



# **ÖROK project “15 years INTERREG / ETC in Austria: Retrospect and Outlook”**

## ***Executive Summary***

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## ***Recommendations for Action for ETC Programmes 2014 +***

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## Executive Summary

For more than 15 years Austria has now participated in INTERREG/ETC programmes and deliberations concerning the new programming period have already been initiated. Therefore a decision was taken within ÖROK to reflect on this participation, draw a quantitative and qualitative balance and based on this experience draw conclusions for the ETC objective 2014+ from an Austrian perspective.

This was the task of the project „15 years INTERREG/ETC in Austria“ and four guiding questions were formulated in this respect:

- (a) What were the results and impacts of INTERREG/ETC programmes und what constituted their value-added (in institutional or professional terms)? How sustainable are the projects and (organisational) structures that have been supported?
- (b) How relevant are these achievements in the context of the developments that have taken place in the period 1995-2009 (e.g. contributions in selected thematic areas)?
- (c) Which contributions can likely be expected from on-going ETC programmes for achieving the objectives of the Austrian NSRF (STRAT.AT) – not only for Priority 4 (TC)?
- (d) Which lessons can be drawn for the future, notably concerning improved co-operation across the EU and within Austria?

In order to be able to respond adequately to these questions, first of all an impact model was drawn up in collaboration with the project's steering group and subsequently a series of impact assumptions were formulated. These served to prepare the question grids for interviewing key actors and projects. In addition, data from all projects that were funded by INTERREG/ETC programmes since 1995 has been processed and analysed. Moreover, a thematic analysis was conducted in four key areas and impulse papers were elaborated on two „horizontal“ aspects of importance for the future of ETC (‘European Level’ and ‘Institutional Framework’). All these assessments and contributions were reflected in three synthesis workshops with selected INTERREG/ETC actors. Finally, the project's preliminary findings and recommendations were presented at a STRAT.AT*plus*-Forum and discussed with a broad range of actors.

With respect to **results and impacts**, the quantitative balance of this policy area was impressive: Since 1995 a total of 2.813 projects with Austrian participation have been funded, most of them in cross-border programmes and in particular in programmes with the ‘New Member States (EU 12)’. As a consequence, EU funds (predominantly ERDF) totalling 392,82 Mio. Euros were directly dispersed in Austria via INTERREG/ETC programmes. Economic development (especially tourism) has been the dominant thematic funding area from the very beginning, but its relative importance is declining and meanwhile environmental topics are funded almost equally.

In qualitative terms the survey of key projects revealed that - to a large extent - they have reached their objectives and could also improve the quality of their co-operation. The

expected effects were mostly achieved, notably cross-border respectively trans-national effects and sustainable results. However, since the selected sample predominantly consisted of „good practice“ projects, these findings should not be interpreted as being representative for the achievements of all supported INTERREG (III) projects.

Achieving continuity revealed to be the core factors with respect to the **sustainability** of supported projects – depending on the situation either the support of follow-up projects or continuing funding (of organisations/entities) can be an adequate approach. Important factors for achieving sustainable impacts are: reaching the expected target groups, involving relevant multipliers, obtaining visibility of projects respectively their results and embedding the co-operation with partners in institutional terms. The structures that have been supported through INTERREG/ETC so far (EUREGIOs) depend to a large extent on these financial means with respect to their current core tasks. However, the most important factor for sustainable co-operation structures is not continuous funding, but the political willingness of co-operation partners.

With respect to the likely **contributions to the objectives and strategy areas of the Austrian NSRF (STRAT.AT)**, the financial means of ETC projects predominantly concern STRAT.AT Priority 2 „Attractive Regions, Location Quality“, followed by Priority 1 „Regional Knowledge Base and Innovation“. But this quantitative analysis has also revealed that two thirds of the ERDF resources available for Austrian partners through these programmes cannot be attributed to any of the STRAT.AT priorities 1-3. One of the reasons for this cleavage is the difficulty in adequately integrating cooperation programmes in national strategic planning.

Concerning their **value-added**, the immaterial effects can be considered the essence of INTERREG/ETC. In professional terms this value-added predominantly consists of the implemented projects as well as the exchange of knowledge and experience. Important value-added in institutional terms were co-operations and networks, the establishment of (programme)structures and stabilizing the collaboration of institutions. The profile and the unique features of this funding scheme have become clearer, which also made demarcation to other EU programmes easier. The EU Commission and the partners appreciate the important and competent contributions by Austria in this policy area. Specific strengths of Austrian actors that were mentioned in the survey are pragmatism coupled with responsibility, the courage to undertake risks and the capacity to engage in finding compromise solutions.

However, this value-added is severely dampened by the increase of (formal) requirements, which has also negative effects on the attractiveness and outreach of ETC programmes. These risk becoming ‚minority programmes‘, whose benefits are limited to a (too) small circle, with a tendency towards repeated support of the same actors and similar projects. Moreover, at some deficits were noted at project level, notably with respect to the quality of co-operation (even ‚alibi partnerships‘) and their strategic orientation.

INTERREG/ETC programmes have been of high **relevance**. They have not only taken the respective contextual developments in the supported thematic areas properly into account, but have also succeeded in developing adequate approaches. Therefore many important contributions were funded through this policy area (this holds at least true for the thematic areas that were analysed within this project). The relevance of ETC projects also depends whether they are adequately embedded in their respective territorial context, the available financial resources (but also local or small projects can be important and obtain high visibility) and the regulatory framework (e.g. eligibility rules, control requirements).

But here as well one should not lose sight of some major problems and deficits: This notably concerns the regulatory framework, where it is important to pay attention that the formal requirements will enable the participation of essential partners in the future (e.g. enterprises, small private actors). Concerning resources the financial means required for co-financing projects considered to be of relevance should be assured, also at federal level. Last, but not least, it is crucial to achieve a joint understanding with the programme partners of what is regarded relevant. In the light of experience this will likely be a continuous task and challenge.

In the framework of this project some **recommendations for action** were developed in collaboration with the Steering Group. These were discussed both with INTERREG/ETC actors and more broadly at the final STRAT.AT*plus*-Forum. They were grouped under three main headings:

- Strengthen the strategic focus and profile of ETC programmes

Programme implementation should be guided more thoroughly by strategic considerations, whereby a balance must be struck between thematic concentration (in the respective regional context) and considering EU-priorities or higher-level strategies. This will also require ‚top down‘ decisions on strategic projects or joint criteria, pro-active project development and new approaches for identifying suitable projects (e.g. targeted calls on strategic topics). In addition a more deliberate demarcation, but also connection and linkage of ETC programmes will be needed: On one hand this concerns the articulation between the various ETC strands (notably cross-border and trans-national), on the other hand the connectivity with other EU Programmes or Funds (e.g. Regional Competitiveness and Employment, Rural Development, ESF, FP7) and national programmes. The territorial demarcation of funding areas should largely be maintained /continued, but functional collaboration across programme areas should be made possible.

- Simplify regulatory framework and programme administration

In the future as much as possible should be regulated at European level, which will require that the EU-Commission draws up standard requirements and instruments for all ETC programmes (per strand), e.g. eligibility rules, templates for applications and contracts. What cannot be regulated at EU level should be done at programme level – together with the partners. Here the programmes and Member States should make better use of their room for manoeuvre (e.g. applying simplified procedures, introducing simplifications for small projects, speeding up the decision-making process). Finally, ETC programmes should gain more recognition and their formal co-ordination needs to be improved. This not only holds true for the EU, but also for the national level (e.g. by establishing an ETC Working Group within ÖROK).

- Communicate and inform in a more targeted and broader manner (visibility and “capitalisation”)

Basically, ETC programmes should be used for establishing and strengthening institutionalized platforms (for co-operation or articulation of different actors). Information and publicity activities of ETC programmes should be more focused and differentiated (with respect to topics, target groups, territories). The results of ETC projects should be disseminated more systematically, notably addressing those actors who are not directly involved but of relevance. In addition, specific actors have to be approached and animated to participate in ETC projects. Finally politicians and the broader public should be informed more thoroughly about ETC.

On all these items possible actions and activity areas have been compiled, structured according to their addressees. In addition the report contains the main recommendations of external experts on thematic and horizontal areas.

The Austrian experience has also been placed in a wider European context, drawing upon the findings of two recent analytical works (ex-post evaluation of INTERREG 2000–2006, INTERACT study towards cross-programme evaluation of cross-border cooperation in Central and South-Eastern Europe). This comparison has revealed that many of the problem areas and challenges are not specific for Austria, notably with respect to the co-operation with the EU 12 (formerly called ‚New Member States‘. The recommendations of this project largely coincide with those of the INTERREG ex-post evaluation and the tendencies that have emerged from the cross-programme analysis of the INTERACT study.

# Outlook and Recommendations for Action for ETC Programmes 2014 +

## The project's main recommendations for action

Within the framework of the project "15 Years INTERREG/ETC in Austria", recommendations for action were developed jointly with the Steering Group and these were presented and discussed at Workshop 3 (with INTERREG/ETC actors) and at the STRAT.AT*plus*-Forum. This chapter summarises and briefly describes the recommendations for the three areas of focus.

Furthermore, the results of these discussions at the STRAT.AT*plus*-Forum are summarised in tables. To this end, the diverse proposals were formulated as possible activities and actions, and differentiated by addressee (e.g. EU Commission, programme and national level). For these tables to reflect the status of the discussions at the STRAT.AT*plus*-Forum as authentically as possible, the wording used has been replicated verbatim where possible and modified slightly only at times to render it more understandable or has been explained by an author's note (in italics). The proposals are grouped by content and the resultant sequence does not imply any ranking or prioritisation.

### Stronger strategic focus and clearer profile for ETC programmes

- Considering the EU framework presently projected, the programming will have to achieve a (new) balance: On the one hand, the programmes have to define the content and thematic focus in the respective regional context, and on the other, appropriately take into consideration the EU priorities and overarching strategies.
- The implementation of the programmes should follow a more strategic orientation: This requires program-specific processes for defining "top-down" strategic projects or common criteria, active project development and new forms for identifying suitable projects (e.g. calls for strategic themes).
- Greater awareness when defining, linking and connecting ETC programmes: This applies, on the one hand, when bringing together the different ETC strategies (especially in cross-border and transnational programmes), and on the other hand, when linking to other European programmes or funds (Regional Competitiveness and Employment, Rural Development, ESF, European Agricultural Fund for Rural Development (EAFRD), 7<sup>th</sup> Research Framework Programme), but also when linking to national or intergovernmental programmes and activities (e.g. COST, EUREKA, Ministerial Conference on the Protection of Forests, Multilateral "Environment for Europe" Process, UN institutions and UN programmes).
- The respective specifications are to be defined at the appropriate level (principle of subsidiarity). This requires greater coordination and a mutual exchange of information at the national level in Austria, but also at the level of the European Commission.
- Linking themes by "up and down-scaling" when bilaterally implementing the tested methods in transnational programmes and vice versa.
- The pilot role and the complementary role of ETC is to be preserved; the programmes will continue to promote innovation, and prepare and coordinate investments.
- The possibilities for participation need to be secured also for relevant groups of actors from the public and private sectors: Among other things by creating special rules for financial assistance schemes; the involvement of local actors would also seem reasonable or would be required for specific themes.
- In the case of cross-border programmes, the regional setting should be handled more flexibly. If the regional setting is to be retained or continued, then the functional cooperation options

need to be optimised across programming regions. The participation of the relevant project organisers from other programming regions should be simplified with respect to legal and administrative matters for the transnational programmes.

Addressee:	Possible activities and actions
European level	<ul style="list-style-type: none"> <li>– Europe 2020 strategy to serve as primary framework strategy and strategies for macro-regions only secondary (these should not to be viewed as a “master strategy”).</li> <li>– Define macro strategies for further regions (e.g. Alpine space); these are a suitable framework for the inclusion of NUTS 2/3 regions.</li> <li>– The new framework agreements (between EC and member states) should also make it possible to set up trilateral ETC programmes.</li> <li>– The specifications of the content of ETC programmes at the European level should be as broad as possible.</li> <li>– Macro regions require a different understanding of strategy on the part of the EC in the sense of an integrative, cross-sector approach (cooperation among DGs).</li> <li>– Strategic orientation for the macro regions.</li> <li>– Orient the various EU programmes on macro regional strategies (taking into account EU, national and private sector funds).</li> <li>– Define coordination mechanisms (e.g. steering group for priority areas, working groups, thematic coordinators).</li> </ul>
Programme level	<ul style="list-style-type: none"> <li>– Clarify with partners what can be realistically achieved through ETC (considering the funds, numbers of actors to be involved).</li> <li>– The set of instruments and the strategy have to be harmonised; coordination of the strategy, measures and eligibility for financial assistance are preconditions for the implementation and realisation of the objectives defined.</li> <li>– ETC programmes need to address the needs of the programming regions to be effective.</li> <li>– The programme strategies should be developed in conjunction with other financial assistance instruments and programmes.</li> <li>– The programming defines the thematic focus (context-dependent).</li> <li>– Define level of ambition in advance (objectives and expected effects) and establish these in the programming documents.</li> <li>– Find a balance between regional needs, thematic focus and the Europe 2020 strategy.</li> <li>– To this end, initiate the process as early as possible (immediately) with partners.</li> <li>– Contributions to the Europe 2020 Strategy; develop the 20-20-20 objectives (<i>Note: this also concerns other EU goals and strategies such as research, technology and innovation strategy, research</i>).</li> </ul>

	<ul style="list-style-type: none"> <li>– Harmonise goals with the Danube space and other macro strategies (i.e. define appropriate areas of focus for respective ETC programmes).</li> </ul> <p><u>Especially for cross-border programmes:</u></p> <ul style="list-style-type: none"> <li>– Master the challenge of the further development of border land programmes into strategic inter-regional programmes.</li> <li>– Clarify with partners if ETC programmes are too primarily (again) create broadly dispersed impulses or strengthen common economic areas.</li> <li>– Find a balance between breadth (support convergence of the regions) and depth (profiling of regions by defining specific areas of focus and creation of new identities).</li> <li>– Selection of projects with the greatest possible added value for Europe.</li> <li>– Make room for experiments and small projects (like "SPF"); very useful for visibility and effectiveness of ETC programmes.</li> <li>– Discuss with partners which would be the most suitable level for financial assistance (NUTS III like up to now or concentration on NUTS II to increase flexibility).</li> <li>– Define areas of focus top-down but taking into account the specific territorial features (ascertain need for strategy from the bottom up).</li> <li>– Ensure support with respect to content after project selection (Monitoring Committee) and if necessary create structures.</li> <li>– Introduce mandatory joint reflexion of achievements or results during the implementation of ETC projects (e.g. half-time)</li> <li>– Use part of the ETC funds for macro-economic programmes.</li> <li>– Use INTERACT for strategic issues especially to bring actors together and improve their cooperation.</li> </ul>
National level	<ul style="list-style-type: none"> <li>– Take ETC concerns into account in the framework agreements without excessively stressing territorial border definitions too much (leads to separation of member states).</li> <li>– Take interests of countries/regions into account in framework agreements.</li> </ul>
Political level	<ul style="list-style-type: none"> <li>– Include politics in programming and implementation (harmonisation of interests and plans, identification of common features).</li> <li>– Investigate the interest in a common and harmonised regional development among political actors (in which areas?).</li> </ul>

*Source: Documentation of contributions to the discussion at STRAT.ATplus-Forum on 27 Jan. 2011*

### **Simplify regulatory framework and programme administration**

- More (formal) harmonisation and awareness is required at the EU level: The ETC programmes are to be integrated more and more into the COCOF (or create an appropriate body for them). INTERACT should be used more for cross-programme exchange. In Austria, a separate ETC working group is to be set up at ÖROK.
- “Europeanise” as much as possible: In future, the EU Commission is to develop uniform rules and instruments for all ETC programmes (by strand) such as rules for eligibility, specimen forms and agreements.

- The themes that cannot be “Europeanised” should be regulated at the programming level: This concerns, among other things, subsidiary eligibility rules and ERDF funding intensity; the framework conditions are to be harmonised in the programmes such as for support services or the conditions and requirements for project organisers.
- Not everything depends on the EU regulatory framework; programming by member states also needs some room for manoeuvring. For example, it should be possible to exploit all options such as the application of simplified reimbursement procedures (e.g. standard unit costs, flat rates).
- The simplifications should be defined jointly as far as possible (i.e. with the programming partners): In this manner, the handling of applications and the settlement of accounts accelerated and the call-system restricted to those areas where competition is meaningful. The advance financing for certain cost categories would be a major supportive factor, especially for smaller project organisers.
- In the case of cross-border programmes, administrative solutions for smaller, local projects should be considered: For example, by (re)introducing or retaining the Small Projects Funds or by widening the scope of the proportionality principle in financial controlling (i.e. lower requirements for small projects).
- Accelerating project decisions: On the one hand, this may be achieved by the early exchange of information on project (ideas), and on the other, by better preparing decisions in the Support Committees, e.g. preparatory meetings (also informal) or by creating working groups.

Addressee:	Possible activities and actions
European level	<ul style="list-style-type: none"> <li>– Consider the reintroduction of EU-wide rules and guidelines for eligibility for financial assistance (e.g. procurement practice/below-threshold range), a set of rules like the ones used for PHARE (framework with process rules, offers room for manoeuvring) would be ideal.</li> <li>– EU-wide eligibility rules (e.g. SEM 2000 with rules on e.g. VAT, leasing, land purchasing) could be considered again and further refined.</li> <li>– Consider EU-wide standard rates for personnel costs (hourly rate for employment costs; member state or EU-wide daily rates).</li> <li>– Europe-wide standardisation of forms would be useful (but separate ones for bilateral and transnational programmes), likewise for funding agreements and reports. A positive side-effect would be comparability at the European level and the transparency of project data.</li> <li>– It would also be reasonable to have standard rules for documentation and cost items (binding percentages for all programmes).</li> <li>– The three levels of eligibility for financial assistance (EU/programme/national) should be reduced to two levels (EU-wide and national rules).</li> <li>– The existing maximum ERDF funding rate of 85% should be lowered.</li> <li>– Redefine the below-threshold range for ETC programmes.</li> <li>– Review options for cost-cutting at the control level (Single Audit Principle).</li> </ul>
Programme level	<ul style="list-style-type: none"> <li>– Agreements should be reached between the programmes to achieve standardisation as fast as possible (e.g. personnel costs).</li> <li>– Introduce uniform funding intensity; this may contribute to a balance of involvement by the partners from different countries. At the same time, the</li> </ul>



	<p>funding rates should be reduced.</p> <ul style="list-style-type: none"> <li>– The ERDF funding rates should be standardised for all member state programme parts as well as for all ETC programmes.</li> <li>– As regards the auditing of receipts, introduction of random sample checks rather than 100% control; permit more courage and trust for audits.</li> <li>– Simplification at the programme level frees more resources for support at the content level and for auditing the projects themselves.</li> </ul> <p><u>Especially for cross-border programmes:</u></p> <ul style="list-style-type: none"> <li>– Discuss the introduction of a common FLC per programme with partners and clarify legal issues, e.g. responsibility/liability, implementation (EGTC?).</li> <li>– Any agreements reached by partners regarding applicable law would also greatly simplify handling.</li> <li>– Consider special rules for Small Project Funds and simplified procedures jointly with partners (e.g. application forms, thematic calls), handling of small projects should be simplified at the administrative level.</li> <li>– Concentrate central tasks of programme administration at a central authority (MA or JTS); focus of regional authorities should be on project consulting and harmonisation.</li> <li>– Consider a differentiation of ERDF funding rates by project quality: projects of higher quality receive higher funding (up to a maximum funding rate).</li> </ul>
National level	<ul style="list-style-type: none"> <li>– Check if Austrian procurement law can be “overruled” by common European rules and how such a special administration can be applied (as EGTC?).</li> <li>– Review financial control rules; unclear ones and rules that cannot be proven should be omitted.</li> <li>– The eligibility rules for financial assistance should ideally be standardised between member states.</li> <li>– The continued existence of certifying authority in its current form should be discussed (transfer of monitoring tasks to MA).</li> <li>– Set up ETC Working Group at ÖROK and clarify mandate.</li> <li>– More intense networking of Austrian financial control bodies regarding spending within cross-border programmes (e.g. bi-annual meetings) to address issues of interpretation as well.</li> </ul>

*Source: Documentation of contributions to the discussion at STRAT.ATplus-Forum on 27 Jan. 2011*

**Communicate and inform in a more targeted and broader manner (visibility and “capitalisation”)**

- Use of multipliers: Generally, ETC programmes should be used to create and establish institutionalised platforms (for cooperation and harmonisation among the various groups of actors).
- General information activities: Information on the ETC programmes should be disseminated in a more targeted manner. For example, by differentiating more clearly by theme, target group, and area. Furthermore, it is also necessary to address the suitable actors on the respective themes and to motivate them to take part in ETC projects. The public relations work of ETC programmes

should become broader, for example, by informing also politicians and a broader segment of the population of the ETC and its benefits.

- Use of the results: The results of ETC-funded projects should be disseminated more consistently. Especially those actors not involved in the projects, but who are relevant (as potential users) should be informed. In the case of projects that aim to create a basic framework or set up databases, other actors should also be involved in the use and maintenance.

Addressee:	Possible activities and actions
Programme level	<ul style="list-style-type: none"> <li>– Three levels of public relations work should be secured: Centralised at the programme level; theme-specific at the project level, information exchange and synergies between projects.</li> <li>– Address emotions to convey messages more effectively (e.g. films supplemented by interviews).</li> <li>– Develop common objectives as a basis for communication plans at the programme level.</li> <li>– Offer professional support for projects; retain actual public relations work at the projects (<i>Note: These play an important role for information and public relations work</i>)</li> <li>– Create standardised elements for public relations work at the programme level (e.g. project descriptions suitable for media, signs).</li> </ul> <p><u>Especially for cross-border programmes:</u></p> <ul style="list-style-type: none"> <li>– Clarify with partners who is the addressee of the public relations work for the ETC programme (who does Technical Assistance work for?)</li> <li>– Introduce “capitalisation” (i.e. raising awareness and identification) instead of mobilisation. No “advertising” for INTERREG/ETC!</li> </ul>
National level	<ul style="list-style-type: none"> <li>– Inter-programme public relations work is useful for increasing visibility at the political level.</li> <li>– Generally, there is a need for more information on (EU) regional policy for political decision-makers.</li> </ul>

Source: Documentation of contributions to the discussion at STRAT.ATplus-Forum on 27 Jan. 2011