenburg-Vorpommern, Chemnitz, Dresden.
- Austria: Burgenland, Niederösterreich, Wien, Kärnten, Steiermark, Oberösterreich.
- Italy: Veneto, Friuli-Venezia Giulia.
- Greece: Anatoliki Makedonia – Thraki, Kentriki Makedonia, Voreio Aigaio, Notio Aigaio, and Kriti.

The Lead Partner for projects under priority 3 need to be located in one of these border regions. However, co-operative actions with partners in all Member States and with neighbouring countries are possible.

Actions taken in priority 3 need to

- encourage, facilitate and strengthen networking and other activities to support the implementations of the three strands of the INTERREG initiative and/or
- put special emphasis on the issues of improving the co-operation between INTERREG programmes and PHARE programmes, that provide support to cross-border, trans-national and intra-regional projects for the benefit of the border regions.
- contribute to a smooth and efficient transition phase

The measures distinguish INTERREG management support –related actions and those actions, that serve the further development of INTERREG. Thus priority 3 measure1 follows the logic of priority 1 and priority 3 measure 2 is compatible with priority 2. Accordingly the first is realized by INTERACT points, whereas the latter are targeted at national and regional authorities or equivalent regional bodies as well as public equivalent bodies. All actions for enforcing cross-border, inter-regional and transnational co-operation between EU and Accession Countries need intense co-ordination with the actions launched under priorities 1 and 2. It will also be very important to include the experience of INTERREG IIIA, B and C secretariats and available expertise in the Accession Countries.

3.3.1 Priority 3 measure 1: Joint co-operation tools

This measure aims at projects that provide special benefit to border regions with Accession Countries and support the management of transition and are eligible under priority 1.

Actions⁹ may take the form of:

- development of **joint co-operation tools and mechanism** to support the co-operation between Member States and other countries
- elaboration and dissemination of “**best-practice**” **procedures and manuals**
- **information transfer and training** for institutions involved in INTERREG and PHARE programmes.

3.3.2 Priority 3 measure 2: Development of INTERREG participation

This measure supports all projects that provide special benefit to border regions (see above) and are eligible under priority 2. Accordingly projects under this measure are aimed at a wider target group, which covers institutions and persons involved in INTERREG programmes at a programme or an operative level. The measure supports projects that aim at:¹⁰

- **Networking for co-operation** at the programme and the operative level and inter-linkage of projects (project fairs, networking seminars and events, Partner search data base) between Member States and Accession Countries
- Support to **project development** between partners of neighbouring countries and Member States
- Seminars, workshops and conferences fostering co-operation with Accession Countries in general

3.4 Priority 4: Technical Assistance

According to Rule 11 of the EC Regulation 1685/2000, technical assistance has the purpose of aiding the preparation, implementation, evaluation and control involved in the programme and is subdivided into two measures:

⁹ The listing is only indicative and open to further amendments.

¹⁰ The listing is only indicative and open to further amendments.

- TA-1: Administration, implementation, support and control activities (pursuant to Rule 11, par. 2), and
- TA-2: Other activities within the scope of technical assistance (pursuant to Rule 11, par. 3)

The following activities are to be carried out within the scope of TA-1 in order to ensure the efficient administration of the programme:

- Activities relating to the preparation, selection and appraisal of the assistance and of operations
- The operation of a computerised system for the monitoring, administration, support and evaluation of the programmes (ongoing systematic recording of the material implementation of the programme using financial and other implementation indicators for each of the projects receiving assistance);
- Activities involving meetings of the Monitoring Committee and Sub Committees in connection with interventions;
- Audits and on-the-spot checks of operations..

Within the scope of TA-2, the following activities are planned:

- The setting up of a computerised system for monitoring, administration, support and evaluation of the programmes,
- Preparation and carrying out of evaluations,
- Information activities pursuant to Art. 46 of the Regulation No. 1260/1999
- Disclosure activities .

3.5 Pre-INTERACT measures

In order to provide for a rapid start of INTERACT activities and in order to ensure that from the beginning the most immediate needs are being addressed with regard to INTERREG IIIC a number of “Pre-INTERACT” measures are being put in place. These include the following:

Development of common tools for INTERREG IIIC

- Creation of a common applicants’ pack incl. application forms and other information material;
- Development and implementation of a joint Internet portal and project database for all four INTERREG III C zones;

- Development of common selection criteria and assessment procedures;
- Establishment of the legal framework, standardised audit and control systems and monitoring and reporting procedures.
- Other actions considered appropriate by the INTERREG III C secretariats for an efficient and co-ordinated start-up of the programmes may also be considered for co-financing after consultation with the Commission.

Meetings and Conferences

- Organising co-ordination meetings between the Secretariats;
- Organising INTERREG III C information-days;
- Organising a first Partner Search Forum.
- Other actions considered appropriate by the INTERREG III C secretariats for an efficient and co-ordinated start-up of the programmes may also be considered for co-financing after consultation with the Commission.

Preparation and start of the INTERACT Programme

- Development of the INTERACT Programme
- Preparation of the INTERACT inception phase and the elaboration of an initial workplan

These activities are carried out and financed by the INTERREG IIIC-programmes. In practical terms, however, close co-operation within the four zones and with the designated INTERACT Management Authority has been and will be assured during the implementation of these Pre-INTERACT activities.

As soon as INTERACT is fully operative it will be considered how these activities could be continued.

4. FINANCIAL PLAN

4.1 ERDF

The overall financial allocation of the programme is expected to be €25 Million of ERDF contribution (at 2001 prices) covering the period 2002 to 2006. From this €5 Million is assigned to priority 3, dealing with external co-operation and is based on the “Commission Communication on the Impact of Enlargement on Border Regions with the Candidate Countries” (COM (2001) 437 final).

Priority 3 is split into two measures: Priority 3 measure 1 accounts for 9.48% of the total costs, for priority 3 measure 2 the share of total costs is 11.39%. For priority 3 measure 1 the share of ERDF funding amounts to 90% , for priority 3 measure 2 the ERDF co-financing rate amounts to 50%.

Priority 4 Technical Assistance accounts for 5.22% of the total costs with an ERDF aid rate of 90%. The priority is split into two measures: for TA 1 the indicative share of total costs amounts to 3.96%, the indicative allocation for TA 2 amounts to 1.25%.

The tables below show the indicative allocation of expenditures co-financed from ERDF.

- By priority for the total period
- By year from 2002 to 2006 and
- Annual allocation by priority from 2002 to 2006

The period for project implementation will extend until December 31, 2008.

The allocation under the outlined priorities starts from the assumption, that the programme will start in 2002 and become fully operational in 2003.

Interact - Financial allocation 2002-2006

by priorities (in Mio €)

| Source Priority | Total Costs | Public expenditure | | | Private | Share of Priority |
|---|--------------|----------------------------|--------------|--------------|----------|-------------------|
| | | Total eligible expenditure | ERDF | National | | |
| Priority 1: Interreg Management Support | 13,45 | 13,45 | 12,10 | 1,35 | 0 | 38,31 |
| Priority 2: Interreg Development | 12,50 | 12,50 | 6,25 | 6,25 | 0 | 35,60 |
| Priority 3: Border Regions | 7,33 | 7,33 | 5,00 | 2,33 | 0 | 20,88 |
| Priority 4: Technical Assistance | 1,83 | 1,83 | 1,65 | 0,18 | 0 | 5,21 |
| TOTAL Interact | 35,11 | 35,11 | 25,00 | 10,11 | 0 | 100,00 |

by year (in Mio €)

| Source Year | Total Costs | Public expenditure | | | Private |
|-----------------------|------------------|----------------------------|------------------|------------------|----------|
| | | Total eligible expenditure | ERDF | National | |
| 2002 | 1,483000 | 1,483000 | 1,056000 | 0,427000 | 0 |
| 2003 | 5,817000 | 5,817000 | 4,142000 | 1,675000 | 0 |
| 2004 | 10,012000 | 10,012000 | 7,129000 | 2,883000 | 0 |
| 2005 | 8,963000 | 8,963000 | 6,382000 | 2,581000 | 0 |
| 2006 | 8,835000 | 8,835000 | 6,291000 | 2,544000 | 0 |
| TOTAL Interact | 35,110000 | 35,110000 | 25,000000 | 10,110000 | 0 |

*rest profile of INTERREG III

Interact - Financial allocation 2002-2006

TOTAL COSTS by priorities (in Mio €)

| Priority \ Source | year | | | | | Total Costs |
|---|-----------------|-----------------|------------------|-----------------|-----------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | |
| Priority 1: Interreg Management Support | 0,568000 | 2,228000 | 3,835000 | 3,434000 | 3,385000 | 13,45 |
| Priority 2: Interreg Development | 0,528000 | 2,071000 | 3,565000 | 3,191000 | 3,145000 | 12,50 |
| Priority 3: Border Regions | 0,310000 | 1,214000 | 2,090000 | 1,871000 | 1,845000 | 7,33 |
| Priority 4: Technical Assistance | 0,077000 | 0,304000 | 0,522000 | 0,467000 | 0,460000 | 1,83 |
| TOTAL Interact | 1,483000 | 5,817000 | 10,012000 | 8,963000 | 8,835000 | 35,11 |

*rest profile of INTERREG III

ERDF by priorities (in Mio €)

| Priority \ Source | year | | | | | ERDF |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | |
| Priority 1: Interreg Management Support | 0,511000 | 2,005000 | 3,450000 | 3,089000 | 3,045000 | 12,10 |
| Priority 2: Interreg Development | 0,264000 | 1,035000 | 1,782000 | 1,596000 | 1,573000 | 6,25 |
| Priority 3: Border Regions | 0,211000 | 0,828000 | 1,426000 | 1,276000 | 1,259000 | 5,00 |
| Priority 4: Technical Assistance | 0,070000 | 0,274000 | 0,471000 | 0,421000 | 0,414000 | 1,65 |
| ERDF Interact | 1,056000 | 4,142000 | 7,129000 | 6,382000 | 6,291000 | 25,00 |

*rest profile of INTERREG III

national by priorities (in Mio €)

| Priority \ Source | year | | | | | national |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | |
| Priority 1: Interreg Management Support | 0,057000 | 0,223000 | 0,385000 | 0,345000 | 0,340000 | 1,35 |
| Priority 2: Interreg Development | 0,264000 | 1,036000 | 1,783000 | 1,595000 | 1,572000 | 6,25 |
| Priority 3: Border Regions | 0,099000 | 0,386000 | 0,664000 | 0,595000 | 0,586000 | 2,33 |
| Priority 4: Technical Assistance | 0,007000 | 0,030000 | 0,051000 | 0,046000 | 0,046000 | 0,18 |
| national Interact | 0,427000 | 1,675000 | 2,883000 | 2,581000 | 2,544000 | 25,00 |

*rest profile of INTERREG III

4.2 Co-financing by Member States

Member States will provide national co-finance for priority 1 and 4 ex-ante. The indicative amount is € 1,53 Million. The national co-finance for each Member State is calculated on the basis of national shares in the INTERREG initiative.

Member States with border regions (according to COM (2001) 437), i.e. Austria, Finland, Germany, Greece and Italy will provide co-finance for priority 3, measure 3.1 ex-ante. The indicative total amount is € 330.000, the national shares will be calculated on the basis of the share of population in the regions concerned as described in COM (2001) 437 .

The national contributions will be transferred on a regular basis to the account of the Paying Authority.

Priority 2 and priority 3 measure 2 will be co-financed on a project basis.

5. THE ORGANISATIONAL FRAMEWORK

5.1 Overview

The Member States have agreed to build on the experience of the implementation structures of INTERREG II, with due consideration of the General Regulation for the Structural Funds, Council Regulation (EC) no 1260/1999, the Guidelines for INTERREG III, published on 23 May 2000 (OJ C 143), and establish the INTERACT Programme based on the following principles:

- Efficient and effective programme management and clear division and definition of responsibilities in order to minimise costs
- Balance between structures at transnational and national level, defining the respective responsibilities at the most adequate level
- Involvement of neighbouring countries as observing members and project partners

The main entities and bodies involved in the programme management are the Monitoring Committee, the Managing Authority, the INTERACT Secretariat and the INTERACT Points. The **Managing Authority** is responsible for the overall coherence of the programme, the co-ordination of the programme and the drafting of proposals of the annual work programmes. The Managing Authority and the Monitoring Committee are supported by the **INTERACT Secretariat**, which provides technical management support and is in charge of implementing parts of the programme. **INTERACT Points** can be designated for **the implementation** of specific projects financed from priority 1 and measure 3.1 of priority 3 according to the annual work programme. INTERACT Points are Joint Technical Secretariats, Managing or Paying Authorities of INTERREG programmes and are selected by the Monitoring Committee. The **Monitoring Committee** monitors the activities of these institutions and also acts as a Steering Committee for project selection (see chart 1).

The legal relations will be defined by

- arrangements between all Member States and the Managing Authority , that in particular will define the task division in the financial management and control of the programme.
- agreements between the INTERACT-Managing Authority and the Managing Authorities of INTERREG programmes (as final beneficiaries) selected to provide INTERACT Points

Chart 1:
INTERACT management structure

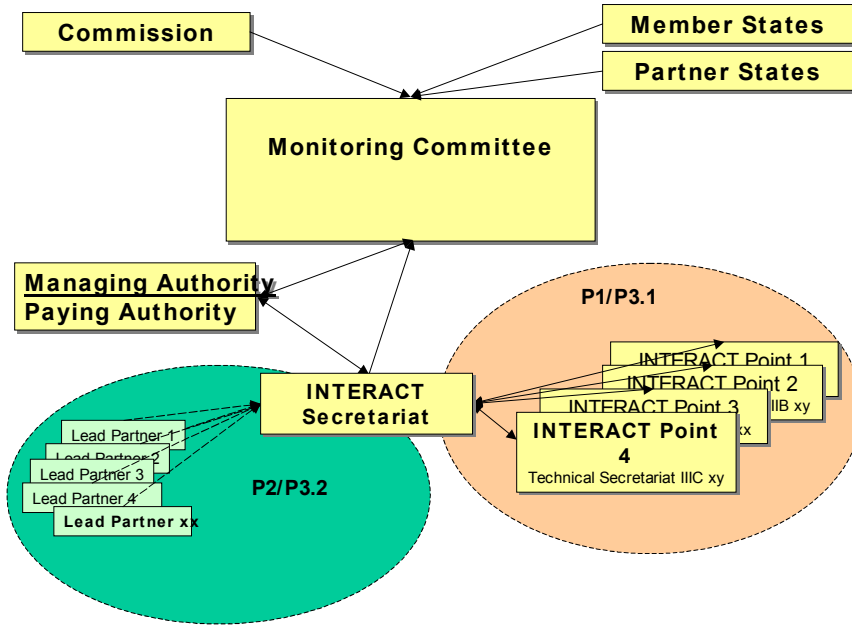
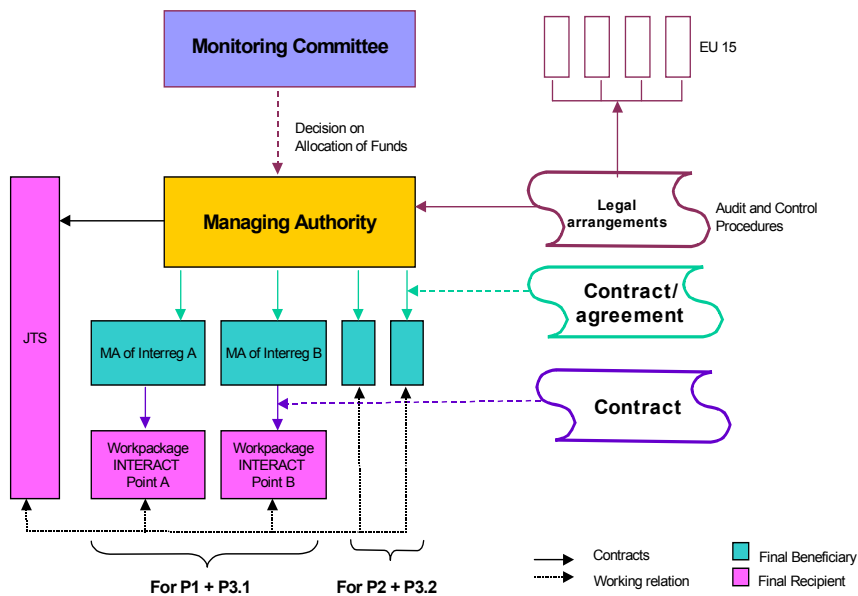


Chart 2:
INTERACT: Model for legal relations



5.2 The Monitoring Committee

A transnational Monitoring Committee is set up in accordance with Article 35 of Council Regulation (EC) no 1260/1999. The Monitoring Committee jointly undertakes the tasks of the Monitoring Committee and the Steering Committee mentioned in the same Article and in points 28 and 29 of the INTERREG-Guidelines.

The Monitoring Committee's overall task will be to supervise the quality and effectiveness of implementation and accountability of the programme operations. It will be responsible for the overall strategic management, the monitoring of the INTERACT Programme and the allocation of funds.

The Monitoring Committee will consist of 1 to 2 representatives of each Member State. Exceptionally a third representative may participate. It is recommended to include the national INTERREG co-ordinators. According to Article 35 the Commission shall participate in the work of the Monitoring Committee in advisory capacity. Furthermore, representatives of the Managing Authority and the INTERACT Secretariat will be advisory members. Representatives of the INTERACT Points may be invited. Representatives of neighbouring countries addressed by or participating in the programme will be invited as observers upon invitation of the chair. Observers may become full members under specific circumstances (see chapter 6.9). Furthermore the Monitoring Committee has the possibility to invite other bodies or persons (experts or study teams working on studies launched by INTERACT) to meetings of the Monitoring Committee.

According to Art. 35 of the Regulation 1260/99 the Monitoring Committee bears responsibility for the following tasks:

Programme implementation

- Approval of the annual working plans for implementation.
- confirmation and adjustment of the programme complement including the indicators to be used to monitor the programme
- Approval of the communication plan for the Programme to be implemented by the INTERACT Secretariat
- Approval of proposals to amend the INTERACT Programme before submission to the Commission

- Approval of the selection procedures concerning projects under priority 2 and measure 2 under priority 3, as well as INTERACT Points and the respective projects for priority 1 and priority 3 measure 1.
- Approval of the terms of reference for calls for project proposals
- Approval of the steps to be taken, if any, or the response to the Commission following the annual review of the programme between the Managing Authority and the European Commission
- Approval of the use of technical assistance funds

Monitoring, evaluation, reporting

- Annual review of progress made towards achieving the programme objectives
- Evaluation of implementation results, particularly with regard to the objectives set for the individual INTERACT Points and the INTERACT Secretariat
- Examination of the results of the mid term evaluation
- Approval of the annual and final implementation reports prior to submission to the European Commission
- Programme monitoring, based on the financial reports of the individual INTERACT Points

Allocation of funds

- Selection of INTERACT Points
- Selection of projects
- Allocation of funds to operations

Projects will be selected in compliance with the selection procedure and criteria set out below in chapter 6.2 and in the Programme Complement.

Organisational arrangements

The Monitoring Committee shall meet at least twice a year. Decision-making in the Monitoring Committee will be by consensus among the Member States, where each delegation shall speak with one voice. The Member States shall

seek agreement with the Commission on strategic decisions and on projects with 90% ERDF co-funding. When required, decisions may be taken via written procedure. At its first meeting the Monitoring Committee shall establish its own Rules of Procedure including any appropriate organisational arrangements whereas due attention should be given to efficient working structures.

The members of the Monitoring Committee shall be appointed by the respective authorities or institutions within 30 days of the approval of the CIP. In case of the Non Member States, observers to the Monitoring Committee should be appointed by means of a letter of intent.

Before the first meeting of the Monitoring Committee the Member States shall appoint by consensus the chair of the Monitoring Committee for a period to be defined in the Rules of Procedure.

Generally, travel costs of Member States representatives' of the Monitoring Committee shall not be eligible for co-finance. Exceptionally travel costs for representatives from neighbouring countries may be reimbursed (upon prior notification to and decision of the chair).

The working language in the INTERACT Programme is English. However, all meetings of the Monitoring Committee usually should be held in English, French and German. Generally documents will be provided only in English.

The Monitoring Committee may decide to set up other advisory groups or decide on other organisational arrangements in order to support an efficient implementation of the programme.

5.3 The Managing Authority

The Member States participating in the INTERACT Programme have appointed the

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to act on their behalf as Managing Authority according to Article 34 of Council Regulation No.1260/99.

The overall responsibility for the efficiency and correctness of management and the implementation of the programme shall lie with the Managing Authority within the meaning of Article 9 lit. n and Article 34 Council Regulation No. 1260/99 and Point 30 of the INTERREG-Guidelines. In order to enable the Managing Authority to assume this responsibility in a context where national jurisdiction cannot be applied, legal arrangements with all participating Member States will be signed. The Managing Authority shall be responsible in particular to:

Implementation, compliance, coherence of the INTERACT Programme

- Safeguard the overall coherence and fulfilment of the programme
- Provide coherence and co-ordination of the actions taken in the programme
- Prepare and implement strategic decisions of the Monitoring Committee
- Adjust the programme at the request of the Monitoring Committee
- Set up a system for handling and distributing information on the overall programme to the relevant institutions and bodies involved in INTERREG (in close co-operation with the Monitoring Committee)
- Actively promote the involvement of neighbouring countries
- Organise calls for proposals for priority 2 and priority 3 measure 2.
- Draft suggestions for projects for priority 1 and priority 3 measure 1. under (upon a decision of the Monitoring Committee a sub-committee of the Monitoring Committee may assist the Managing Authority in this task)

Contracting and provisions for financial control

- Conclude contracts/agreements with Final Beneficiaries for the projects to be implemented by INTERACT Points
- Ensure that the INTERACT Points make adequate provisions for financial reporting (monitoring) and sound financial management (control) and for the forwarding of these data in accordance with arrangements agreed to the Monitoring Committee

- Contract individual projects under priority 2 and priority 3 measure 2
- Ensure an efficient system of internal financial control in co-operation with the Monitoring Committee
- Contract and supervise the INTERACT Secretariat

Reporting, evaluation

- Organise an evaluation of the programme;
- Draw up and, after obtaining approval of the Monitoring Committee, submit the annual implementation report to the Commission

5.4 The Paying Authority

The function of the Paying Authority according to Article 9 (o), Article 32 of Council Regulation (EC) 1260/1999 and point 25 of the INTERREG guidelines will be carried out by the same body as the Managing Authority duly respecting the separation of functions, ie.

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The certificates of statements of interim and final expenditure referred to in Article 32(3) and (4) of Regulation (EC) No 1260/99 will be drawn up by a person within the Paying Authority that is functionally independent of any services that approve claims.

The Paying Authority is responsible for:

- Drawing up and submitting payment applications to the European Commission
- Receipt of payments from the Commission
- Receipt of the ex-ante national contributions (for priority 1, priority 3 measure 1 and priority 4)
- Monitoring of commitments and payments at the programme level

- Monitoring of the financial implementation of the projects
- Execution of Payments of ERDF-Funds and national co-finance (for priority 1, priority 3 measure 1 and priority 4) to the final beneficiaries in accordance with Art. 32 of Council Regulation (EC) No. 1260/1999
- Management of ERDF-Funds and national contributions

The ERDF contribution as well as the national ex-ante co-finance for priority 1, and priority 3 measure 1 and priority 4 will be paid to a single account in the name of the Paying Authority.

5.5 The INTERACT Secretariat

Without prejudice to the global responsibility of the Managing Authority according to Article 34 of the Council Regulation No. 1260/99 the Managing Authority will be supported by the INTERACT Secretariat in the implementation of its tasks within the meaning of point 30 of the INTERREG-Guidelines. The INTERACT Secretariat will be contracted and supervised by the Managing Authority.

The tasks of the INTERACT secretariat exceed the functions of technical secretariats in INTERREG programmes: Due to the specific nature of INTERACT and the explorative and innovative character of the operations, the INTERACT secretariat will – in addition to technical support functions – also act as implementing body. In this function it will undertake projects within priority 1 and priority 3, measure 1, that either have a horizontal character or serve the purpose of further development of INTERACT tasks. The INTERACT Secretariat will act as facilitator, organiser, information node and “mentor” for the programme.

The tasks of the INTERACT secretariat comprise

Technical Management Functions

- to support the Managing and Paying Authority in the implementation of their tasks
- to support the Monitoring Committee in the implementation of its tasks (organisation of meetings, drafting of minutes etc.),

- to prepare and implement operational decisions of the Monitoring Committee
- to co-ordinate, co-operate and monitor progress made by INTERACT Points and projects through collecting and checking project monitoring reports, monitoring outputs and financial implementation
- to provide information and publicity on the programme and its projects,
- to liaise with the implementing authorities, the European Commission and other INTERREG III programmes
- to co-operate with organisations, institutions and networks relevant for the objectives of the programme.

Operative functions for programme implementation

- to support the development of further operations for priority 1 and priority 3 measure 1 (in form of feasibility studies, needs assessment etc.)
- to act as an implementing body, especially for horizontal and cross-strand issues such as external co-operation (priority 3 measure 1),
- To assist Lead Partners during project implementation under priority 2 and under priority 3 measure 2
- receive ERDF and national co-finance (raised at an ex-ante basis) from the Paying Authority for priority 4 as well as priority 1 and priority 3 measure 1

5.6 INTERACT Points

The INTERACT Programme is organised on the basis of a decentralised approach to implementation, where those parts of the programme concerning priority 1 and priority 3 measure 1 can be implemented by INTERACT Points. The **INTERACT Points** are institutions or bodies which bear responsibility in the management and support of INTERREG III programmes; i.e. Joint Technical Secretariats or Managing and Paying Authorities (more details on the selection procedure are given in 6.2.2).

INTERACT Points have the following tasks

- act as lead partner to carry out projects under priority 1 and priority 3 measure 1 as defined in the programme complement.

- develop annual work plans for the implementation of the respective project

Legal Aspects of the relationship between the INTERACT Management Authority and the INTERACT Points

The INTERACT Managing Authority will conclude an agreement with the respective Managing Authority of an INTERREG programme concerning the operations of the INTERACT Point. The respective INTERREG Management Authority / Paying Authority acts as final beneficiary (see Chart 2).

As **final beneficiaries** they will

- sign the agreement with the INTERACT-Management Authority on single projects under priority 1 and priority 3 measure 1
- charge the respective INTERACT Point with the implementation of these INTERACT-projects – in case they do not carry out this function itself,
- receive ERDF and national co-finance (raised on an ex-ante basis) from the Paying Authority for priority 1 and priority 3 measure 1
- safeguard the correct use of ERDF- and national contributions and assure correct payment procedures in the implementation phase.
- take the necessary measures for financial control according to the Commission Regulation 438/2001.

5.7 Agreements between Member States

The Managing Authority and all participating Member States will agree upon legal arrangements. This will specify the division of work between the transnational and the national level and include the division of tasks and responsibilities of the Managing Authority, the Member States and the Final Beneficiaries concerning payment procedures, monitoring, financial control and contractual arrangements.

6. PROGRAMME MANAGEMENT

6.1 Co-ordination on the programme and measure level

The co-ordination between the authorities involved in the implementation of the INTERACT-Programme shall be the responsibility of the Managing Authority and/or as commissioned by the latter, the INTERACT Secretariat.

6.2 Application Procedures

6.2.1 Types of projects

There are two different types of projects within the INTERACT Programme:

- In priority 1 and priority 3 measure 1 projects (operations) are defined in the annual workplans. These projects will be developed by the Managing Authority with assistance of the INTERACT Secretariat and the INTERACT Points. They are approved by the Monitoring Committee. Projects under priority 1 and priority 3 measure 1 are usually complex and large (in principal: minimum amount of total costs: €500.000, minimum duration: 2 years). The projects have to demonstrate that continuous development efforts are needed in the respective field. These projects receive national co-finance raised at an ex-ante basis.
- In priority 2 and priority 3 measure 2 projects (operations) will be developed by external players. Based upon a call for proposals the Monitoring Committee selects the projects to be carried out under this priority. In compliance with the INTERREG III Guidelines a joint project assessment and selection procedure will be put in place. Projects under priority 2 and priority 3 measure 2 are submitted by the lead partner and need to be co-financed by regional or national public authorities.

The Lead Partner principle

If a project is submitted by more than one partner (as may be the what might be the case for priority 2 and priority 3 measure 2), a Lead Partner shall be nominated. The Lead Partner will take the overall responsibility for the application and implementation of the entire project. The co-ordination of financial management and full financial responsibility for all ERDF and national funds will be covered by the Lead partner. Partners from neighbouring countries can act as partners but not as Lead Partners.

The responsibilities of a Lead Partner include:

- the submission of the project application after the agreement of all partners
- the co-ordination of the submission of the project application for the ERDF, national and other EU contribution;
- the signature of the ERDF contracts for the whole project;
- project management including public relation measures;
- collecting information about all the project parts and monitoring and reporting about the progress of the whole project in the framework of the agreed monitoring system;
- monitoring and reporting financial flows for the whole project including ERDF funds;
- facilitating audit by all relevant national authorities.

The Lead partner should provide a contract on co-operation which defines the responsibilities and shared risks, and clarifies the modalities of financial transfers between the partners in the project.

6.2.2 Selection of INTERACT Points and project selection

For projects in priority 1 and priority 3 measure 1

Public administrations or bodies of Member States, that fulfil the function of a Managing or Paying Authority for an INTERREG Programme in strand A, B or C may apply for the function of an INTERACT Point.

They need to declare their interest to the Monitoring Committee in written form, nominate –if they do not carry out this functions itself - the respective Technical Secretariat that would perform the operative functions of an INTERACT-Point and provide a proposal how to implement the work plan approved by the Monitoring Committee.

The Monitoring Committee will decide upon the nomination of INTERACT Points based on the following selection criteria

- responsibility of INTERREG programme management activities with interregional, transnational and/or a cross-border focus covering issues of wider European interest

- professional, technical and economic capacity to provide services with transnational character, disseminate and make them accessible for key target groups.
- designation and back up by Managing Authorities of INTERREG Programmes
- relevance and coherence of the proposal for the implementation of the work plan

The main group out of which INTERACT Points will be recruited are Technical Secretariats of INTERREG IIIB and IIIC-programmes and (with some limitations concerning the fulfilment of the criteria mentioned above) also INTERREG IIIA-Secretariats. However complementary expertise will be contributed for selected actions (esp. training). In total a number of 4 to maximum 6 INTERACT Points is envisaged, where the geographical distribution should be balanced in the EU territory. Selection decisions also relate to duration of the INTERACT projects.

Work programmes for projects of INTERACT Points within priority 1 and priority 3 measure 1:

INTERACT Points perform operations on the basis of work programmes, which have to be approved by the Monitoring Committee and form part of the annual work plans. Work Programmes will be developed by the Managing Authority and the INTERACT Secretariat in co-operation with the INTERACT Points. The work programmes include

- Objectives and tasks
- Key target groups
- Requested inputs, expected outputs and results
- Time schedule
- Role in the overall communication and publicity activities
- Exchange of data and information with the JTS/Managing Authority/Paying Authority
- Reporting and Monitoring; i.e. regular progress reports, annual reports as well as detailed financial reports

The work programmes include a comprehensive overview of the current Pre-INTERACT activities within INTERREG IIIC-Programmes and show, where

necessary, the detailed provisions for the transformation of Pre-INTERACT into 'regular' INTERACT activities.

More details on the selection criteria and procedures will be given in the programme complement.

For projects in priority 2 and priority 3 measure 2

The Monitoring Committee will decide upon the content of the calls for proposal.

The Programme Complement contains the detailed list of eligibility criteria and specific selection criteria per measure.

All projects have to meet basic criteria with regard to coherence of the work programme, definition of outputs, visibility for INTERREG-stakeholders, coherence with the programme and the proven sustainability of the effects. Additionally the Lead Partner has to prove through references the ability to perform the financial management. Furthermore the projects have to meet specific criteria based on the core intentions of each measure. The major difference between priority 1 and priority 2 is that priority 1 addresses persons and institutions involved directly in INTERREG programme management, whereas priority 2 is open and designed for a broader range of interested actors. Also priority 3 measure 2 is open for a broader range of actors.

6.2.3 Submission of application

Applications for projects in priority 2 and priority 3 measure 2 will be submitted by the Lead Partner in English language or in any other language accompanied by an English translation to the INTERACT Secretariat. Calls for proposals will include a standard application form, including an annex with specific information (such as the starting date for the eligibility of expenditure etc.) and an example of the co-financing contract. Further information on request of the applicants will be provided by the INTERACT Secretariat.

6.2.4 Co-financing approval/contract for EU-funding

Decisions on the allocation of EU funding are taken by the Monitoring Committee.

The Managing Authority via the INTERACT Secretariat informs the Lead Partner as well as the INTERACT Points either about the approval of the project or the rejection, giving reasons for the rejection. The contract on ERDF co-

finance and - in case of priority 1 and priority 3 measure 1- national ex-ante co-finance granted to a project is issued by the Managing Authority.

6.2.5 Project reporting and monitoring procedures

The project's progress monitoring focuses on a consistent reporting system. Basically the reporting system will consist of formal requirements for project application, project assessment, project monitoring sheet, progress reports (activity and financial report), interim and final report, and financial report. All requirements will be summarised in Reporting Guidelines which will be an annex to each co-financing contract.

Project monitoring is a task of the Final Beneficiary. The Commission regulation 438/01 sets out the financial reporting requirements of the project partners.

6.3 Information for applicants

Active information work for the programme will be performed by the Managing Authority through the INTERACT Secretariat and the INTERACT Points on basis of the communication plan. The information strategy includes:

- the preparation and distribution of call for proposals for priority 2 under the measures and priority 3 measure 2 including the list of relevant contact addresses (INTERACT Points/INTERACT Secretariat)
- a Web Site for internal and external communication
- Programme promotion events organised jointly by the INTERACT Secretariat and the INTERACT Points in close co-ordination with similar activities under the other strands of INTERREG

Persons or institutions potentially interested in participating in the programme (for priority 2 and priority 3 measure 2) shall be adequately informed by the INTERACT Secretariat. The respective INTERACT Point and/or the INTERACT Secretariat will advise the applicant in preparing a project application for ERDF. A standardised application form will be developed by the INTERACT Secretariat.

6.4 Financial management and control

In consultation with the Managing Authority and Paying Authority, the Member States shall establish financial management and control arrangements in their countries as set out in Council Regulation (EC) No. 438/2001 and in such a way as to ensure that the Managing Authority and Paying Authority are able to fulfil the implementation of the programme and to co-ordinate that Community Funds and national co-financing funds are used efficiently and correctly and that assistance is managed in accordance with all the applicable Community rules and in accordance with the principle of sound financial management. The Member States will provide the Managing Authority with a detailed description of the management and control systems they have installed.

Controls according to Art. 4 of Commission Regulation (EC) 438/2001 (hereinafter referred to as "first level controls") shall be fulfilled at national level, including controls of national and EU-funds, within the national frameworks and therefore lie in the responsibility of each Member State.

As a result of first level controls certifications of expenditure shall confirm the delivery of the products and services co-financed within the respective Member State, the reality and eligibility of expenditure claimed and that national and community rules, especially Commission Regulation (EC) 1685/2000, have been respected. Depending on the specific national regulations, certifications of expenditure will be given either by public authorities/administration or private accountants. However it is within the responsibility of the Member State to secure that the certification derives from a person/institution/department authorised to do so and independent from the project implementation.

Furthermore, the Member States shall provide adequate information on national requirements for the first level control to any body responsible for giving guidance to project applicants (INTERACT Secretariat, INTERACT Points, etc.).

In case of irregularities found within the first level control system set up by any Member State, it is up to the respective Member State in cooperation with the Managing Authority to adjust the system and to correct its irregularities.

Further details including the arrangements for financial control according to Article 10 and 15 of Regulation 438/2001 will be provided in the description of the management and control system according to Article 5 of this Regulation.

6.5 Monitoring, reporting and evaluation

Monitoring

The Managing Authority ensures correctness of management and implementation and is responsible for putting in place the monitoring system of the programme. Due to the nature and focus of INTERACT it is necessary to develop a limited set of aggregate indicators which reflect the general objectives of the programme (e.g. broad dissemination of know-how, motivation of potential players, improvement and development of transnational management tools, etc.). A detailed description of the methodology for the development of indicators, data transmission etc. is part of the Programme Complement. The INTERACT Secretariat collects the relevant data from the INTERACT Points and the Lead Partners of projects. The information forms the basis of regular inputs on the strategic discussion at the programme level.

The monitoring system will provide the information as required in the Annex IV of the Regulation 438/2001 as far as it is applicable to this special programme. Information concerning the sector codes relevant for INTERACT is provided in the Programme Complement. The monitoring information forms an important basis for the interim evaluation.

Annual and final implementation reports

The Managing Authority submits annual progress reports to the Monitoring Committee. The Paying Authority submits quarterly reports to the Monitoring Committee based on the commitments and payments of the INTERACT Points (plus the INTERACT Secretariat). From these sources an annual implementation report is prepared by the Managing Authority, which has to be approved by the Monitoring Committee. The approved report is sent to the Commission.

The reports are the second basis for the evaluation of the achievements of the programme.

Evaluation

The interim evaluation will be performed in 2003. It will focus also on qualitative categories in order to contribute to an impact assessment of INTERACT. Important categories in terms of evaluation are:

- Acceptance and use of common standards and tools
- Cross-strand awareness raising: transfer and use of the know-how gained under the established strands of INTERREG (A and B) to the rather new strand C, cross-fertilisation
- Dissemination of innovative management techniques among INTERREG managing bodies
- Involvement of neighbouring countries.

Since the range of key institutions dealing with management aspects of INTERREG on trans- and supranational level forms a clearly defined target group, a qualitative evaluation of these aspects should be possible.

The ex post evaluation will be done in accordance with the provisions of the General Regulation 1260/1999. Learning cycles and permanent evaluation will be a substantial principle of INTERACT.

6.6 Plan for information and publicity - communication strategy

Due to the fact that 'sharing knowledge' is the general rule for the INTERACT Programme, particular emphasis has to be placed upon the overall information and dissemination design. Specific emphasis is placed upon opportunities offered by electronic media. In fact the communication strategy has to be developed as integral part of the implementation strategy. The detailed communication strategy needs to be elaborated in close co-operation between DG Regio, the Managing Authority (plus the INTERACT Secretariat) and the INTERACT Points. The success of INTERACT depends on an appropriate combination of a small range of new communication nodes with already existing information networks and/or channels.

The Communication Plan as part of the Programme Complement will consist of

- information strategy for INTERACT Points and the INTERACT Secretariat outlining major priorities for horizontal as well as vertical communication tasks
- preparation of specific information frameworks to be launched for a wider audience of INTERREG participants

The plan will make a distinction between

- activities aiming at the potential involvement of players in projects, reinforcing and supplementing actions undertaken by the management structures under all strands of INTERREG, including specific efforts to inform partners from neighbouring countries
- information for a broader public, reinforcing and eventually co-ordinating the respective activities of management structures under all strands of INTERREG as well as supporting the Commission in its information activities

The Managing Authority is responsible for the publication of measures. The detailed plan will be submitted within three months after the approval of the programme. The communication plan will be approved by the Monitoring Committee. Its detailed elaboration has to be accomplished in close co-operation with the management structures established under INTERREG III B and III C.

The strategy is supplemented by a promotion and public relations plan which is adopted annually by the Monitoring Committee.

6.7 Compliance with Community policies and state aid rules No State aids in accordance with Article 87.1 of the Treaty will be given by this programme.

6.8 Complementarity with other Community policies and EU funds programmes

Throughout the implementation of INTERACT attention is paid to the need for complementarity with Community Policies. First of all INTERACT is a management and co-ordination instrument for INTERREG. All activities are designed and implemented in close co-operation with the relevant INTERREG managing bodies and Commission services.

INTERACT also establishes specific co-operation mechanism with the following EU funded programmes, initiatives and related operations:

- with regard to communication and information in general: all relevant activities of DG Regio, in particular concerning INTERREG

- with regard to external borders and Enlargement: PHARE CBC, MEDA, CARDS and TACIS
- in relation to RTD and Information and Communication Technologies (ICT), INTERACT ensures coherence with the „e-Europe initiative“ regarding the development of Information Society.

6.9 Co-operation of Member and neighbouring countries in the programme

It is a key interest of INTERACT to promote the active participation of neighbouring countries. All strands of INTERREG are part of the challenging vision of an enlarging Europe. INTERACT is to become one of the tools to present and transfer the complete range of ‚INTERREG know-how‘ to interested neighbouring countries.

These countries interested in the INTERACT Programme are invited to send a letter of intent. In this case they

- will be invited to participate as observers in meetings of the Monitoring Committee (upon invitation of the chairperson)
- will be kept informed of work progress, i.e. they receive all documents drafted and circulated to the Monitoring Committee,

The observers may become full members of the Monitoring Committee when they contribute financially to projects, by their own or other financial means such as PHARE, TACIS, CARDS and MEDA.

Exceptionally travel expenses of the representatives from neighbouring countries to participate in the Monitoring Committee may be reimbursed, depending upon prior notification to and decision of the chair.

As soon as these countries have joined the EU they will be invited to participate in the programme and to become full members of the Monitoring Committee.

The representatives and project partners from Non-Member-States should also envisage support from other EU related financial source such as the PHARE, TACIS, CARDS and MEDA programmes.

7. INDICATORS FOR MONITORING AND EVALUATION OF THE PROGRAMME

7.1 Evaluation of the programme

INTERACT aims at the development of new management tools, the provision of specific information for INTERREG players and stakeholders and it will enhance or establish new work relations and information flows. The character of actions to be implemented by the INTERACT Points as well as of projects can be compared to the TA activities of, traditional' programmes. Some aspects of INTERACT will lend themselves to quantification (e.g. numbers of visits of web sites, participants of training programmes, seminars and workshops, numbers of direct contacts, visits for project development, etc.). These aspects will be quantified as far as possible in the work programmes of the INTERACT Points. Project applicants will also be asked to quantify the output of projects if they lend themselves to quantification. Nevertheless the quantification of all these aspects will not provide a sufficient picture of the overall achievements of INTERACT.

All steps of monitoring and evaluation have to place emphasis upon qualitative aspects. One has also to bear in mind that networking among INTERREG managing bodies across different geographical areas, programmes and strands itself *is a step towards reflection and evaluation of the achievements of INTERACT*. Training programmes, seminars and workshops offer ample room to discuss and reflect on various approaches and future options for improvement of programme implementation. Furthermore the preparation and implementation of INTERACT and Strand C programmes leads to the fact that high-level meetings of INTERREG coordinators of all Member States take place at regular intervals. From time to time these fora should include a structured discussion on INTERACT's achievements, i.e. kind of an ongoing evaluation of the programme.

7.2 Expected Results and specific output

The following section illustrates the expected results as well as an indicative list of specific output at priority level.

7.2.1 Priority 1

Actions realised under Priority 1 should lead to the following results:

- Enhanced know how in bodies and entities all over Europe involved in the development of the INTERREG initiative. These actions focus not only on INTERREG initiative within the EU 15 but systematically include co-operation with neighbouring countries (esp. in the PHARE, TACIS, CARDS and MEDA programmes)
- Enhanced access to specific information for INTERREG managing bodies through the provision of a coherent information system
- Capacity building for INTERREG managing bodies through training, transfer and dissemination activities
- A tangible link between the scientific basis for regional development and European integration and the practical level of INTERREG programme management
- Further momentum to the preparation of European cohesion policies for the challenges of an enlarged Europe

Actions realised under Priority 1 should lead to the following specific output:

- A coherent information system on INTERREG based on several operational elements
- A coherent framework for training, qualification and exchange of experiences, content-wise based on needs assessments among INTERREG managing bodies, offering training programmes, seminars, workshops and conferences
- Transparent, and as far as possible and reasonable, standardised tools for transnational project development and programme management
- An overview of the legal framework and the existing audit and control procedures in INTERREG programmes

7.2.2 Priority 2

Actions realised under priority 2 should lead to the following results:

- Enhanced capacities of regions to participate in INTERREG programmes
- Increased number of INTERREG stakeholders at regional and local level all over Europe

- Building bridges resp. supporting exchange and know-how transfer between INTERREG managing bodies and practitioners in regional institutions and project participants in various topics (ranging from technical/operational to policy issues)
- Dissemination and diffusion of relevant results of the INTERACT points' activities

Actions realised under priority 2 should aim at the following specific output:

- Studies and workshops with results that support further operations taken under INTERREG, available to a wider audience of actors
- Regional and local stakeholders' participation in training actions, seminars and conferences initiated by INTERACT activities
- Projects realised by special interest groupings to support the participation of their clientele in INTERREG

7.2.3 Priority 3

Actions realised under Priority 3 should lead to the following results especially targeted at the border regions according to COM 437:

- Enhanced know how in bodies and entities involved in the development of the INTERREG initiative
- Enhanced access to specific information for INTERREG/PHARE CBC managing bodies through the provision of a coherent information system
- Capacity building for INTERREG/PHARE CBC managing bodies through training, transfer and dissemination activities
- Enhanced capacities of Accession Countries' regions to participate in INTERREG programmes
- Enlarged number of future INTERREG stakeholders at regional and local level along the external border with Accession Countries
- Building bridges resp. supporting exchange and know-how transfer between INTERREG/PHARE CBC managing bodies and practitioners in regional institutions and project participants on various topics ranging from technical/operational to policy issues

Actions realised under Priority 3 should aim at the following specific output especially targeted at the border regions according to COM 437:

- A coherent information system for the management of transition from INTERREG/PHARE CBC to INTERREG based on several operational elements
- Specific inputs to the INTERACT framework for training, qualification and exchange of experiences, content-wise based on needs assessments among INTERREG/PHARE CBC managing bodies, offering training programmes, seminars, workshops and conferences
- Practical and - to the greatest extent possible - standardised joint co-operation tools for the forthcoming transition period with a clear focus on programme management skills necessary to enable start-up of joint INTERREG-type actions with the Accession Countries in the short-term
- Studies and workshops with results that support further operations taken under INTERREG, available to a wider audience of actors
- Regional and local stakeholders' participation in training actions, seminars and conferences initiated by INTERACT activities
- Projects realised by special interest groupings to support the participation of their clientele in INTERREG/PHARE CBC

7.3 Indicator framework

The indicator framework in its final form is part of the Programme Complement. The table below points out the key of this framework which reflects the broad ambitions of the programme at priority level. The options for quantification outlined below aim at the definition of basic measuring sticks for the INTERACT Programme management.

| Objectives | Evaluation approach | Indicators (options for quantification) |
|--|---|---|
| Programme level | Mainly qualitative (e.g. ongoing evaluation of INTERACT) | |
| To increase the efficiency and effectiveness of the three strands of INTERREG | Feed back loops with INTERREG coordinators of all Member States | Evt. aggregation of certain Priority level indicators |
| Priority level | | |
| Priority 1 | Qualitative and quantitative | |
| To improve know-how and strengthen management and operational capabilities of INTERREG managing bodies | | <ul style="list-style-type: none"> • Number of EU-wide information tools installed • Number of certain types of training activities • Number of participants in training programmes, seminars, workshops (evt. specific spread of countries/INTERREG programmes) |
| To facilitate transfer of know-how between all three strands of INTERREG | | <ul style="list-style-type: none"> • Number of tools and transfer activities with a clear focus on cross-strand issues |
| Priority 2 | Qualitative and quantitative | |
| To improve the quality of INTERREG III programmes and projects | | <ul style="list-style-type: none"> • Number of new resp. significantly enlarged co-operation platforms • Number of studies and dissemination activities addressing the needs of a large group of INTERREG players |
| To deepen INTERACT activities for different groupings of players | | <ul style="list-style-type: none"> • Number of seminars, training programmes (evt. specific spread of countries/INTERREG programmes) |
| Priority 3 | Qualitative and quantitative | |
| To encourage and strengthen cooperation in regions along external borders | Feed back loops and discussions with representatives of Accession Countries | <ul style="list-style-type: none"> • Number of specific joint co-operation tools between Member States and neighbouring countries • Coverage of border regions according to COM 437 in certain types of exchange platforms and training activities |

The quantification and exact definition of these priority level indicators will be agreed at a later stage in the Programme Complement respectively the work programmes for the INTERACT points. The work programmes of the INTERACT points will be based on a wider set of operational objectives. The set of operational objectives forms the basis for the exact definition of quantitative indicators at measure level.

Criteria for project selection

For projects launched under priority 2 as well as under priority 3 measure 2 specific selection criteria will be defined in detail in the Programme Complement. These criteria form the basis for a transparent selection procedure.

The information contained in the selection criteria will be used for the generation of aggregate indicators. Qualitative categories will be used as additional specification for the projects in the monitoring system.

8. EX-ANTE EVALUATION

The ex ante evaluation has been carried out by a team of the European Policies Research Centre at the University of Strathclyde in Glasgow.

8.1 The Ex-Ante Evaluation Process

Given its structure as a Community Initiative Programme (CIP), the INTERACT Programme requires an ex ante evaluation in accordance with the General Regulations of the Structural Funds and the INTERREG III Guidelines. As agreed with the European Commission, the INTERACT CIP has been undertaken on the basis of a 'light' procedure on account of its role and novelty. The ex ante evaluation reflects both this 'light' procedure and the specific characteristics of the INTERACT CIP. As far as possible and appropriate, the topics for ex ante evaluation included in the INTERREG III Guidelines, General Regulations and associated Working Papers have been considered.

The process of the ex ante evaluation of the INTERACT Programme has involved both desk-based assessment of various drafts of the CIP document and discussions with the programme drafting team. The first stage entailed an evaluation of the third draft of the CIP document which was presented to the INTERACT working group of the 15 Member States on 7 May. The initial findings of the ex ante evaluation were then discussed with the programme drafting team (from the Austrian Federal Chancellery and the ÖIR) on 15 May 2002 in Vienna. This meeting was designed to facilitate mutual learning and permit the incorporation, where appropriate, of comments and recommendations from the ex ante in the text of the CIP. It also allowed account to be taken of amendments to the text of the CIP being introduced by the drafting team following the meeting of the INTERACT working group on 7 May in Brussels. These amendments dealt, in a number of areas, with issues raised by the ex ante evaluation.

This interactive approach to the ex ante evaluation, although carried out over a relatively short time period, has resulted in an improvement in the quality, coherence and presentational clarity of the final programme document. This chapter represents the last step in the ex ante evaluation process, based on a final assessment of the latest version of the CIP. It contains a summary assessment of the INTERACT Programme and the key findings of the ex ante

evaluation under five main headings, indicating where significant changes have been made.

An ex ante evaluation will also be undertaken of the INTERACT Programme complement. In addition to the formally required components of the programme complement, this document is also likely to take the form of a work plan for the INTERACT Programme and is currently under discussion. The ex ante evaluation work, therefore, will be carried out after the presentation of the first draft of the complement to the INTERACT working group.

8.2 The Context of the Intervention

The INTERACT Programme has no specific geographical or spatial target for its interventions but rather is designed as a form of technical assistance programme aimed at supporting spatially-specific INTERREG III programmes. As a result, an area-specific socio-economic assessment or SWOT analysis, as expected in a mainstream Structural Fund or Community Initiative programmes, was less immediately relevant to the INTERACT Programme.

The ex ante evaluation recommended that a form of SWOT analysis would still potentially be feasible for the INTERACT Programme, albeit with a somewhat different interpretation. In the context of this programme, the 'strengths/weaknesses' component could draw out the positive characteristics and potential of the INTERACT Programme on the one hand and the design/implementation difficulties of the programme's target (ie. the INTERREG III initiatives) on the other. The 'opportunities/threats' element could highlight the opportunities of the INTERACT Programme in providing this new form of support for INTERREG III and the threats/risks/challenges associated with the programme's design and implementation.

The original draft of the INTERACT CIP assessed as part of the ex ante evaluation already raised a number of these points but omitted primarily any elaboration of the potential opportunities and challenges of the new programme. This has been addressed in the final version of the CIP, with relevant issues being expanded in both the Executive Summary and Chapter 1 (Context of INTERACT). An overview table outlining the strengths and weaknesses of the current INTERREG III programmes and the opportunities and challenges of the INTERACT Programme provides a good and immediate overview of the main points. This gives a clearer presentation and summary of the rationale for the

INTERACT Programme as well as a more defined link to its subsequent aims, objectives and priorities.

8.3 Relevance and Coherence of the Strategy

8.3.1 External relevance and coherence

In terms of external coherence and relevance, the strategy and objectives of the INTERACT Programme are in line with Paragraph 53 of the INTERREG III Guidelines which represents the most direct official requirements for the programme. The objectives and priorities of the INTERACT Programme also show a high degree of relevance to providing appropriate support for the INTERREG III initiatives which are designed and implemented on the basis of the Guidelines.

8.3.2 Internal relevance and coherence

In terms of internal coherence, the objectives and priorities of the INTERACT Programme respond to the presented rationale for the programme. The ex ante evaluation recommended the provision of a clearer hierarchy of aims and objectives which could be more directly linked to both the earlier 'SWOT'/rationale section and the subsequent priorities and indicator components of the programme. The unambiguous presentation of the purpose and key aims of a programme as novel and complex as INTERACT was considered particularly important for both programme management and subsequent project applicants/INTERACT Points.

The final version of the INTERACT CIP presents (also in diagrammatic form – see Figure 1) a transparent hierarchy of global, specific and operational objectives. Further, Figure 2 provides a good overview both the thematic and geographical foci of the INTERACT Programme as well as the key target groups and implementation approaches for the individual Priorities and Measures. This Figure, together with the new text introducing the operation of the INTERACT Points, is helpful in providing a synopsis of the thematic priorities and implementation structures of what is a complex and novel programme.

8.3.3 Programme Priorities

The INTERACT Programme is divided into three Priorities: INTERREG management support (P1); INTERREG development (P2); and Cooperation and management of transition in border regions with Accession Countries (P3). The key points of ex ante assessment in relation to these Priorities, and relevant subsequent amendments to the final CIP, include:

- Priority 1 – clearly presented aims and division of activities between measures and with a strong coherence with the overall management support objectives of the INTERACT Programme.
- Priority 2 – the re-integration into a single Measure of the original two Measures under this Priority, as well as the explicit mention of the relevant target groups, has improved the overall clarity of Priority 2. Of the three INTERACT Priorities, however, the exact nature of activities anticipated under Priority 2 remains the least obvious, although the revised listing of actions is clearer than previously. It is expected that greater definition of eligible and desired project activities will be identified in the work programme of the programme complement.
- Priority 3 – the operation of a distinct geographically targeted Priority for the border regions reflects in part the wider policy priorities of the European Commission and the visibility of border region support. The change in the title of the Priority from the original ‘Cooperation of regions at the external border’ to the new ‘Cooperation and Management of transition in border regions with Accession Countries’ improves the distinction between the Priority 3 and the activities under the other two Priorities. This is further supported by new text pointing to the need for cooperation with activities under the other two Priorities. It will still remain important to ensure clarity between the respective activities to be funded, particularly in the case of Priority 1 which also emphasises external border cooperation. This differentiation will continue to be relevant in the development of the more detailed programme complement and associated work programmes.

8.4 Expected Results and financial allocation

The expected results of the programme were originally listed under each Priority but, following discussion in the framework of the ex ante evaluation, these have now been brought together under Section 7 (Indicators for Monitoring and

Evaluation - see section 0 of the evaluation). Given the close link between expected results and the subsequent indicator framework, this integration provides an improved overview of the anticipated results of the INTERACT Programme and how these might be tracked and measured.

In terms of resource endowment, the revised financial table now allocates an equal distribution of ERDF finance between Priorities 1 and 2. The primary aims and objectives of the INTERACT Programme (ie. the provision of direct and targeted support to INTERREG management bodies) would suggest, however, that a higher financial weighting in favour of Priority 1 could be beneficial. It is not possible to comment further on the appropriateness of financial distribution in advance of the more detailed programme complement and work plan.

8.5 Indicator Framework

The creation of an indicator framework for a new and complex management support programme such as INTERACT is a challenging task and Section 7.1 of the CIP appropriately emphasises the qualitative aspects of the monitoring and evaluation framework. If anything, there is scope for more explicit statements about the particular challenges in this area.

INTERACT is small programme in financial terms and a new one in terms of content, targeting and organisation. For these reasons, the identification of a large and potentially unwieldy indicator framework may not only be very difficult but also possibly counterproductive. Section 7.1 of the CIP appropriately states that quantification will be feasible primarily in relation to INTERACT Point workplans and individual projects. These will form part of the programme complement or be defined in the project selection and approval process. This information should be concentrated in the programme complement.

Despite the overall difficulties in this area, however, the ex ante evaluation still recommended that a clear system of indicators, linked to programme objectives, be identified for the INTERACT Programme. This was viewed as important not only for the European Commission but as a tool for programme management in assessing whether defined programme objectives are being effectively met. The revised Section 7 of the CIP addresses this recommendation through a clearer overview presentation of results and outputs for each Priority, together with a Table which provides potential indicators to reflect the broad ambitions of the programme at Priority level. This represents a much more coherent link

between the objectives of the INTERACT Programme, the anticipated results and outputs, and broad measuring sticks against which subsequent activities can be assessed. The differentiation between results and outputs is in line with European Commission guidance on monitoring and evaluation.

The CIP appropriately states that the quantification and exact definition of the Priority level indicators will be agreed in line with the programme complement and the work plans of the INTERACT Points. This reflects the on-going approach to work programme specification and the aim of the INTERACT Programme to respond to emerging support needs for INTERREG management. The results, outputs and suggested indicators for each Priority now listed in Section 7 provide the basis for this subsequent process of more detailed indicator definition which should be linked as coherently as possible to this base. Overall, given the nature of the INTERACT Programme, it is important to try, where feasible, to identify indicators which highlight the cooperative nature of activities and reflect the main problems with the implementation of the INTERREG III programmes which INTERACT aims to address.

At programme level, it may be possible to aggregate some of the Priority level indicators as suggested in the Table in section 7.3 of the CIP. However, meaningful global programme indicators, linked to the overall objective of the INTERACT Programme, are likely to be extremely difficult to quantify. The overall impact of the INTERACT Programme can be seen as the extent to which the INTERREG III initiatives in the current programming period are managed efficiently and are of a higher quality in terms of content, organisation and cross-border/transnational impact. This cannot be quantified but a statement of this desired impact can act as a guide for the potential future assessment of programme impact through qualitative evaluation.

8.6 Implementation Structure

The organisational framework and implementing structures for the INTERACT Programme have been designed to build on the experience of INTERREG II and be in compliance with the INTERREG III Guidelines and General Regulations of the Structural Funds. The novelty and complexity of the INTERACT Programme increases the importance of ensuring a degree of flexibility in the implementation structures in order to be able to adjust to operational changes or changing support priorities as the INTERREG III

initiatives progress. Reference to this consideration is made at several points in the CIP although it could potentially merit stronger reiteration.

A decentralised approach to programme implementation has been adopted. This is particularly evident in Priority 1 and Measure 3.1 which are to be implemented through designated INTERACT Points. These comprise institutions or bodies engaged in the management and support of INTERREG III programmes as well as the INTERACT Secretariat. The change of name from the original Focal Point to INTERACT Point is beneficial for the visibility of the programme and awareness raising of subsequent programme activities.

The decentralised approach has the potential, in itself, to contribute to the objectives of the INTERACT Programme in strengthening INTERREG III management structures and building capacity through 'learning by doing'. It should also contribute to a more practice-oriented and relevant content of funded activities given the direct involvement of the INTERACT Points in the practical implementation of INTERREG III programmes. It will be important, however, to ensure that the results of INTERACT Point activities are effectively disseminated, not just across countries but also across the three INTERREG strands, given that individual INTERACT Points may be less aware of structures and mechanisms in strands other than their own. The description of how INTERACT Points are to be selected, and the link to their specific activities, has been improved in the final version of the CIP and it is anticipated that further detail will be elaborated in the subsequent work programme of the programme complement.

It is assumed that the INTERACT Point participation in the Monitoring Committee is designed to encourage on-going learning about both project activities and implementation difficulties to inform discussion about future work. There may also be potential for a mechanism to promote coordination and exchange of experience between the INTERACT Points, linking not only different project activities and encouraging information exchange but also bringing together technical secretariats from different INTERREG III strands.

In terms of the *INTERACT Secretariat*, the ex ante evaluation recommended a clearer statement regarding the potential role of this organisation as an implementing body in the programme. While the particular nature and activities of the INTERACT Programme appear to justify, under some circumstances, the designation of the Secretariat as an implementing body, this is not in line with the common understanding of a programme Secretariat. The new text under

section 5.5 addresses this issue and provides both adequate explanation and improved clarity with regard to the role of this organisation in the implementation and management of the INTERACT Programme.

8.7 Reaction to the findings of the ex ante evaluation

The comments made in the course of the ex-ante evaluation were helpful for the drafting group since the evaluator focused on the presentational clarity of the document. Due to the novelty of the programme clear and focused statements are very important. Thus thorough reflection of the CIP and precise comments of the evaluator have contributed to the overall quality of the document. Several major elements have been included following the recommendations of the evaluator:

- The Graph explaining the thematic focus of each priority and key differences in the implementation procedures
- The SWOT analysis has been introduced which points out key strengths and weaknesses of the INTERREG initiative and the opportunities and challenges for INTERACT
- Revision and clarification of the programme's objectives, results and outputs; on the one hand the hierarchy of objectives is now also presented as a graph, on the other hand a section in chapter 7 summarising results and outputs provides a tangible link to the definition of indicators as part of the Programme Complement.
- Chapter 7 has been thoroughly revised; detailed information on indicators as well as the process of indicators' definition is part of the Programme Complement.