

# THIRD COUNTRY PARTICIPATION IN INTERREGIONAL COOPERATION



INTERREG III C NORTH I



INTERREG III C WEST



INTERREG III C EAST



INTERREG III C SOUTH I

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INTERACT hopes this tool will contribute to “Sharing INTERREG experiences” and encourage other Community Initiative Programmes to share their skills and knowledge with INTERREG stakeholders through INTERACT

INTERACT Point IIIC Coordination

*November 2006*



Yiorgos LILIKAS  
Minister of Foreign Affairs  
Republic of Cyprus

If territorial support is the main objective of any European programme, the *"interregional cooperation"* programme, offers an exclusive ground on this issue. Territorial actors across Europe and beyond have the opportunity to get together and cooperate, free of any geographical constrain, exchanging experience on regional development policies. The INTERREG IIIC Community Initiative Programme is currently cofinancing more than 265 cooperation partnerships, where participation from third countries has been given particular attention.

It is true that European policy instruments demand dedication, teamwork and skills. Coming from a former third country, I can assure you that cooperation with European partners is a unique opportunity to access their managing experience. Sharing knowledge and working methodologies provides, indeed, a concrete networking platform where the group commitment to success is really tested.

This study tries to seize both, the interests and the difficulties, of about 160 third country partners' involved in the field of interregional cooperation. Despite tinny figures (only 6% of all IIIC partners are coming from third countries) the challenge to bring together key territorial actors can surely create a winning force rooted in the strength of partnership.

A handwritten signature in blue ink, appearing to be 'Giovanni...', followed by a large, stylized blue arrow pointing to the right.

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INTERREG III aims to strengthen economic and social cohesion in the European Union (EU) by promoting cross-border (strand A), transnational (strand B) and interregional (strand C) cooperation.

Hence the basic idea of INTERREG IIIC is interregional cooperation. It aims to make policies and instruments more effective for regional development, and to provide a structure for promoting regional cohesion by means of large-scale exchanges of information and experience. In particular, INTERREG IIIC intends to promote pan-European cooperation for the transfer of information, know-how and good practices of the kind required by activities financed under Objective 1 and Objective 2 programmes, by the INTERREG Community Initiative, the URBAN Community Initiative and urban development, and by regional Innovative Actions programmes.

Cooperation in INTERREG IIIC gives partners access to the experience of other actors involved in regional development policy and creates synergies between ‘best practice’ projects and the Structural Fund’s mainstream programmes.

An important advantage of interregional cooperation –as compared to transnational cooperation (INTERREG IIIB) or cross-border cooperation (INTERREG IIIA)– is that it makes it possible to choose European partners by their past experience and their functional interests rather than by their geographical location in a specific zone.

INTERREG IIIC is financed by the European Regional Development Fund (ERDF), as part of the Structural Funds, and cofinanced by national project partners with funds from various sources but mainly public ones. There is also provision for private cofunding of Regional Framework Operation (RFO) subprojects in the East, North and West zones.

Since the start of the current programming period, the European Commission [Council Regulation (EC) No. 1260/1999 and Communication to Member States C(2001) 1188 final (2001/C 141/02), dated 7 May 2001 concerning “interregional cooperation”, Strand C of the

Community Initiative INTERREG III] has been encouraging Third Country participation in area cooperation programmes. In particular, Article 20.2 of the aforementioned Regulation stipulates that special attention must be paid to improving coordination between the PHARE, TACIS and MEDA programmes.

In Art. 17 of Communication on INTERREG IIIC, the Commission expresses a desire for as broad participation as possible by Third Countries, particularly those that are candidates for accession. It follows that Third Country partner involvement should be given corresponding weight in the selection process for any INTERREG IIIC operation.

Although there were problems in the past with coordination because of the effects of different administrative and financial practices, the Commission decided to take steps to improve compatibility and coordination. The first step was to take another look at the PHARE Programme, and it was hoped that by moving to decentralise its administration the regions would be given a more proactive role and become more involved in INTERREG.

A concrete example of the Programme's commitment to Third Country involvement can be seen in the selection criteria for projects when the quality of a partnership is evaluated. Here the involvement of one or more partners from Third Countries, or from island regions and outermost regions, in developing ideas, preparing applications, implementing and cofinancing an operation is taken into account.

Given this manifestation of political interest in promoting Third Countries, the Managing Authority (MA) and Joint Technical Secretariat (JTS) of IIIC South, together with all the MAs and JTSs of the other three IIIC zones and financed by INTERACT Point IIIC Coordination, commissioned a study to determine what major obstacles Third Country partners may face when taking part in IIIC operations. The aim was to compile a guide with suggestions and recommendations that would help those countries to participate more effectively in the activities of the current programmes.

The recommendations are addressed on the one hand to the Third Country partners themselves and to their national authorities in charge of administering European cooperation programmes, and on the other hand to INTERREG management structures who are involved in drawing up the instruments for the next area development phase.

The results have been formulated in such a way as to point to a viable alternative for each of the restrictions encountered. Thus a constructive approach was taken to inventorying what was available. In any case, since interregional cooperation is not covered by budgets for the new partnership and neighbourhood programmes like ENPI and IPA , it is bound to be such a major obstacle to real participation that Third Countries will still have difficulty gaining access to external, national or local funding even under the new Structural Funds programmes.

Thus the present report has taken account of the issues being debated at European Commission level and in the Member States concerning new programming and how to design its management instruments so as to involve Third Countries.

In this context, we believe this reference document based on the survey and analysis of current operations can make a valuable contribution.

The study began in the spring of 2005, when a questionnaire about their participation in a IIC operation was sent to the 150 Third Country partners involved at that moment (first semester 2005). These were partners involved in IIC operations funded in connection with the four calls for project submissions and identified on the basis of data provided by the Lead Partners (LP) when the applications were filed. It should be clarified that the new Member States acceding to the EU on 1 May 2004 are not considered as Third Countries in this study even for the references to the first call for proposals (October 2002-January 2003).

The questionnaire asked about the partners' motives for participating, in what ways they were involved in preparing the project, the level of their financial contribution, their degree of involvement in the implementation phase, and finally their comments.

In order to put what was being studied into sharper focus, the JTSs decided in November 2005 to distribute the questionnaire again, but elaborating on some questions that stood out in the first round of answers and modifying it to increase the response rate from Third Countries.

The method followed which achieved its objectives and produced the expected results, was divided into four phases:

- **Analysis of the programme documentation** and applicants guides for the main Neighbourhood programmes already in operation (CADSES, Italy-Balkans, Baltic Sea and those promoting Third Country participation, such as MEDOCC and ArchiMed). The findings have been transposed to a comparative table of the requirements that Third Country partners must satisfy for each of those programmes and the requirements of the III C Programme.
  
- **Distribution of the questionnaire** in French and English to the 113 Third Country partners who had not previously responded.
  
- **Interviews with the main stakeholders**, for instance representatives of the EC management branches involved (DG RELEX, DG REGIO, DG AIDCO), of the EC missions in the Third Countries with the largest numbers of partners, and of the national delegations concerned with the management of EU programmes.
  
- **Analysis of the data** collected, identifying the major difficulties encountered and formulating practical suggestions for finding the best ways to avoid disincentives to Third Country participation.

In what follows, the method and data sources are indicated for each of these steps. ❖



COMPARATIVE  
ANALYSIS  
OF THE DOCUMENTATION  
FROM THIRD  
COUNTRY PARTNERS



THE ANALYSIS began by examining the administrative documents solicited from the Third Country partners in the Neighbourhood programmes already functioning (CADSES, Italy-Balkans, Baltic Sea) and the principal programmes for promoting Third Country participation, such as MEDOCC and ArchiMed.

The point of making the comparison between them was to attempt to assess how effective the partial response had been to the matter of harmonising the rules, procedures and reimbursement deadlines for Community and non-Community funding following the approval and implementation of the INTERREG IIIB CADSES, INTERREG IIIB Baltic Sea and INTERREG IIIA Italy-Balkans Neighbourhood programmes. They are programmes where, for the first time, funds earmarked for Third Countries (e.g. CARDS, PHARE and even TACIS) have been made available in parallel with ERDF funding for INTERREG projects.

The implementation rules of the above programmes provide for a Managing Authority (MA) and management structures common to all of them. This should ensure methodical coordination of the management of the overall programme and should make the partnerships' work easier. On the contrary, however, management of the financial channels is put under two different bodies, the Paying Authority (PA) for ERDF funds, and the Contracting Authority (CA) and the national authorising officer for external funding. Hence the MA preserves its transnational status, but each Third Country is responsible for managing the subsidies allocated to its own CA.

Based on analysis of the programme documentation (Programme Complement, Community Initiative Programme, the Programme Manual and the application form used for each programme), a comparative chart (Chart 25) has been drawn up of the main requirements that Third Country partners must meet when filing their application and when implementing and managing their projects.

Programmes like MEDOCC and ArchiMed have been included in the analysis even though they have not yet implemented the Neighbourhood programme in their latest calls for proposals.

This has been done in view of the great importance that these programmes give to opening up to Third Country partners.

It must be added that an implementation procedure for Neighbourhood-MEDA funds was started in February 2006 with the aim of increasing participation by the three MEDA countries (Morocco, Tunisia and Algeria) in INTERREG IIIB MEDOCC. The procedure is conditional on each of those three countries setting up an effective national coordination mechanism (Algeria has not yet designated one).

The analysis covers the requirements and minimum criteria that must be met by Third Country partners if they are to take part in programmes (eligibility conditions, administrative documents, signing of specific contracts, ways of presenting the interim and final financial statements). It enables a comparison to be made between the constraints of INTERREG IIIC and those imposed by other programmes.

### The INTERREG IIIC Programme

- At overall programme level, a Third Country (i.e. country not a member of the European Union) can initiate participation by supplying a letter of undertaking (in prescribed form) in which it specifies the zone to which it wishes to be assigned for the whole period of the programme. So far no country has provided this document. Nevertheless, Bulgaria, Croatia, Serbia and Montenegro, Ukraine and Switzerland are taking an active part in the East Zone's Steering Committee and Monitoring Committee, where they are treated as full members.
- At operations management level, operations that are cofinanced through different channels (PHARE, TACIS, MEDA, CARDS, FED, bilateral assistance or Third Country national contribution, etc.) have to be administered and monitored separately even though they were conceived as joint operations. They require different administrative procedures even though they form part of the same group of activities.
- A Third Country partner can act as a "functional lead partner". This means that they can perform the tasks of a lead partner of a project which implies eligibility to take charge of the

operational management and coordination of an operation. However, financial responsibility for ERDF and Norwegian funding has to be kept in the hands of a duly appointed “financial lead partner” from a Member State involved in the project (see section “eligible areas and rate of assistance” of the *Community Initiative Programme INTERREG IIIC*).

- With a view to encouraging cooperation, travel and subsistence expenses for Third Country partners travelling to the EU may be considered eligible expenses in connection with a meeting or seminar taking place in the EU as part of an approved operation (see section “eligible areas and rate of assistance” of the *Community Initiative Programme INTERREG IIIC*).

- Likewise, eligible for ERDF funding are travel and subsistence expenses incurred by partners from EU Member States in connection with some part of the operations taking place in a Third Country when that part is considered essential for the success of the operation as a whole (see 1.4 *INTERREG IIIC Programme Complement*). In any case, these expenditures must be foreseen in the application form.

- As a matter of principle, the selection criteria concerning partnership quality are designed to encourage involvement of partners from Third Countries, or from island regions and outermost regions, in developing ideas, preparing applications, implementing and cofinancing an operation. The very fact that such partners are taking part is looked on as another value added for the quality of the operation or project since it makes the range of partnerships more diverse.

- The application package has a special section for Third Country partners. This section can also be used by partners from the new Member States if they intend to make an application for funds using the pre-accession channels like TACIS, PHARE, ISPA, MEDA and SAPARD.

- Each Third Country partner’s participation must be supported by a cofinancing statement duly signed, dated, and bearing an official stamp. The statement must be appended to the application package. Third Country contributions are not eligible for ERDF funding.

- In the case of the South zone, the grant contract between the LP and the MA cannot be signed unless a jointly signed partnership cooperation agreement is appended to the application.
- The Programme Manual details the minimum and maximum level of ERDF funding available for each type of operation, as well as additional financial criteria (i.e. 40% rate for the LP) to be taken into account by all partners when an interregional cooperation workplan is build up.

### INTERREG IIIB and INTERREG IIIA programmes

- There are different percentages of cofinancing between the PHARE, CARDS and TACIS external funds: from 75% to 90% according to the programme and the total project amount.
- The minimum and maximum amount per country for a project is between EUR 50 000 and 300 000, irrespective of the number of partners. It means that each partnership must designate an external LP who is signatory to the subsidy contract with the Contracting Authority of the programme in question. The maximum for the Baltic programme is EUR 1 000 000, but in this case the contribution from TACIS fund is limited to 75%.
- Partners who are not public sector organisations are required to append proof of their legal status as well as their latest financial statement and balance sheet to their application. For the Italy-Balkans Programme, the financial documents must be translated into the two languages of the programme (Italian and English) by an officially accredited translator.
- The fact that the Joint Steering Committee selects a project for ERDF contribution does not automatically entail approval by the Contracting Authority (CA), which may decide to reject it. In that case the CA must state its reasons in writing.

- There are different time limits for signing contracts with the MA and the CA. The payment systems allow for full reimbursement for Member States but an advance of approximately 80% for Third Countries.
- The application packages include certain financial appendices that do not ask for the same kind of information from Third Country partners as they do from Member State ones.
- The Baltic Sea programme requires the signing of a special Partnership Agreement between partners from TACIS countries only.
- A jointly signed partnership agreement is required right from the filing stage of an application package for Italy-Balkans and MEDOCC, whereas it is only recommended for other programmes and then only after the project has been approved (see CADSES).
- The Norwegian national fund is administered directly by the MA of the Baltic Area, where Norway is represented in all the management bodies.
- The data required once again attests to how strategic Europe's interest is in increasing Third Country participation, but the kinds and quantity of documentation required from partners is very likely to limit such participation severely unless there is a move to establish an accompanying policy of information and support for final beneficiaries. ❖



## Data

**\_INFORMATION ABOUT** the projects was provided by the JTSs from the IIIC database, and this was used for analysing the make-up of the partnerships that involved Third Countries.

### Questionnaire collection method

**\_IN ORDER** to ensure a response rate that would be statistically representative, an email was sent to all partners who had not yet replied asking them to please cooperate in the study. An IIIC JTS official letter of introduction to the research was attached, along with the questionnaire itself in English and French. The email was configured to send back an automatic acknowledgement if the receiver had that option activated.

In every case where it turned out that the address was invalid, a new search was done to find the current postal and email address. This second verification was carried out using telephone numbers, project websites and other partners available in the database, as well as information from the LP.

Everyone who had still not replied within a few days was contacted, this time by telephone and in the language of the individuals concerned (Albanian, English, French, Italian, or Spanish).

The questionnaire and the accompanying letter about the purpose of the enquiry were sent again to all the partners contacted that asked for it.

If the partnership for a project had a large number of partners, the LP was contacted right from the start, and his or her aid was sought for intervening with the partners to get them to respond.

In a number of instances, partners explained their failure to respond by the fact that they had been sent too many questionnaires already about the project since its inception (about six per project).

### Interview strategy

THE IDEA of the interviews was to submit the raw results from the data analysis and the questionnaires to representatives of bodies at EU level, and also at national level in the Third Countries. Presenting the findings at this stage had two objectives. One was to make the work in progress known and to express the programme management's desire to have an increase in real participation by Third Country partners. The other was to find out what to expect from the level of administration in overall charge of European cooperation programmes — their level of interest, the actions already undertaken, and future prospects with regard to Third Countries.

Indeed any interpretation of the difficulties encountered by Third Country partners taking part in IIC activities must consider the three levels involved: EU, national and local. Furthermore, the questionnaire was aimed at final beneficiaries.

At European Commission level, the talks targeted the DGs responsible for Third Country participation in the context of regional policy (DG REGIO) and neighbourhood policy (DG RELEX and DG AIDCO). (*see annex 1- List of contacted institutions*).

At national level, we interviewed the national authorities concerned with any form of integration in European cooperation or with supporting their country's partners. We looked on them as intermediaries between the other two levels. The interviews were concentrated particularly on two countries that had the largest number of partners, namely Romania and Bulgaria. These countries were also important because they are in the process of accession to the EU. (*see annex 1- List of contacted institutions*).

Two seminars were organised by INTERACT Point Managing Transition in March 2006, in Rome and in Helsinki, on the topic of the new Neighbourhood instruments ENPI and IPA. Representatives of Tunisian, Moroccan and Algerian institutions were also interviewed. The presentation of the results of the present study has benefited from the observations and suggestions gleaned from these discussions. ❖



STATISTICAL  
ANALYSIS





In all, the 150 partners taking part in IIIC operations are from 23 countries. 27 of them are from two countries that are candidates for accession to the Union (Croatia, Turkey) and from three that are potential candidates (Serbia, Bosnia and Albania), while 44 are from two countries that are in process of accession (Romania and Bulgaria). It should be noted that there are no partners from the Former Yugoslav Republic of Macedonia (FYROM), a country that is already qualified to make an application to join the Union. FYROM's absence points to a problem in the involvement of local partners in IIIC operations.

On the other 79, most of the partners are Swiss (13), Norwegian (23) or Russian (11). The relative weight of Norway is understandable if one bears in mind the national and regional fund set up by that country to stimulate participation in INTERREG III operations, an action that has also benefited IIIC partners.

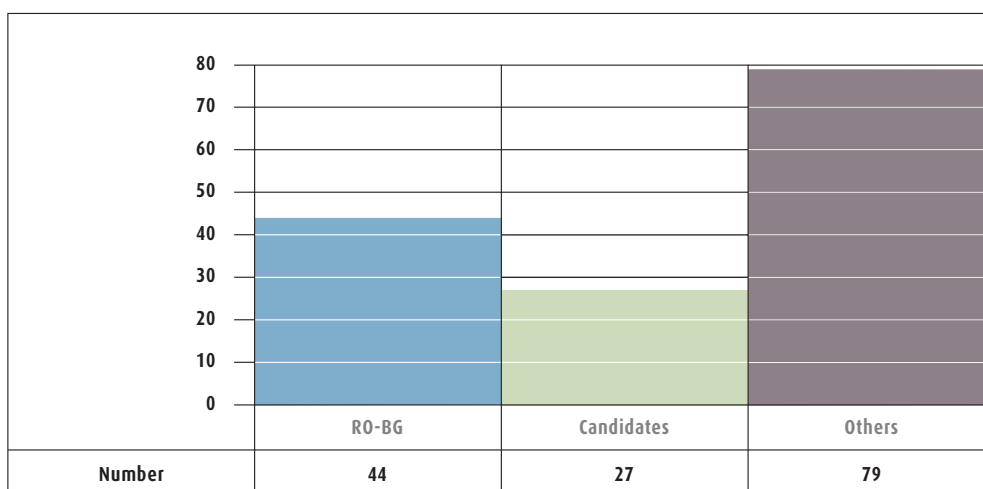


CHART 2 Partners' countries of origin

The data shows that the type of operation preferred by Third Countries —over 60%— is Networks, which is certainly the one that offers them the best relationship between accessibility and close cooperation.

Existing networks can indeed benefit from previous contacts established among their partners, long before the IIIC application file is set up. In that sense, previous cooperation experience, relationships and acquired contacts can be an asset and favour access to the IIIC Programme.

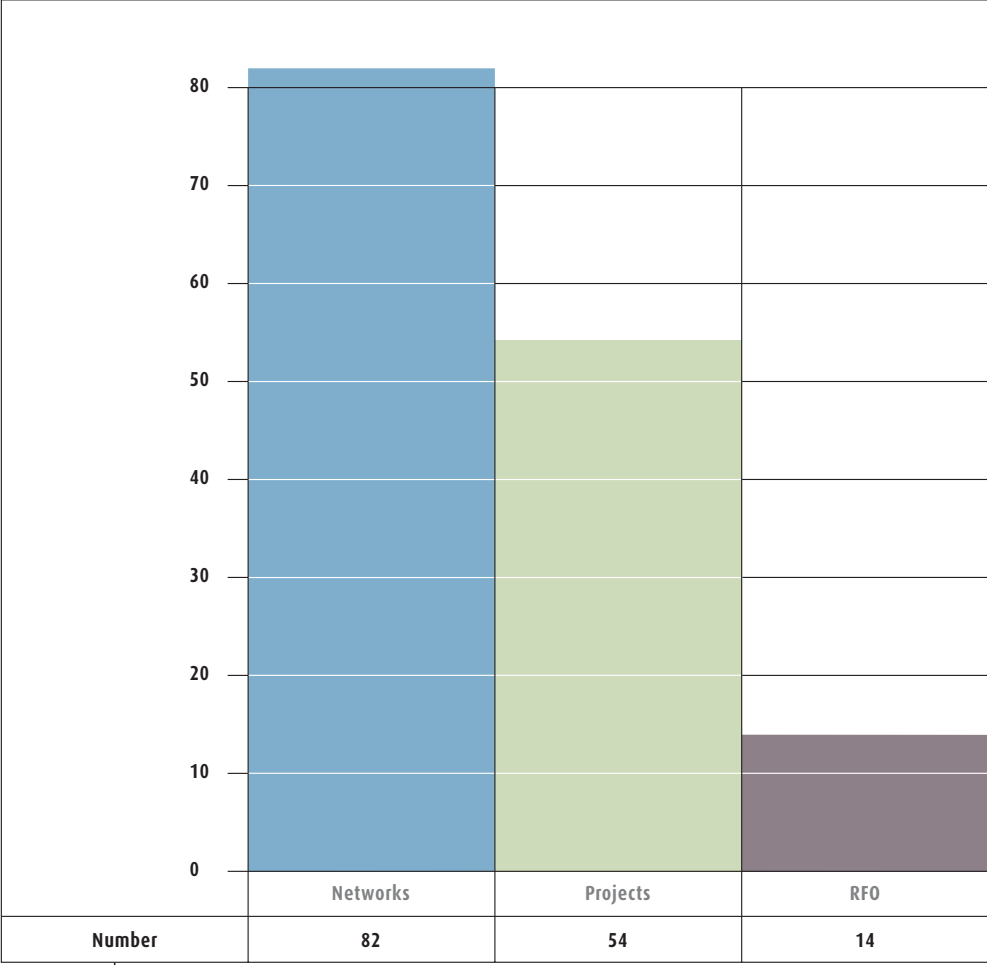


CHART 3 Partners by type of operation

Considering their limited budgets, the 14 partners participating in a Regional Framework Operation (RFO) deserve special mention for their efforts.

It should be noted that of the 14 Third Country partners in RFOs, only 3 are Norwegian and 3 Swiss; whereas a total of 8 are from Algeria (1 region), Bulgaria (2 districts), Morocco (1 region an 1 regional agency), Turkey (1 ministry and 1 environmental NGO) and Albania (1 district). Participation in an RFO requires a considerable financial commitment and is administratively complex; therefore the fact that Third Country partners are present in RFOs despite their institutions and economies being far from the Community norm gives an indication of the great interest aroused by this innovative type of operation.

### How participation has evolved in the course of the IIIC Programme

THE NUMBER of participants is proof of the strong interest that Third Countries take in IIIC operations. This figure is constant if one takes into account that the new Member States were themselves Third Countries at the time of the first call for project proposals. The highest rate of participation was recorded for the third call for proposals whereas the lowest rate was at the fourth call. It should be mentioned that while the other zones have organised a fourth call for proposals, the South zone has not issued a fourth call; instead it has moved to a 'second phase' of the third call, open only to RFOs. However, the graph below records this 'second phase' under the third call for proposals.

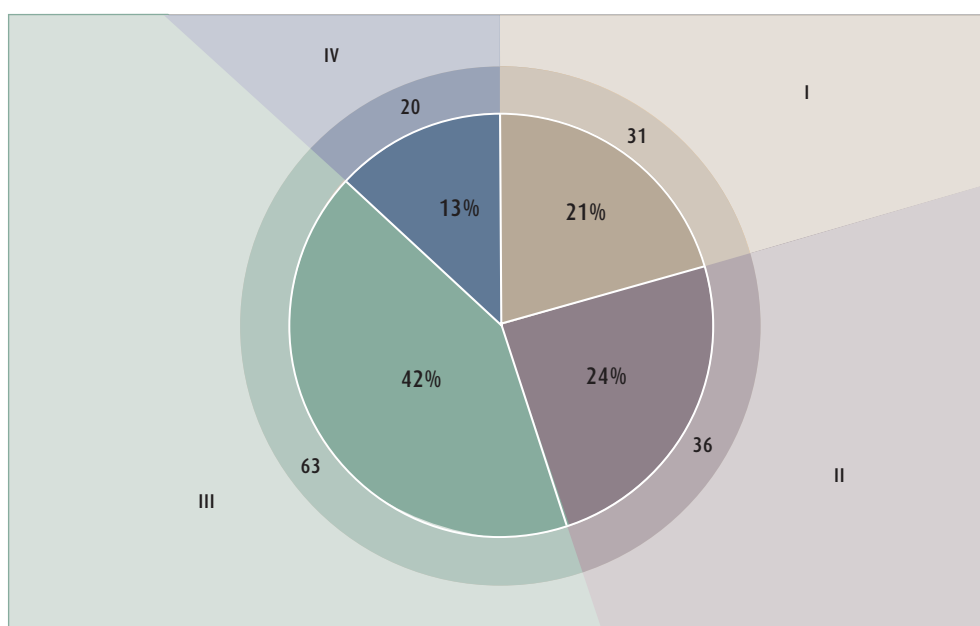


CHART 4 | Third Country Partners by call for proposals, and percentage related to Third Country participation

Analysis of the 150 partners' legal status shows that two thirds of them are government organisations, including 65 local communities such as provinces, districts and municipalities, but only 10 at central government ministerial level. Apart from them, it is research centres and grass-roots organisations like environmental protection societies or territorial economic development associations (43) that are most prominent.

Local associations in administrative areas where they cooperate in pursuing a common objective (for example mining districts, local associations and euroregions) have been included under 'territorial groupings'. +

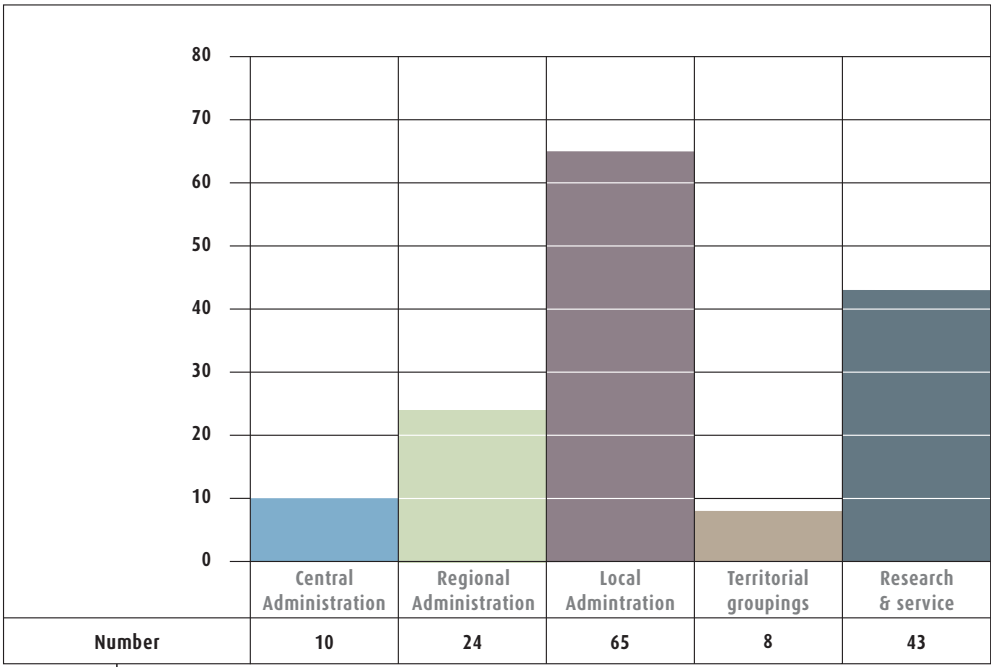


CHART 5 | Categories of partner institutions



QUANTITATIVE  
ANALYSIS OF THE  
QUESTIONNAIRES  
RETURNED

### Rates of response by project, type of operation, country, and legal status of the partners

ALL THE Third Countries in the IIC database were contacted. The response rate was approximately 46% (69 out of 150). This percentage can be considered very significant for developing current operations and future programmes.

The responses have been classified by several criteria so as to make it possible to assess the nature of the partnerships, the relationship between type of operation and partner involvement, the legal status of the partners and their ability to muster sufficient resources — even if only to reply to a questionnaire.

Chart 6 is based on the questionnaires returned and classes the responses by project. Taking the average over the whole of the programme without divisions into zones, the response rate by type of operation (Networks, RFOs and Individual Projects) turns out to be less than 50% for the type with the most Third Country partners, namely Networks.

PROJECT ACRONYM	OPERATION TYPE	ZONE	PARTNERS CONTACTED	RESPONSES	PERCENTAGE
<i>Agora RH</i>	<i>N</i>	<i>S</i>	<i>3</i>	<i>3</i>	<i>100%</i>
<i>AWARE</i>	<i>I</i>	<i>W</i>	<i>3</i>	<i>3</i>	<i>100%</i>
<i>InterMETREX</i>	<i>N</i>	<i>W</i>	<i>3</i>	<i>3</i>	<i>100%</i>
<i>RUSE</i>	<i>N</i>	<i>W</i>	<i>3</i>	<i>3</i>	<i>100%</i>
<i>PromSTAP</i>	<i>R</i>	<i>W</i>	<i>3</i>	<i>3</i>	<i>100%</i>
<i>VISTORIA</i>	<i>N</i>	<i>S</i>	<i>2</i>	<i>2</i>	<i>100%</i>
<i>Biologic@</i>	<i>I</i>	<i>S</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>C2C</i>	<i>R</i>	<i>S</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>Concept</i>	<i>N</i>	<i>W</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>DestiLink</i>	<i>N</i>	<i>N</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>E.R.E.</i>	<i>I</i>	<i>S</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>EURBEST</i>	<i>N</i>	<i>W</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>HealthClusterNet</i>	<i>N</i>	<i>W</i>	<i>1</i>	<i>1</i>	<i>100%</i>
<i>Lakepromo</i>	<i>I</i>	<i>N</i>	<i>1</i>	<i>1</i>	<i>100%</i>

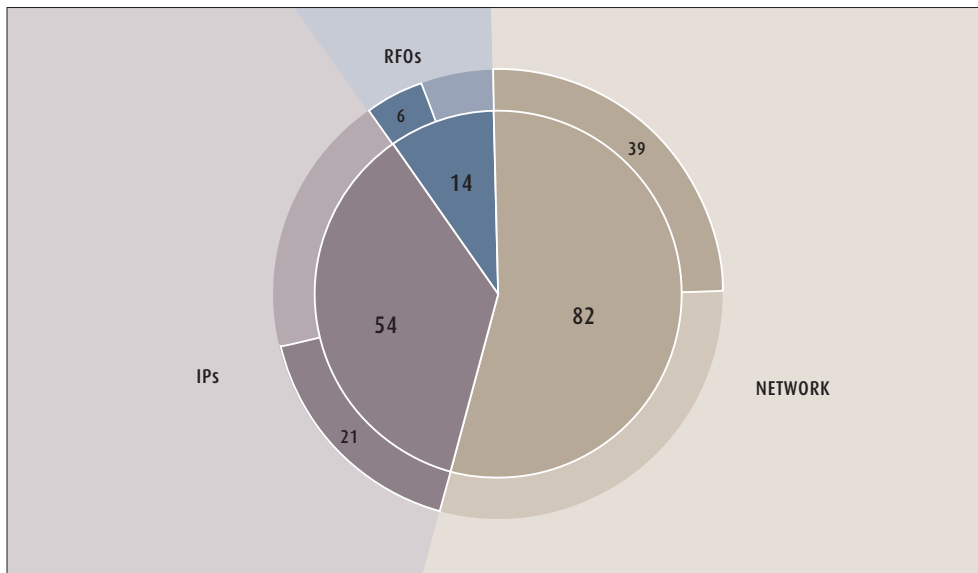
PROJECT ACRONYM	OPERATION TYPE	ZONE	PARTNERS CONTACTED	RESPONSES	PERCENTAGE
Milunet	N	W	1	1	100%
MoreCooperation	I	S	1	1	100%
NBG	I	W	1	1	100%
PolyMETREX	N	S	1	1	100%
Praxis	I	W	1	1	100%
VNE	N	W	1	1	100%
EdGATE	N	E	6	4	67%
Dostwell	N	E	3	2	67%
ICNW	N	E	5	3	60%
Aop2020	I	E	4	2	50%
Euromountains	I	S	4	2	50%
InterGet UP	I	E	4	2	50%
CLOE	I	W	2	1	50%
Competence	I	N	2	1	50%
FINESSE	I	N	2	1	50%
R.E.N.E.	N	N	2	1	50%
RDP	N	S	2	1	50%
Centurio	N	W	18	9	50%
Mediterritage	R	S	5	2	40%
FLAPP	N	W	3	1	33%
MedPan	N	S	10	3	30%
OT	N	S	4	1	25%
LUCI	I	S	5	1	20%
KNOT	N	N	5	1	20%
AQUAREG	R	N	1	0	0%
CASE	N	E	1	0	0%
Change on Borders	R	W	1	0	0%
City Parking	I	E	1	0	0%
ECitizen	I	N	1	0	0%
ECO-TOURISM	I	E	1	0	0%
Incendi	R	S	1	0	0%
IUWMM	I	E	1	0	0%
Marema	N	E	1	0	0%
NEAC	N	W	1	0	0%
New Epoc	I	W	1	0	0%
NMF	I	E	1	0	0%
NPD-NET	I	E	1	0	0%
PORT-NET	N	N	1	0	0%
REGENERGY	N	E	1	0	0%
REPS1	N	S	1	0	0%
RETV II	I	S	1	0	0%
RISE	I	E	1	0	0%
SportUrban	N	S	1	0	0%
Strair	R	E	1	0	0%
TourismPartners					
Europe	I	E	1	0	0%
AQUA-FIL	I	W	2	0	0%
CEEC-LOGON	N	E	2	0	0%
City Twins	N	N	2	0	0%

PROJECT ACRONYM	OPERATION TYPE	ZONE	PARTNERS CONTACTED	RESPONSES	PERCENTAGE
<i>Culinary Heritage</i>	<i>I</i>	<i>N</i>	2	0	0%
<i>ENABLE</i>	<i>R</i>	<i>E</i>	2	0	0%
<i>RECORE</i>	<i>N</i>	<i>W</i>	2	0	0%

**CHART 6** | Number of questionnaires distributed per project and responses received

Using the data from the questionnaires, we have classified the responses by type of operation in order to assess whether there is a direct connection between a partner's level of participation in the partnership (Individual Projects, Networks or RFOs) and that partner's motivation to respond to the questionnaire.

#### SOURCES OF REPOSES



**CHART 7** | Response rate to questionnaires by type of operation compared to the total number of Third Country partners by type of operation

The response rate indicates that the most active partners are involved in Network operations, which is a type that is much less constrictive than RFOs as regards management and expectations.

The result shows quite low participation by Third Country partners in the more complex operations, usually because of the more structured organisational and financial resources

necessary. Even so, there are 14 Third Country partners taking an active part in RFOs, which shows the great interest people have in this particularly complex type of operation even if, for the moment, it is impossible to actually measure their degree of involvement.

The figures in Chart 8 below show a high response rate (60%) from Romanian partners, Romania being the country with the largest number of partners (27) involved in IIC operations; and the response from Bulgarian and Swiss partners (with 17 and 13 partners respectively) is also high. Whereas the interest shown by Norwegian partners falls far short of expectations, especially considering the role played by Norway in the INTERREG IIC North Programme. One may therefore conclude that partners' enthusiasm for sending their suggestions about the difficulties they have encountered in their IIC participation is not directly linked to whether their country is in process of accession or a candidate.

COUNTRY	PARTNERS CONTACTED	RESPONSES	PERCENTAGE
Belarus	3	3	100%
Isle of Man	1	1	100%
Israel	1	1	100%
China	1	1	100%
Serbia Montenegro	5	4	80%
Switzerland	13	9	69%
Romania	27	16	59%
Bulgaria	17	10	59%
Turkey	4	2	50%
Croatia	12	5	42%
Norway	23	8	35%
Algeria	6	2	33%
Morocco	6	2	33%
Tunisia	3	1	33%
Ukraine	4	1	25%
Russia	11	2	18%
Armenia	1	0	0%
Benin	1	0	0%
Georgia	1	0	0%
Iceland	1	0	0%
Lebanon	1	0	0%
Bosnia Herzegovina	2	0	0%
Palestine Authority	2	0	0%
Albania	4	0	0%

**CHART 8** | Response rate to questionnaires by country

It should also be noted that several partners (7) in operations financed under the first and second calls for project proposals produced sufficiently positive results for them to involve themselves in a second partnership also financed by the IIIC Programme.

Chart 9 below shows the various partners' capacity to muster the resources they need given their legal status and their level in their territorial administration in order to motivate their participation in IIIC projects. According to the data, local governments at the level of provincial districts and municipalities are the most likely to respond, followed by research centres. The incentive may lie in their attitude to the operations, which they look on as a way to open up to forms of European cooperation.

RESPONSE RATE BY LEGAL STATUS

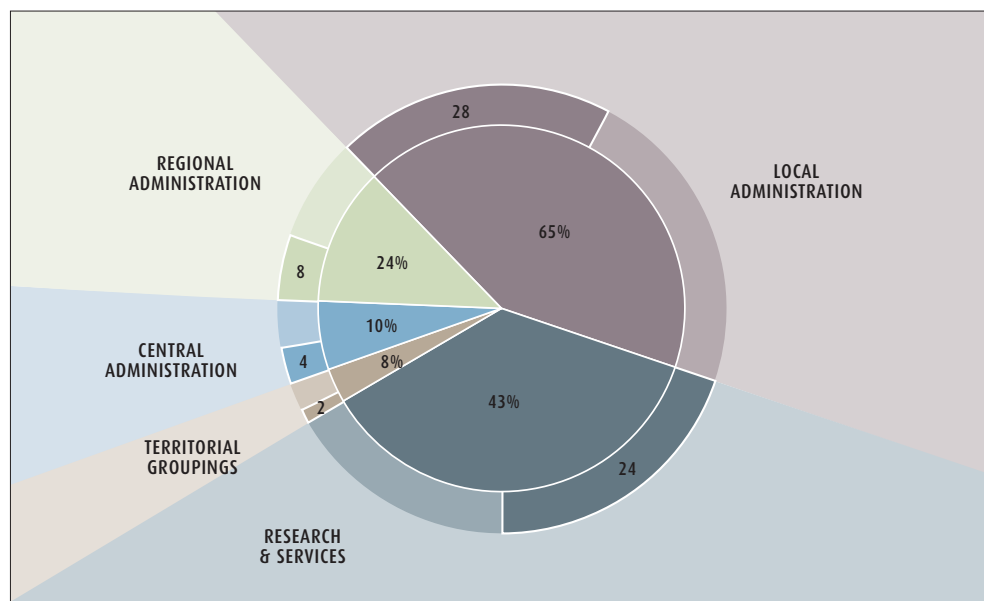


CHART 9 Response rate by legal status of partners compared to the total number of Third Country partners by legal status

### Partners' motivation for implementing a cooperation project

THE LEADING motive for joining a IIIC operation appears to be the exchange of good practices, with the intent of sharing information that will help improve competence in areas

of common interest. On the other hand, rather more than 20% of partners have a learning rather than an exchange approach, whether learning how to manage a European project or learning good practices in a specific field. Generally speaking, all the partners are interested in projects that may include actions for local development in any field, because they know that the resources available for setting up new operations are limited.

Almost 20% of partners reply that they belonged to a European network previously. Particularly noteworthy is the opportunity that IIIC provides in the way of large-scale exchange of experiences; a number of already established networks have taken advantage of it to strengthen their partnerships. In this respect, Third Country partner involvement is of course made easier if there is already a contact established through a pre-existing network. This explains the presence of a few partners who are very distant from the EU (in China, Canada, etc.) due to their already belonging to established networks. It leads, however, to a *statistical "aberration"* in the geographical distribution of IIIC partnerships. Although there is not sufficient information at the moment for appraising the value added for IIIC purposes, it must be emphasised that all these operations are monitored very closely by the programme's technical support structures (JTS) so as to ensure that findings are transparent and measurable and hence kept distinct from the normal activities of a pre-established network.

### Sources of information about INTERREG

BELOW ARE the figures showing the information sources used to access information about IIIC. Of the 61 respondents, 8 mention accessing the programme's website, 3 read newsletters about European calls for proposals, and 11 received information locally; but only 3 were able to take advantage of the infodays about the programme, and the reason why others did not attend was always insufficient funds in the budget for the travel expenses. The largest number (20) was contacted by other partners, and in 10 cases through networks in which they were already participating. This data indicates that belonging to a network or having previous experience in cooperation are key factors leading to an active partnership.

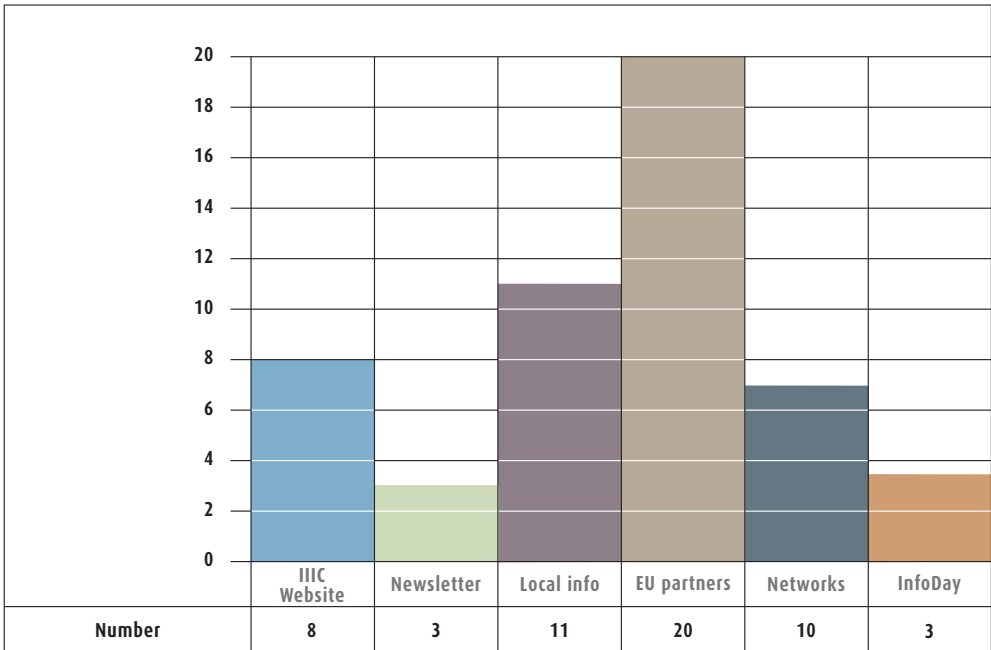


CHART 10 Sources of the information that motivated Third Country partner participation

### Certification procedures

THE REPLIES about certification procedures are open to more than one interpretation, because several partners thought fit to give their opinion of ERDF-related administrative procedures even though they were not affected by them. Their criterion is the impression that Third Country partners have been given by the experience of EU partners, and especially Lead Partners, with ERDF fund management.

Because the replies are based on an indirect perception of how ERDF funding operates, and also because they are affected by national programme rules, the percentages of those who say they are satisfied with the procedures and those who say the contrary is about equal.

OPINION ON CERTIFICATION PROCEDURES

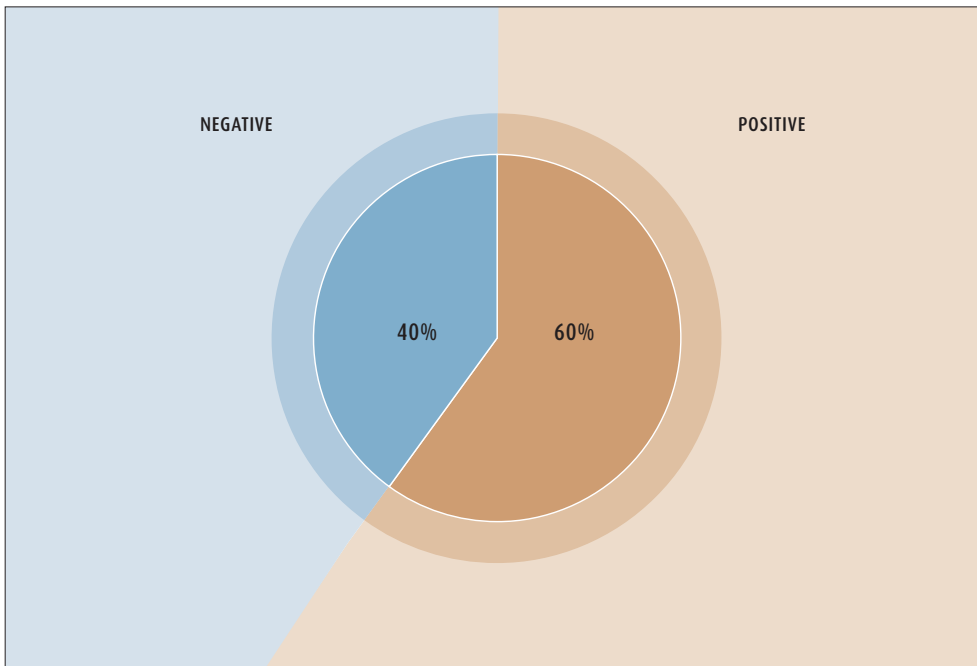


CHART 11 | Distribution of partners according to their views on the efficiency of the certification and reimbursement system

SATISFACTORY LEVEL OF TECHNICAL SUPPORT AND AVAILABLE INFORMATION

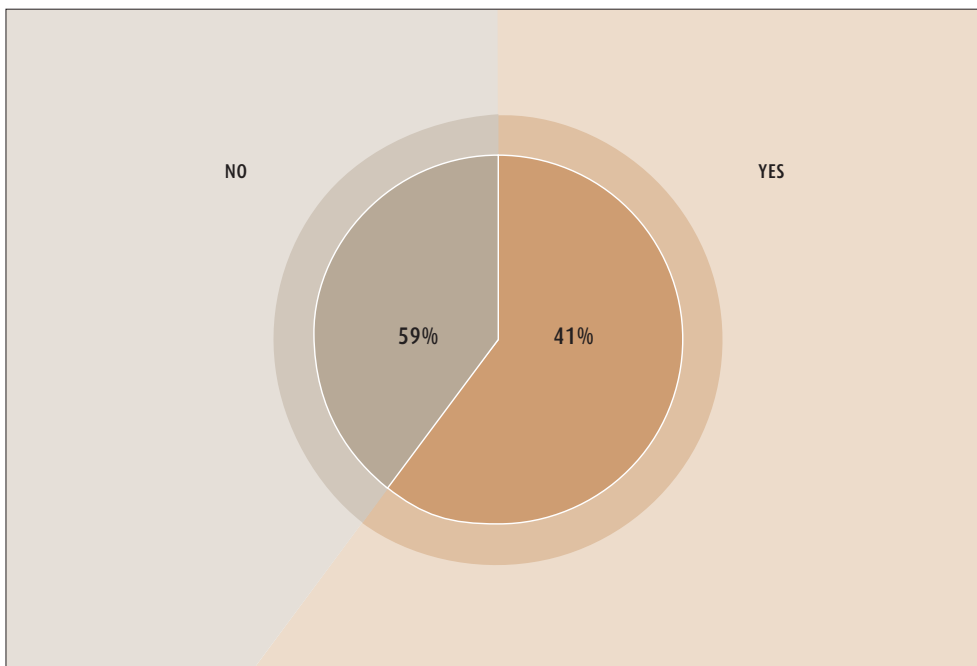


CHART 12 | Distribution of partners according to their views on the level of information and technical support available

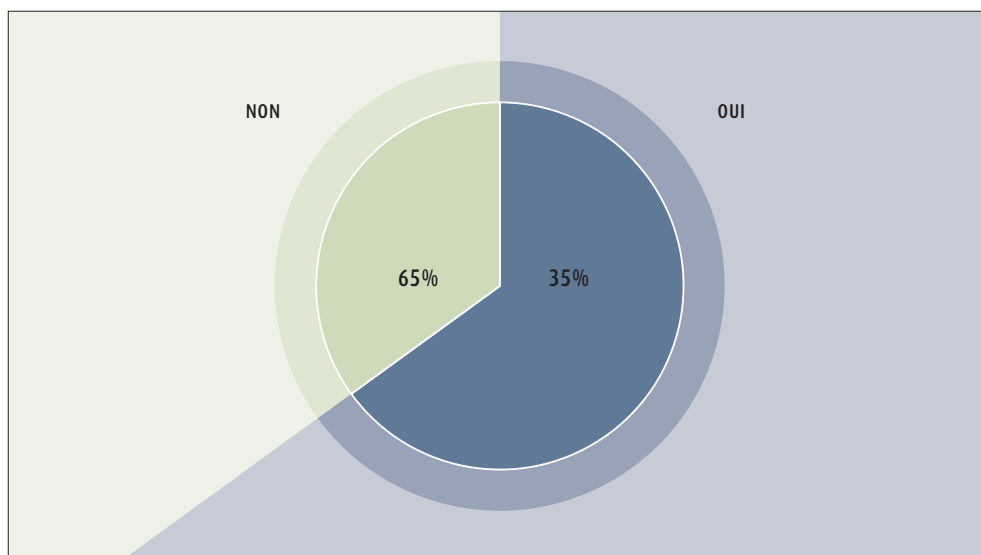
### Technical assistance and information at local level

IN BROAD terms, more than half the responding partners complain of inadequate local support and 41% say they are satisfied with what is available. In particular, the technical aid system set up by the Swiss Federal Council is greatly appreciated by that country's partners. The matter of weaknesses in systematic technical support was taken up in discussions with the officials responsible for cooperation, and hopefully the suggestions made for improvement will be taken into consideration when new programmes are implemented.

### Management system flexibility

MOST OF the partners (65%) complain that the project management system lacks flexibility. Once again it would appear that partners have based themselves on their own perception of the matter, a perception that depends in part on the quality of the internal communications and management in the project. Some of them are very worried about the length of time that it takes to make budget changes if there are no deadlines established, while others point to a need for programme management structures to show more adaptability when changes occur in the course of project activities.

#### SATISFACTORY LEVEL OF FLEXIBILITY



**CHART 13** | Distribution of partners who considered that the coordination mechanisms lack flexibility or are flexible enough

The responses make it impossible to differentiate between partners who were referring to the administration of their own funds and those who were commenting on the overall project management. In the latter case, some part of the responsibility belongs to the EU partners.

### Partnership Agreements

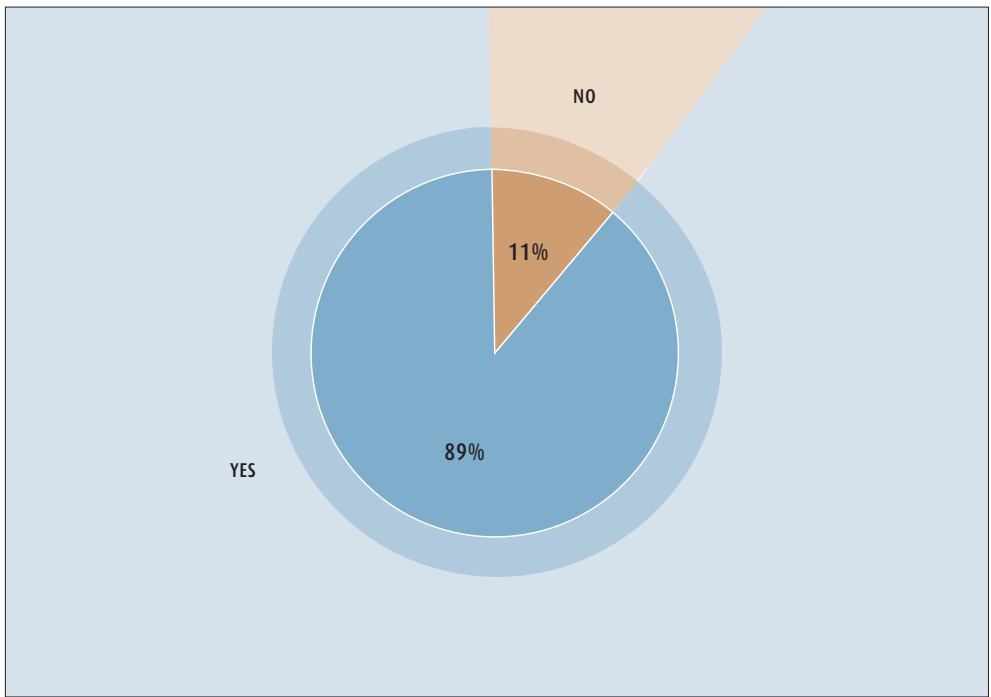
THE SIGNING of a Partnership Agreement is mandatory following approval of a project in the East and South zones, and strongly recommended in the North and West zones, as is joining the project Steering Committee. 59 of the 66 respondents express a clear desire on the part of partners and Lead Partners to involve themselves fully in managing the project. However, the III C Programme does not have an organised monitoring and management system that would check whether they are committed to all the elements of the project and whether they fulfill all the obligations set forth in the agreement.

The 44 member partners of the Steering Committee (SC) express a desire to engage in implementing activities on the same footing as the other partners. However, this goodwill comes up against a lack of the resources needed for attending the SC meetings if all the partners are to make a contribution to project activities.

The evaluation procedure takes into account that all the partners be represented in the Steering Committee (the composition of the SC, how it functions, etc. has to be stated in the application form, especially in the section concerning management and coordination of the project). In principle, this should make it feasible to assess how far Third Country partners are involved in the project's decision-making bodies. However, SC members may not attend meetings and justify their absence on lack of resources (human or financial).

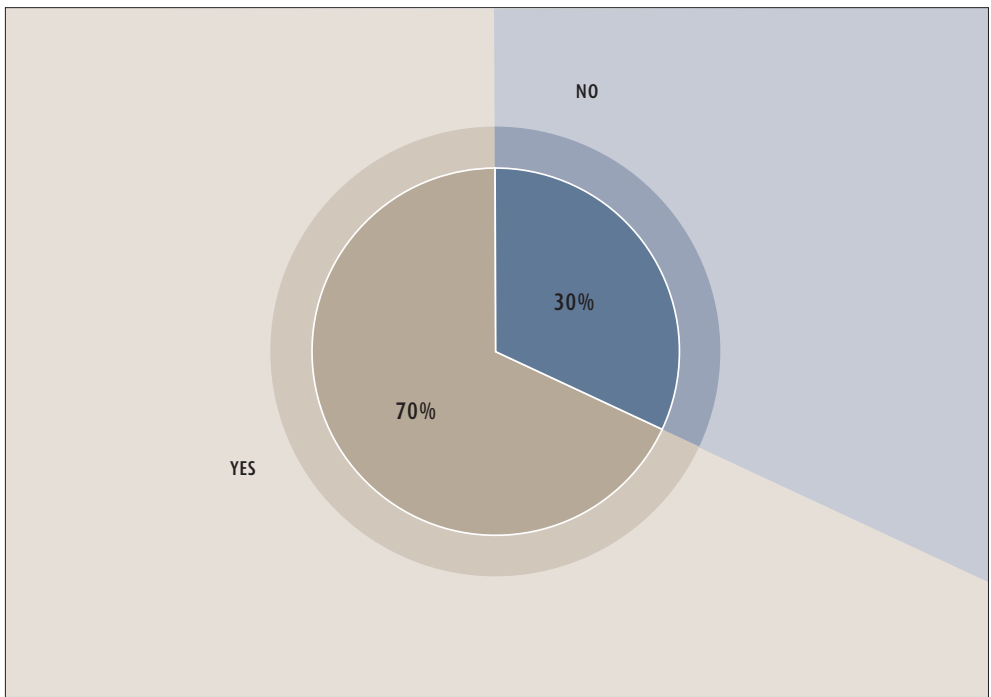
In the Network context, participation in the SC is sometimes more limited because projects may opt for a system of representation by country in order to reduce the heavy organisation costs (an example being the Centurio project, which has the largest number of partners).

**PARTNERS WHO SIGNED A PARTNERSHIP AGREEMENT**



**CHART 14** | Percentage of partners who have signed a Partnership Agreement

**PARTNERS MEMBERS OF THE STEERING COMMITTEE**



**CHART 15** | Percentage of partners who are members of the Steering Committee

### Participation in project activities

**\_ONLY 8** of the 61 Third Country partners who responded said that they were also in charge of one of the components of a project, and it does not seem to have any direct connection with the country of origin or how far the country has advanced in its process to accession to the EU (e.g. Croatia, Romania, Switzerland, Norway). In some cases they carry out the coordination work with their own funds, even though the project database, which is fed with the data collected from the application packages, would indicate that they do not have an adequate budget for them to act as the ones in charge. This is due to the fact that in the project documentation (IIIIC progress report form) limited account is taken of partners who are not eligible for ERDF cofinancing.

Concerning participation in the various components, roughly two thirds of those who replied to the question (39 out of 61) say they have taken part in all the project components and play a definite part in all the project activities.

On the other hand, it is impossible to compile significant data about the number of people engaged in these activities. The replies are too unreliable even for drawing valid conclusions from the cofinancing data as declared.

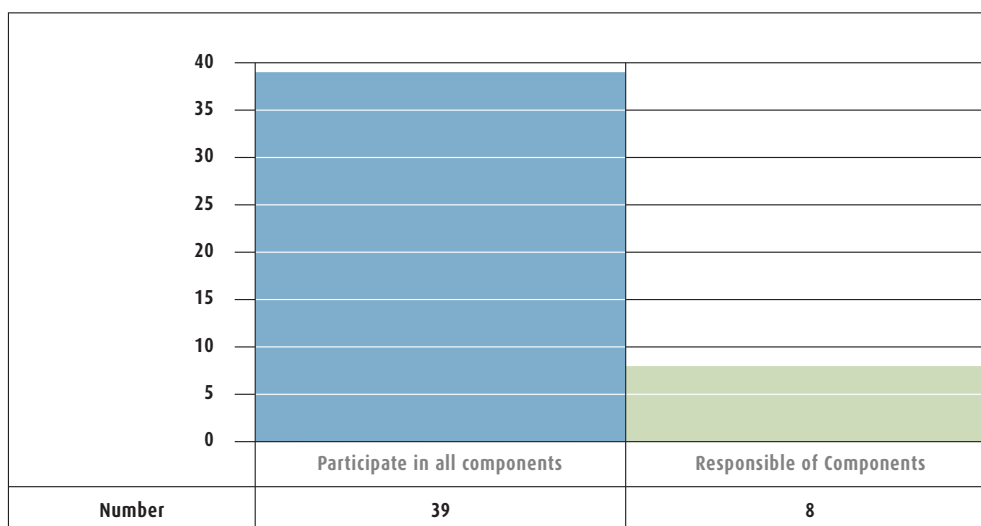


CHART 16 | Role played by Third Country partners in projects

### Types of objectives and expected outcomes

THE REPLIES to the question about the types of expected outcomes confirm what the most common attitude to interregional cooperation is.

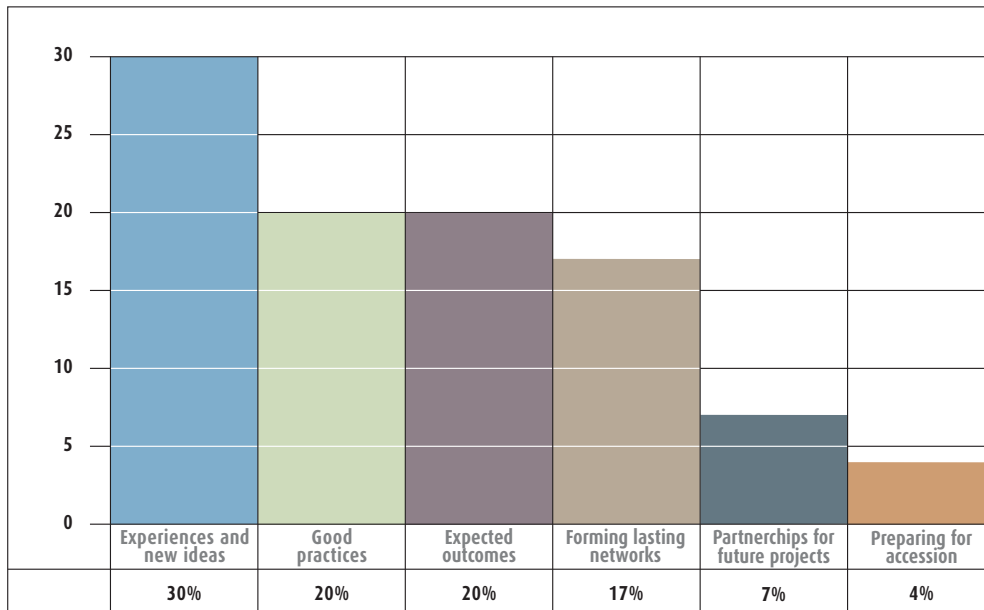


CHART 17 Responses grouped by type of objectives and expected outcomes

In the questionnaire, this was an open question and partners could reply in their own words. So as to put some order into them and bring out convergences of objectives, the replies have been examined and grouped into six categories of similar and comparable expectations. Only 16 partners stated concrete attainables, and they were looking for the project to produce results that would be of immediate usefulness for themselves. As typical examples we would mention the training of 36 head teachers for the schools, the setting up of a marketing network, a common marketing plan, or a more efficient public health management system.

While it is understandable that Member State partners put most emphasis on the interaction between project objectives and regional development policies (as foreseen in the Communication from the Commission setting up interregional cooperation), it is also understandable that Third Country partners give much more importance to other aspects that characterise INTERREG IIIC.

The majority of partners mention 'exchange of experiences' and 'new ideas' as the most important expected outcomes. The partners do not mention them for the quality of the experiences or the ideas, but because they mean added value deriving from the opportunity the project offers of building relationships between the partners themselves and of opening up a working communication channel for the circulation of ideas.

Almost a quarter of the responses are clear about the project providing an opportunity for the mutual transfer of good practices, while the expectations of the majority are focused on the chance of learning good practices from others rather than transferring them mutually.

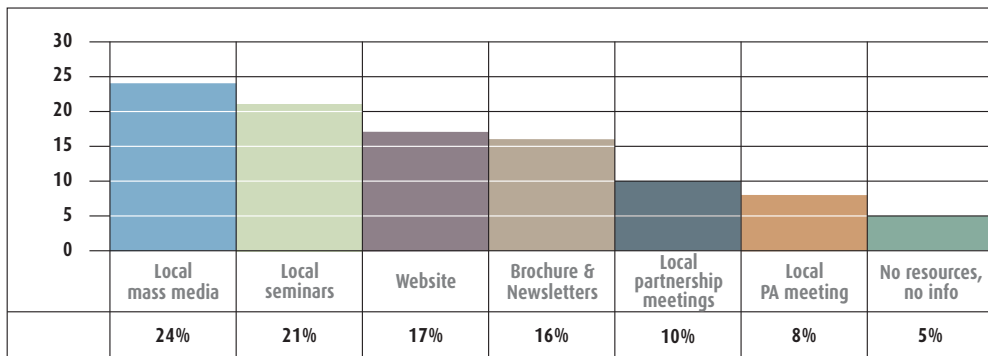
Going further through the categories of responses, one finds two kinds of motives based on the reasoning that interregional cooperation provides an exceptional opportunity for making and consolidating transborder contacts between organisations located inside the EC and those outside it.

Only one fifth of the responses show a desire on the part of partners to create and strengthen their own interrelations through networking. The same percentage express a wish to organise better the relationships that they have formed while carrying out project activities: this might lead to more stable partnerships which would act as firm hardcore for future projects in common.

Meanwhile, one finds that only a much smaller percentage of partners mention the projects as an opportunity to learn more efficient management systems and methods, or even for improving their knowledge of how the rules for EU funding work with an eye to advancing in the accession process (3 responses out of 44 partners from 2 countries that are in the accession process).

### Local profile

THERE WAS a certain lack of consistency in the replies to the question about the means used for raising the profile partners' INTERREG IIIC participation locally. There was the same inconsistency in the replies to the question about making the results known.



**CHART 18** | Local activities for publicising the project

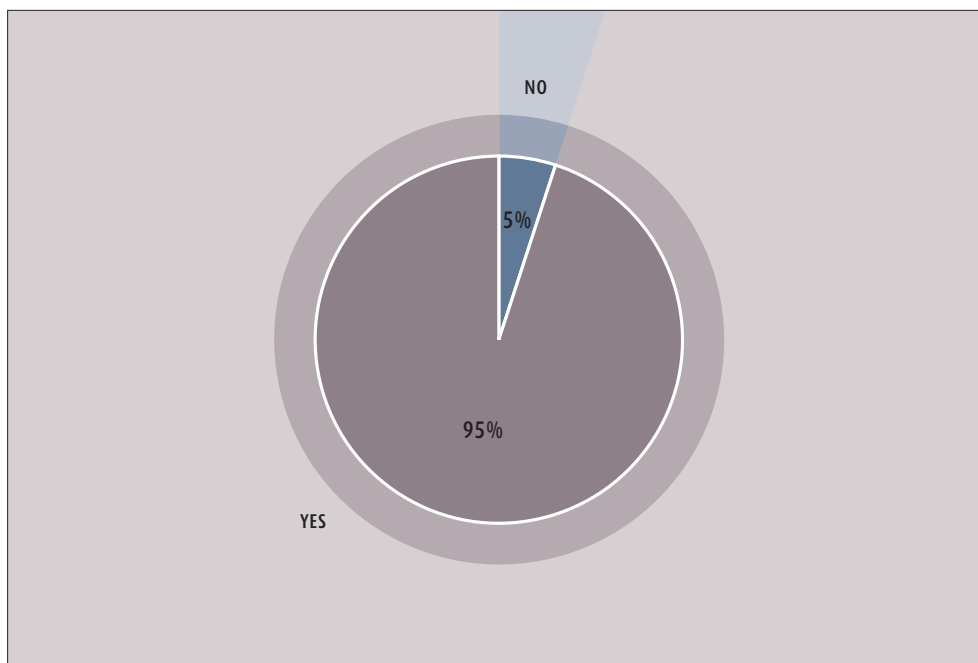
A quarter of the partners mention the press and local media, and 16% state that they use brochures or other publications specially produced for project promotion activities. No one method is clearly favoured above the others, and in some cases the profile is limited to local partners and the government body involved.

Something striking is the low percentage (17%) who use an Internet site as a medium for publicising results, when all projects allow for setting up an official project site or using an existing one for publicising activities and results and for circulating information among the project partners themselves.

Examination of the countries of residence of partners that have not given websites among their preferred tools does not point to their being deprived of information technologies nor to the Internet infrastructure lacking cover.

### Relations between project partners

The Lead Partners' reports are deemed satisfactory by most partners, and likewise relations within the partnership. It amounts to a general vote of confidence in the LPs (59 positive responses out of 69) and expresses recognition of the value added that they bring to the smooth running of activities. The percentage is the same for relations with the other project partners if we make an exception for two specific cases.



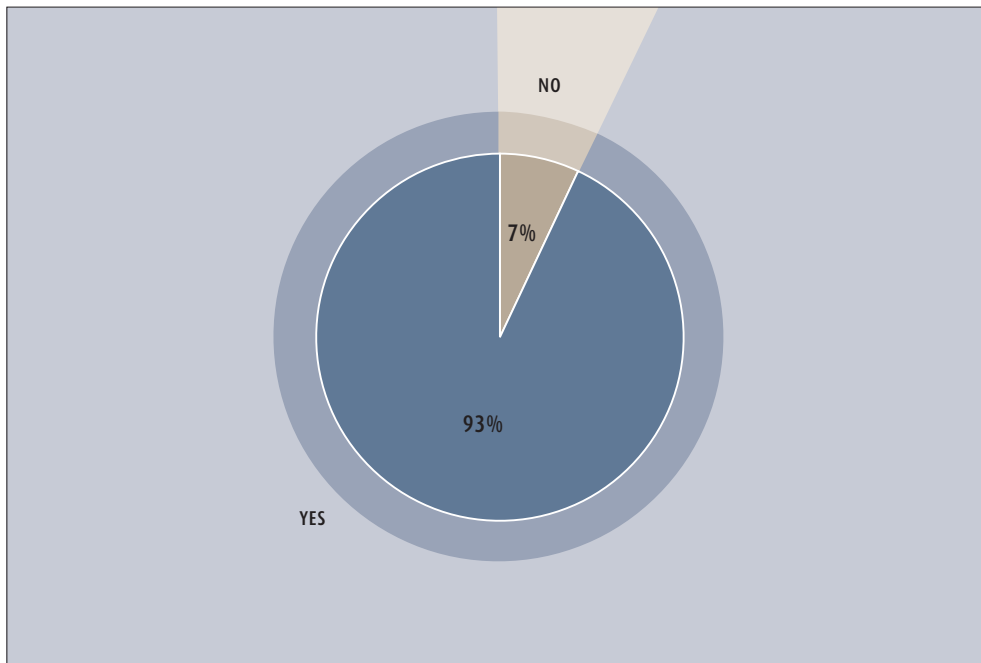
**CHART 19** | Percentage of partners who declare themselves satisfied with their Lead Partner

The replies from partners who say that they are not satisfied concern language problems (2 cases, one of which refers explicitly to the LP and the other to the partnership in general), or lack of sufficient will to cooperate (at least to the degree expected by the partner in one of the cases), or weakness in communication (2 cases).

Relations with the other partners are evaluated positively in almost all the replies (55 out of 59 responses, i.e. about 93%).

Partners recognise the value added that they obtain from other partners, and pay tribute to it by their willingness to implement an effective exchange of information about project aims and activities. Some partners also remark on how important the productive relationships established within the project are and the opportunity to exchange experience and information at project meetings.

Some special observations should be made about the part played by LPs. In a number of cases, a partner mentions their role as the single intermediary in the framework of the project and as an easily reached contact point for information about the programme. They



**CHART 20** | Degree of satisfaction declared with the other project partners

also direct the flow of information about managing the project, although several respondents also express thanks for the part played by Programme management structures, like the JTS. Indeed the support role played by the JTS in project management is a step forward from how the old Technical Assistance Offices used to work.

It is therefore essential to make sure that the LPs are themselves provided with enough up-to-date information to circulate to the other partners. They also need an efficient communication plan, and not just simple, occasional 'tools' or 'means' used haphazardly to cope with temporary or urgent demands. Furthermore, it is better for the communication plan to be designed and decided on by all the partners so that everybody's particular needs and circumstances are taken into account. Actually IIIC does provide for a special 'component' for this type of activity, and it can be used twice: once through the 'management component' and a second time through the 'communication component' (if the latter has been foreseen in the project).

Furthermore, when one looks more closely at the criticisms of LPs, one finds that they are particularly severe as regards lack of information and about implementing budget or activity changes without consulting Third Country partners.

This interpretation of the responses is confirmed by the interviews with representatives of Third Countries. These representatives recall some typical difficulties encountered during the drafting phase of a project, when the LP determined the action plan and related budget on the basis of estimates that were not realistic for all the partners involved. In particular, estimates for Third Country Partners on staff costs in government institutions or on external expertise are often based in economic and social conditions that are very different from the EC norm.

**Degree of satisfaction with the way the programme is structured,  
the results achieved by the operation and the relations with local stakeholders**

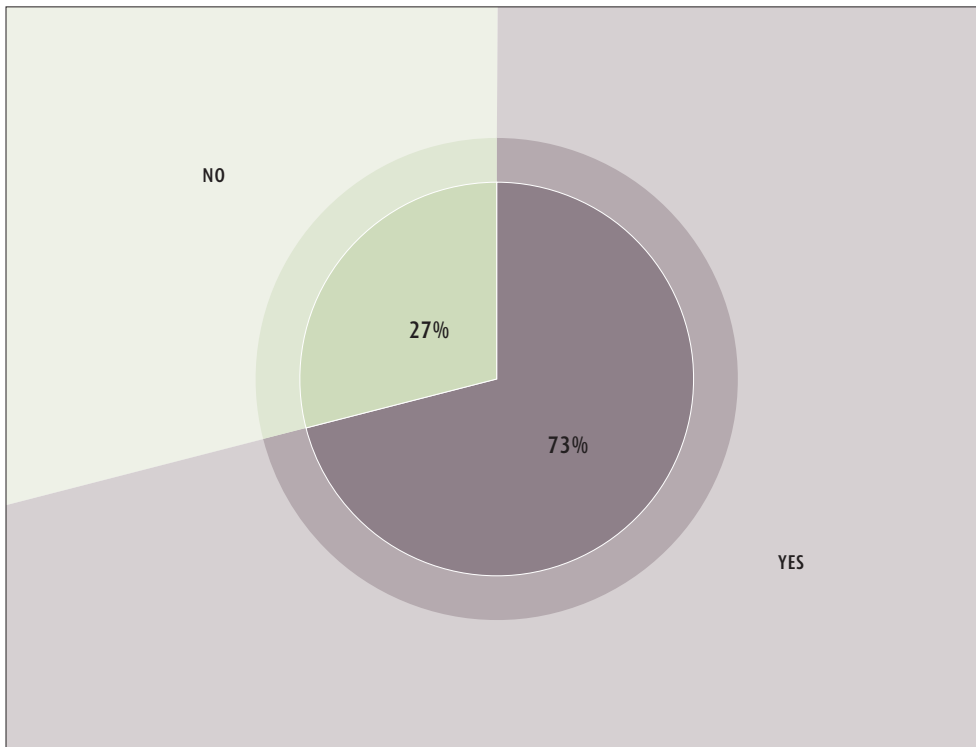
ON THE whole, Third Country partners are highly satisfied (a third of them even completely satisfied) with:

- the programme management organisation;
- the opportunities opened up by taking part in operations;
- the involvement of active local organisations in the operations.

Two points made previously in this report should be recalled: of those who state they are satisfied with their relations with the JTS and the national coordination structure, 70% express a positive opinion about the role played by the LP as an intermediary between the partners and the management structures. In addition, it should be mentioned that the Swiss partners emphasise the work accomplished by the Swiss national contact SECO.

On the other hand, there is a very definite negative opinion of the LPs who are not capable of managing efficiently the flow of information between the partnership and the management structures, or between partners within the project itself.

A number of Third Country partners have pointed to a need to organise opportunities for meeting with one another, for example at the Infodays, and to do so closer to their territories so as to allow end beneficiaries to take part. This pressing need was repeated by the representatives of the national coordinating structures during the interviews.



**CHART 21** Degree of satisfaction with the Joint Technical Secretariat and with national coordination structures

To take it a stage further, since the training seminars started by the programme management organisation are intended mainly for the LPs, management ought to give LPs the tools they need for spreading efficient management principles and making people conform to the rules applicable to all partners, Third Country ones included (while keeping within ERDF requirements).

Turning back to the percentages, it should be noticed that 89% of the 53 partners who gave an opinion about this matter said they were satisfied with the opportunities created by taking part in the operations of an interregional cooperation programme. This high opinion constitutes a value added for the programme, especially since the same satisfaction is expressed by partners who only obtained reduced cofinancing and decided to contribute from their own funds.

When the criticisms were about poor communication capacity for disseminating information to all the partners, the appraisals concentrated on:

- creating more favourable conditions for future cooperations;
- obtaining and learning the rules for managing structural funds with an eye on the EU accession process;
- the opportunities to collaborate without geographical eligibility restrictions.

77% of the 43 partners replying to this question were positive about the involvement of local stakeholders. In the negative comments, however, the complaint is always the same: although the management organisations at national level claim to be very interested and to see its potential, they have not proven capable of organising adequate promotion activities adapted to INTERREG IIIC.

Some respondents comment too on the need to invest ever greater resources at the local partner level and not only at LP level. They also urge deploying professionally qualified people who could start a strong movement of local stakeholder involvement and real participation.

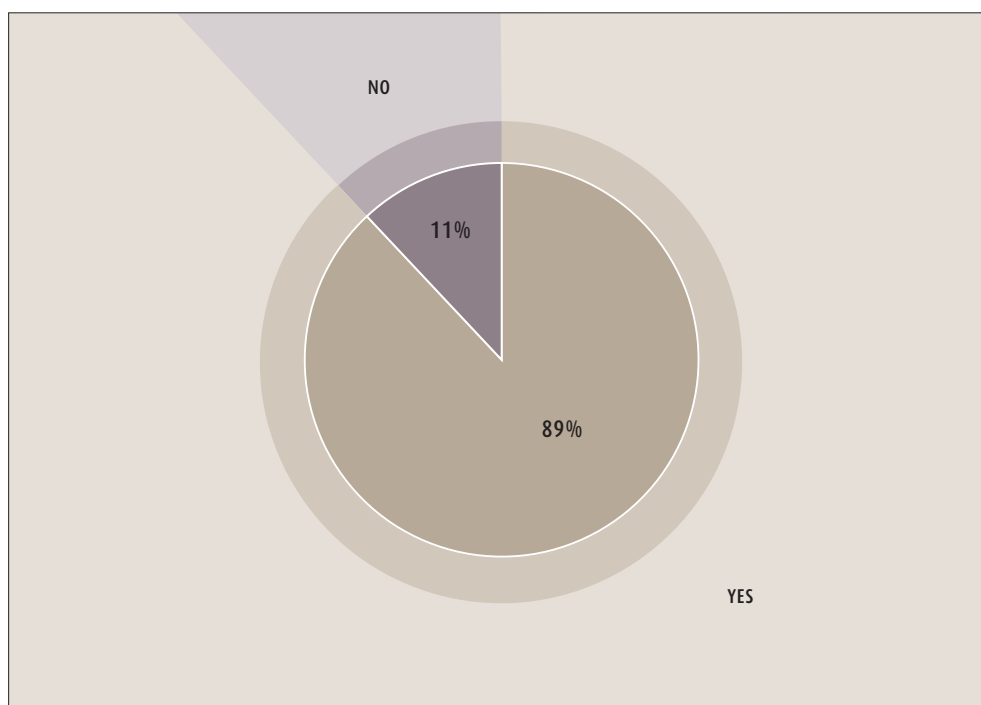


CHART 22 | Degree of satisfaction with the opportunities provided by participating in the IIIC Programme

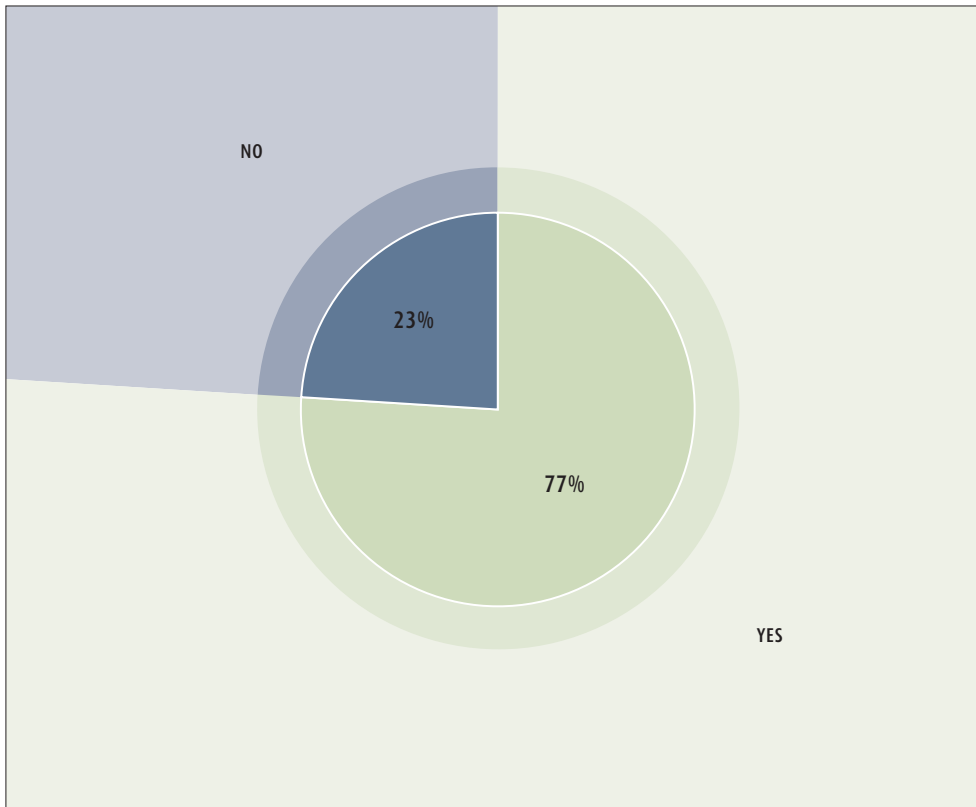


CHART 23 | Degree of satisfaction with the involvement of local stakeholders

### Concluding suggestions grouped by similar responses

ONLY 45% of the partners (31 replies out of the 69 questionnaires returned) were able to make comments and suggestions, although there were sometimes several suggestions at a time. Of the 31 replies, 13 (42%) point to administrative procedures as being among the things it is crucial to improve. According to these partners, the cost outweighs the benefits, because the work involved in the procedures demands that they invest a great deal of time and human resources in them. Yet only one partner wants an online system in order to reduce administrative delays.

On the other hand, limited funding is emphasised by 38%. Most of these replies are about the constraint this puts on participating in project activities, especially meetings. However, only 2 out of the 11 respondents say clearly that they would like the ERDF funds to be responsible for covering their participation expenses.

TYPES OF SUGGESTIONS MADE

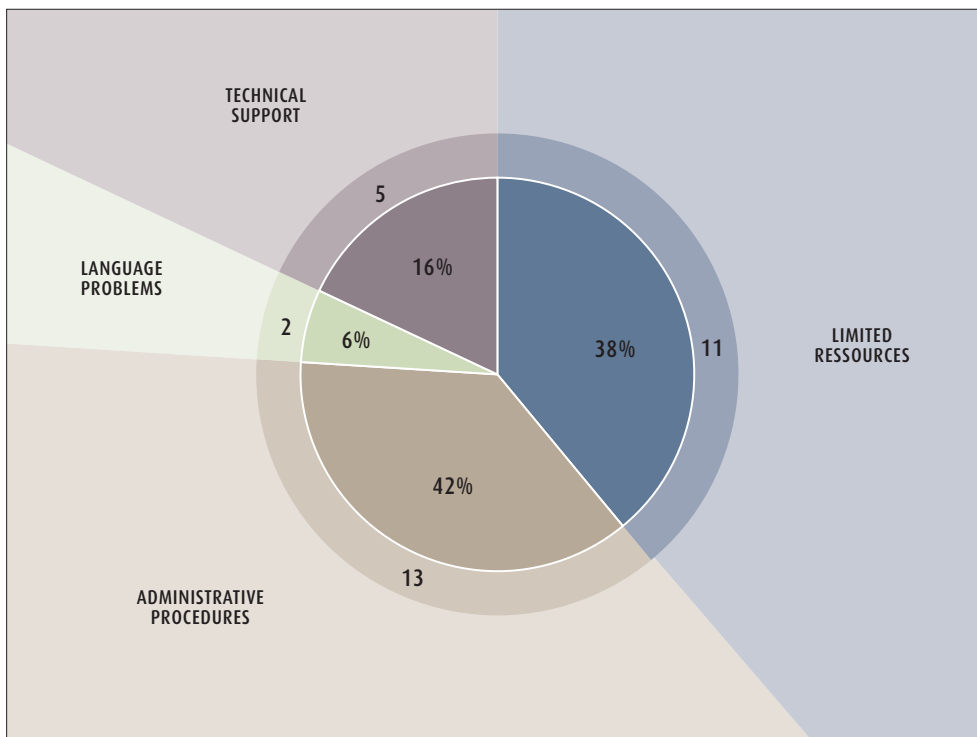


CHART 24 | Percentage and number of reponses concerning types of suggestions made by Third Country partners

5 respondents out of 31 mention a need for technical support at the local level for ensuring an efficient flow of information, especially during the phase of acceding to the European funds and during the initial stage of project implementation.

Finally, only 2 out of 31 mention language problems with other partners as a major difficulty for an efficient partnership management. ❖



CONTEXT: THE ROLE  
OF THIRD COUNTRIES  
IN THE NEW  
INSTRUMENTS  
FOR EXTERNAL  
COOPERATION (ENPI/IPA)



**\_FROM THE** beginning of the current programme period, the European Commission has encouraged Third Country participation in territorial cooperation programmes (Council Regulation (EC) No 1260/1999 and Communication on INTERREG IIIC). In particular, Article 20.2 of the General Regulation stipulates that special attention must be paid to improving coordination between the PHARE, TACIS and MEDA programmes.

In line with this, the EC has decided to take measures for improving consistency and coordination between the various administrative practices and financial regulations. This was the background for launching the Neighbourhood policy in late 2003, and some INTERREG programmes have been converted to Neighbourhood programmes, which makes it possible to synchronise the allocation of ERDF funds with that of the funds available to Third Countries

### European Neighbourhood policy

**\_THE DRAFT** regulations that the EC adopted in September 2004 for introducing this new policy are the outcome of a certain Community strategy. The strategy requires instituting uniform procedures and a coordination system between the Community funds for Member States and those allocated to Third Countries, the aim being to ensure real participation by the latter in territorial cooperation programmes.

The draft implementation directives for the New Neighbourhood and Partnership Programmes (e.g. the new operating rules for the IIIB Baltic zone, IIIB CADSES, IIIA Italy-Balkans, etc.) identified shared management mechanisms (Joint Monitoring Committee, Selection Committee and Joint Technical Secretariat) and equivalent ones (Managing Authority and Paying Authority for INTERREG funds and Contracting Authority for external funds). The directives also made rules for signing grant contracts and for reimbursement procedures. Although the rules cannot yet be made the same for everybody, the directives allow for some common ground that can make partnership management more efficient.

The last calls for proposals (in 2005) already applied the New Neighbourhood and Partnership Programmes. They therefore anticipated that Third Country partners would take part under the new rules; however, it will be several months before an assessment of the effectiveness of these rules can be undertaken.

For a long time now, the Steering Committees of the main territorial cooperation programmes have been debating the reasons why the Community was dragging its feet with its strategy for Third Country involvement. The discussants often pointed a finger at the lack of uniformity between procedures and, even worse, the lack of coordination between the different European funds for which Third Countries are eligible. Both these weaknesses cause problems for Third Country partners when they become involved in cooperation programmes.

Different administrative constraints in INTERREG transnational cooperation programmes and in the EU programmes to which Third Countries have access (TACIS, CARDS, PHARE and MEDA) are the main obstacles in setting up transnational partnerships. These constraints include the legal status of the partners, the percentage of cofinancing, procedures for verifying expenses and the way the payment systems work (by advances or by refunds).

### Proposals for new programmes

The new programmes for 2007-2013 assign a key role to Third Country participation in territorial cooperation programmes. This is taken up in two draft regulations that the EC has approved concerning transnational and transborder cooperation between Candidate Countries, potential Candidate Countries and Third Countries bordering on the outer frontiers of the Union in the east and south.

The Instrument for Pre-Accession (IPA) affects cooperation between Member States, the Candidate States (Turkey, Croatia, FYROM) and potential candidates (Albania, Bosnia-Herzegovina, Serbia, Montenegro). The IPA also makes provision for cooperation between candidates and potential candidates. The regulatory framework was established by EC Communication COM (2004) 627 final of 29 September, but the implementation rules are still being drawn up.

The programme outline makes provision for a decentralised management split into three levels:

- specifications for a multi-annual indicative financial framework (MIFF), divided by year for a total of three years, by country and by component, and subject to annual review;
- strategic programming, including the specifications of a multi-annual indicative programming document (MIPD), by country and for all components;
- specific programmes for each country and component.

The Regional policy components cover transborder cooperation; for the Candidate Countries they also include preparation for applying and managing Structural Funds. The IPA will replace the current instruments, i.e. PHARE, ISPA, SAPARD and CARDS. The total budget allocation is expected to be about EUR 12.9 billion.

The IPA may fund participatory activities by candidates and potential candidates in the context of the transnational and interregional cooperation programmes foreseen under Objective 3 of the new Structural Funds, as well as the maritime basin programmes that fall under the European Neighbourhood and Partnership Instrument (ENPI). Naturally, a country must be eligible for any programme that it joins, and the implementation rules will be those of the programmes chosen, either ERDF or ENPI.

The Instrument provides for five components:

- Support for making the transition and for 'institutional building'
- Transborder cooperation
- Regional development
- Human resources development
- Rural development

The timetable is for the programmes to be finally approved in the first half of 2007.

The ENPI will cover Third Countries taking part in activities under the European Neighbourhood policy, that is to say the countries of the southern and eastern Mediterranean basin, Ukraine, Moldavia and Belarus, as well as the Southern Caucasus countries. Hence it will replace MEDA and part of TACIS. It will also support the EC's strategic partnership with Russia. According to the draft regulations submitted by the EC to the European Parliament in September 2004 (COM (2004) 628 final, Art.1), the EU's contribution must be used in the 'common interest' of Member States and partner countries for the promotion of transborder and transregional cooperation. This provision represents a considerable simplification of the present situation, in which transborder cooperation with countries outside the EU comes up against the incompatibilities between the different rules governing internal and external financing instruments, which are subject to different rules.

The transborder cooperation programmes cover all the NUTS III-level regions along the land frontiers and the important shipping routes, as well as all the NUTS II-level maritime regions along the shores of a shared maritime basin. Neighbouring regions may also be associates.

So far the EC services have not yet determined how ENPI and interregional cooperation will interact under the new programmes once they are installed in the framework of Objective 3.

Besides transborder and multilateral cooperation programmes, within the scope of Article 6 (which gives the types of programme covered by ENPI) the fact that there are also thematic programmes might provide another opening for developing interregional cooperation projects. ✚



CONCLUSIONS



THE OBJECTIVE of this study has been to determine, based on the questionnaires returned and the interviews conducted, what kind of difficulties Third Country partners face when participating in INTERREG IIIC operations and the reasons for them.

However, the value added of the study lies in its determination to make use of the work of identifying and analysing in order to formulate recommendations to two groups. One is the Third Country partners along with their national authorities responsible for managing European cooperation programmes. The other is the EU bodies concerned with managing INTERREG programmes and engaged at present in designing the instruments for the next phase of territorial cooperation (within the next 'Objective 3').

It would therefore be worthwhile, indeed it is imperative, that the work of capitalising on the experience acquired be transformed into a sort of 'textbook' for ensuring genuine cooperation both in current operations and in view of the new programmes.

The reasons for partners' problems and the effects on the quality of their participation in IIIC operations having been identified, they have been sorted into four types that are described in detail below. The four types are closely linked to one another; indeed one might say that they form a vicious circle, because, for example, poor financial resources restrict some of the activities that are needed for seeking new sources of funding.

It is necessary to act on the four types at the same time in order to break the circle. With that in mind, we have made use of both the assessments of past experience and the expectations and suggestions expressed to us by partners and by people in charge of coordinating national programmes in Third Countries. From this material we have drawn recommendations for possible new actions or management structures.

Before going into details, let us set forth some general thoughts about the feasibility of translating the aims and priorities of the programme into an effective Third Country participation.

As already stated, in Art. 17 of its Communication on INTERREG IIIC, the EC expressed its desire to have as broad participation as possible by Third Countries, and especially the candidate countries. Nevertheless, the rules put in place by the programme do not seem to be such as to obtain and support that participation, at least beyond initial stage of projects.

In this connection, one thing that must be emphasised is project selection procedures. These procedures allow for the partnership quality assessment criteria to include Third Country participation and the project management system. However, when it comes to the project monitoring, the technical and financial progress reports that must be submitted to the JTS/MA for ERDF funds' reimbursement are of little concern to Third Countries, because they are not eligible for those funds. So the follow up of Third Country expenditure is not explicitly foreseen in the IIIC progress reports form. However, the follow up of the activities implemented by Third Country' partners is indeed foreseen in a specific field of the IIIC progress report form. Furthermore, third countries activities can be reported in other fields of the progress report form (i.e. all the fields related to the project components).

This gap might be taken as symbolic of the Programme's limits for Third Countries becoming genuinely involved in regional cooperation operations.

The procedures for submitting application packages provide an example of the above mentioned limits. Section VII in the package requires specific information about the applications that the partners undertake to make for cofinancing from the external European funds. Yet the programme does not provide for a sophisticated monitoring system for the funds actually allocated and which are bound to determine how far Third Country partners can really participate. It must be stressed that only Section II.3. in the progress report has a place for describing what is happening with the activities undertaken by Third Country partners. However, there is no similar provision for monitoring the financial aspect of these activities. Consequently it is difficult to obtain numerical results for the effort invested by Third Country partners in IIIC projects.

What is more, if the initial forecasts for 'parallel' cofinancing through PHARE, MEDA, TACIS, etc. are not checked, the financial loss involved risks to affect to the project as a whole.

Any evaluation of the outcomes of a project, if it is to be solidly based, must necessarily monitor the part played by all the partners, including Third Country ones.

### Financial constraints

Shortage of resources is blamed as the basic source of all problems. Yet analysis of the responses also reveals that the partners would like to find alternative solutions, and would agree to cooperate in the new round of programmes even though the resources are still going to be limited.

First among the financial constraints is the limited success in putting national and private funds to work, and this extends to European cooperation funds like PHARE, MEDA, CARDS, TACIS and even others. We are talking about places where there is fierce competition for resources that are in any case insufficient, and where interregional cooperation may not be a priority in the country's domestic and regional development plans. Furthermore, when the cofinancing that goes with partners' own funds is insufficient to ensure them participation 'as of right' in project activities, it often turns out that they do not know how to proceed in order to have access to alternative sources of funding even though such sources are available in their own countries.

Another consideration is that because of the differences between the procedures and deadlines for allocating ERDF funds and allocating external funds, the great majority of partners start off participating by employing their own funds; whereas in the application package the role envisaged for them was based on the prospect of their being allocated a much larger total budget.

According to the statements filed by the partners themselves in their application packages, there was a difference between the first and the second calls for project proposals as regards recourse to external funding compared with use of national funding. This may have been due to difficulties in gaining access to the external funds.

Since the progress report does not facilitate data about Third Country activities, the financial monitoring and management system that the IIC programme management organisation is

going to install shall be designed to check whether partners who say they have submitted a specific application for cofinancing from CARDS, PHARE or other funds have indeed received the aforementioned funds they were asking for. The system could then help senior management itself and the LPs, as well as the partners, tailor their activities to the resources really available.

However, monitoring first requires setting up a system of coordination between the SMAs and the national bodies in charge of managing European funds in Third Countries. The coordination has to start when projects are approved, and be followed by systematic financial controls during reimbursement of funds. The Moroccan government has given a good example of system coordination by simplifying all its domestic audit procedures and giving priority to the European controls.

The authorities in charge of European funds in the Third Countries themselves ought to take action to back up the added value that Third Country partner participation represents for operations financed on behalf of the SMAs responsible for ERDF funding.

A similar system has been implemented by the IIIB MEDOCC Programme, which has started a procedure that would broaden participation by the three MEDA countries (Morocco, Tunisia, Algeria).

This procedure allows for direct involvement by the MEDA-MEDOCC national coordinators alongside the EC services concerned. On the basis of the proposals received and the technical appraisals by the MEDOCC JTS, the MEDA coordinators will draw up a list of proposals that have been accepted for financing and it will be submitted to the MEDOCC Steering Committee. The procedure will be subject to each of the three MEDA countries setting up effective national coordination mechanisms (the Algerians have not yet designated their coordination body).

Another point to be emphasised is that in the lists of complaints drawn up by the partners, the fact that they cannot carry out certain project activities is always linked to financial limitations.

First, the lack of funding often limits Third Country partners' attendance at project seminars, Steering Committee meetings and technical gatherings. Expectations of the benefits to be

derived from taking part in IIIC operations (learning good practices, exchange of information, developing firm European relationships that are useful for starting or intensifying the accession process) are only partly realised when partners cannot attend the activities at those levels.

Unfortunately the LPs themselves are often unaware that there is a possibility of using ERDF Community funds for Third Country partners' travel expenses when they take part in project meetings.

Of course each partner is at liberty to fix its own priorities for using the available resources, and may therefore decide to devote what it has to attending SC meetings rather than to developing local pilot projects or publicising activities and project achievements to local beneficiaries. But even if it is in principle a matter of partner judgement, it is important not to lose sight of the procedure followed when the application package was submitted: composing a plan of action, the allocation of resources and the role of each partner. The procedure does not necessarily envisage that Third Country partners may really be involved from the beginning. Those partners have to consider that their priorities may undergo amendment in the course of activities, something that it is difficult to accomplish without adequate technical support.

Also with a view to identifying possible alternatives that would partly counter the drawbacks of inadequate cofinancing, the EC has proposed that along with the new programmes, it would ease the eligibility limits for expenses incurred by Member States in Third Country territory. Until now, according to the Programme Complement, the expenses eligible for ERDF funds are limited to travel and subsistence expenses incurred by Member State partners in connection with part of the operations taking place in a Candidate Country and considered essential to the success of the activity as a whole. So as to ease this constraint, expenses in connection with Infodays for the LP and other partners, with Steering Committee meetings, or even with international seminars, might become eligible for ERDF funding without impacting on the already hard-pressed budget of Third Country partners.

We have spoken of a vicious circle between real participation and inadequate budgets that needs to be broken. Another example of it is that what limited resources there are do not help, indeed they may even hinder, the setting up of the local thematic working groups that

are often provided for in IIIC operations but whose expenses are not covered by ERDF funds. A cooperative operation between territories ought to reach down to the people it is aimed at and other users at the grass roots level; however, the work of involving local partners and of starting up activities in those territories demands a level of investment that is hard to maintain and competes for resources with, for instance, attendance at the project Steering Committee.

The IIIC operations component allowing for the distribution of results and information about project activities is also affected negatively by the limited overall budgets. It is reported that communicating project outcomes at local level is often lacking in effectiveness, although it is a prerequisite for meeting partners' expectations concerning the transfer of good practices and information.

### Administrative constraints

Among the things that are reported as disincentives are the administrative routines that partners have to set up and follow when working on IIIC operations: for example, certification of expenses, or advances for expenses if there is no national or European cofinancing.

Likewise the documentation required for submitting an application is hardly such as to encourage partners to participate. This is especially so at local government level, where a very hierarchical organisation often constitutes a serious obstacle when it comes to obtaining signatures on joint financing declarations or on an undertaking to submit a request for cofinancing to other European funds, and to finalise by a certain deadline.

The technical progress reports submitted to the JTS/MA of the ERDF funds have little or nothing to do with the Third Countries. Certifying expenses submitted by those partners only really concerns their national, local or internal financial system or the system for other funds, which it is foreseen as a very complex one.

Partners in any case find it very difficult to understand the operating rules for obtaining and managing EC funds. And when other European funds grant cofinancing (as PHARE, MEDA, etc.), the partners have to submit their expenses to a double verification, European and

national. It is a system that causes a great deal of delay in going ahead with expenses and activities, and is a definite disincentive to participating in European cooperation projects.

Third Country national institutions, with the support of the EC Delegations in those countries, could well follow the example of Morocco. The Moroccan Ministry of Finance has organised information days for project promoters and funding bodies to educate them about fund allocation rules, contract signing procedures and the eligibility of expenses.

### **Technical support and supply of information at local level**

Malfunctioning communications in the senior programme management organisation, or with LPs, or with local bodies administering national coordination of European programmes, has proven to be one of the greatest handicaps, sometimes even more of a handicap than the financial constraints.

To start with, there is a structural weakness in the local supply of information about how to join European programmes. Third Country partners are not aware of the deadlines set by the calls for proposals, nor of the procedures that must be followed to apply for joint financing from EU funds. Often there is no intermediary body to which partners can turn for help in drawing up a particular application package for submission to European programmes.

In most cases, forming a transnational partnership depends on there already being a network or a set of contacts in place (see above). No service for finding partners exists at local level. Often when a public organisation takes part in a European project, it is not because of a systematic strategy but because an exceptionally dynamic civil servant has taken the initiative, or because the organisation has participated in previous activities of the sort.

This organisational weakness and lack of information is a disincentive to becoming committed to European cooperation projects. It means that while the project is in progress, the partners cannot count on the local presence of technical assistance mechanisms.

The flow of information at project level is often inadequate too, despite the efforts of the LPs in particular. Indeed it is often useless, because the information does not reach its destination

and those who can benefit from it. The situation is partly due to financial constraints that limit the production of communication tools, but also to a shortage locally of competent people for managing a project and its communications side.

The Third Country national organisations ought to profit from partners' interest in projects concerned with local development (ranging from public health to environment to local transport) by approaching the various administrations that have a stake in these matters and using them as 'information antennas' to broadcast the opportunities offered by cooperating in European interregional projects.

INTERREG IIIC allows funding of networks for government-level organisations and in that way helps develop civil servants' technical skills to aid them to assimilate regional development policies. Compared with other territorial cooperation programmes, this is where interregional cooperation produces the most value added for Third Countries as they go through the EU accession process.

The IIIC Programme allows participation in operations concerning all branches of European local development policy, and does so without any geographical eligibility restrictions. It thus enables civil servants to develop a level of competence where they can ensure adequate knowledge of the EC rules before their countries accede to the Union. The advantage for government organisations in the Member States is that they are then able to work with trained intermediaries.

From another point of view, it must also be recognised that the government ministries responsible for European programmes in places where the administrative structure is complex find it difficult to identify reliable local intermediaries.

At this level, the difficulties nevertheless leave some room for manoeuvre, which the Third Countries on the one hand and the senior management of the programme might take advantage of.

The infodays for partners ought to be organised at local level, otherwise the travel expenses become excessive both for the organisers (usually the government ministry with jurisdiction for European cooperation) and for the partners.

Because of their position as ‘energisers’, intermediaries and technical resource persons, it is on the Lead Partner that efficient management of a partnership depends, including managing the contribution of the Third Country partners. There is no doubt that the stakes involved justify a large investment in developing strategy, and financial and human resources.

The training and technical support activities already set in motion by the JTSs should make allowance for a special section on the requirements peculiar to Third Country partners and the administrative and financial instruments to employ in dealing with them. It has to be hoped that ERDF funds can be employed to cover the cost of foreign assignment expenses and organising local events in Third Countries.

In addition, when the JTS organises infodays addressed to LPs, it would be a good idea to include a special section on the methods and management tools that LPs can use to support Third Country partners. These partners might then have good technical support, something that is often lacking at present.

### **‘Logistical’ constraints: language differences, building a common terminology**

We have already emphasised several times that one of the motives for joining a IIC operation is to learn and to exchange information and good practices. Exchanges not only require that all the partners concerned have a good knowledge of a common working language; it also needs a shared technical terminology. If the two conditions are not met, there is bound to be some loss of efficiency in the relations between the partners, with consequent reduction of the benefits for them.

Furthermore, a project where the partnership is handicapped by language barriers also suffers from reduced ability to transmit the activities carried out and the results achieved at the grass-roots level.

Even if the programme cannot itself undertake to give language training to partners, its senior management organisation might encourage LPs to use the ERDF budget to cover the cost of translating the reports on its activities into the languages of Third Country partners, and likewise the cost of interpretation for the local seminars and infodays held in Third Countries. ❖



# PROPOSALS FOR VIABLE SOLUTIONS

IT WOULD be helpful to summarise in a chart the main challenges that must be taken up by the stakeholders, especially at the level of management organisation and the national institutions.

CHALLENGES	MANAGEMENT STRUCTURES	NATIONAL BODIES
A monitoring and financial management system	Check whether partners who state they submitted an application for specific project funding to CARDS, PHARE or some other source of financing have in fact received cofinancing. The way the progress report is structured, it is impossible to monitor the financial side where Third Countries are concerned. The system could then help senior management itself and the LPs, as well as the partners, tailor their activities to the resources really available.	Install a monitoring system to track the number and types of projects involving local partners, and do it in such a way as to give a complete picture of the applications for cofinancing made to the exterior funds sector.
Put in motion a system to coordinate the MAs with the Third Country national bodies qualified to deal with cofinancing and with participation in European programmes.	Coordination between the joint Monitoring and Steering Committees for dealing with the management of European funds in the Third Countries, this to be at the stage of project approval; also financial control systems for the reimbursement of funds. There should at least be provision for involving representatives who have power in the matter, and to draw them from all the branches of management concerned (i.e. DGs of the EC, and national representatives).	Simplification certification and national audit procedures, giving precedence to European controls.

CHALLENGES	MANAGEMENT STRUCTURES	NATIONAL BODIES
Ease the eligibility restrictions on expenses.	<p>Expenses incurred in Third Countries for infodays for LPs and other partners to be assumed by the budgets of the Programme's technical assistance.</p> <p>Also Steering Committee meetings and international seminars should be eligible for ERDF funding without impacting on the already inadequate budgets of Third Country partners.</p>	
Technical support for partners	<p>Organising training workshops for project promoters and fund audit authorities to educate them about fund allocation rules, contract signing procedures and eligibility of expenses.</p> <p>Plan a financial package similar to the one available in certain Nordic countries: seed money for starting up partnerships and preparing high-quality project application documents.</p>	<p>Taking the various administrative structures that have an interest in these themes and using them as 'information antennas' for publicising the possibilities offered by European interregional cooperation.</p> <p>Better national-level coordination of the qualified departments already involved in this kind of exercise.</p>
Organising training workshops for LPs about the ERDF budget	Consider having a special section in infodays for the management methods and tools that LPs should use to give support to Third Country partners. The latter might then have the technical support that is all too often lacking at present.	
The practice of cost pooling	Encourage LPs to have recourse to cost pooling to cover the expense of translating activity reports written in the languages of Third Country partners and of providing interpretation at local seminars or infodays held in Third Countries.	

The appraisals given above can form the basis for proposing viable solutions to deal with the constraints:

- All partners think of a project as a forum for exchange and learning. Participating in meetings, as well as a regular, efficient, standardised flow of information (for instance in the form of regular fact sheets), is therefore an essential condition for top-quality cooperation.
  
- LPs play a key role in getting Third Country partners really involved. The senior management organisation of the Programme should therefore give them special treatment in the form of training activities and technical support.
  
- While continuing to abide by Community regulations, it is more and more necessary that we find alternative modes of acting in order to prevent limited budget allocations from becoming a crippling constraint. It should be done by profiting from the mutual interest approach in the new programmes. An example of the alternative solutions would be if a clearly defined 'pooled expenses' section of the ERDF budget assumed the cost of foreign assignments or of translation. ❖

**CHART 25** | Summary chart of requirements for Third Country nationals taking part in INTERREG projects

	THIRD COUNTRIES	ELIGIBILITY RESTRICTIONS	DOCUMENTATION REQUIRED WHEN SUBMITTING PROJECT APPLICATIONS	SIGNATURE OF SPECIAL CONTRACT	MINIMUM/MAXIMUM CARDS, TACIS, PHARE FUNDING
<b>IIIC</b>	<ul style="list-style-type: none"> <li>▪ All</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government organisations and equivalent public bodies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of cofinancing: requirement for Third Country partners (authorisation letter to negotiate with RFOs for all except regional bodies, mandatory for both EU countries and Third Countries).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Once the financing is approved, signature of a Partnership Agreement is strongly recommended in the North and West zones, and is compulsory in the East and South zones (Annex IV of the IIIC South Subsidy Contract).</li> </ul>	<ul style="list-style-type: none"> <li>▪ In line with the funding rules for each of the programmes.</li> </ul>
<b>IIIB MEDOCC</b>	<ul style="list-style-type: none"> <li>▪ Morocco</li> <li>▪ Algeria</li> <li>▪ Tunisia</li> <li>▪ Egypt</li> <li>▪ Jordan</li> <li>▪ Palestine Authority</li> <li>▪ Israel</li> <li>▪ Lebanon</li> <li>▪ Syria</li> <li>▪ Turkey</li> <li>▪ Third Countries associated with ArchiMed or CADSES</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government bodies and their equivalents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Signature of a Partnership Agreement if they contribute their own funds.</li> </ul>		
<b>IIIB ArchiMed</b>	<ul style="list-style-type: none"> <li>▪ Libya</li> <li>▪ Egypt</li> <li>▪ Jordan</li> <li>▪ Palestine Authority</li> <li>▪ Israel</li> <li>▪ Lebanon</li> <li>▪ Syria</li> <li>▪ Turkey</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government bodies and their equivalents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Letter of funding</li> <li>▪ Letter of intent</li> </ul>		

COFINANCING PERCENTAGE	COFINANCING SOURCE (NEIGHBOURHOOD PROGRAMMES)	PROGRESS REPORT PROCEDURES (IIIC PROJECT MONITORING)	PARTICULAR INFORMATION REQUIRED FROM THIRD COUNTRY PARTNERS IN APPLICATION PACKAGE
<ul style="list-style-type: none"> <li>▪ The cofinancing percentage is shown for Norway and Switzerland.</li> </ul>	<ul style="list-style-type: none"> <li>▪ MEDA</li> <li>▪ TACIS</li> <li>▪ CARDS</li> <li>▪ EDF</li> </ul>	<ul style="list-style-type: none"> <li>▪ Combined operations - operations cofinanced through several channels (such as PHARE, TACIS, MEDA, CARDS, EDF, bilateral aid, Third Country national contribution, etc.) have to be administered and monitored separately, even if the operation was designed as a joint venture. The administrative procedures differ according to which channels the funding comes through.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The form has a special section (Section VII) for Third Country partners, asking them to state whether they have applied to other sources of EU funding for the project; and if so, to give the name of the programme.</li> </ul>

	THIRD COUNTRIES	ELIGIBILITY RESTRICTIONS	DOCUMENTATION REQUIRED WHEN SUBMITTING PROJECT APPLICATIONS	SIGNATURE OF SPECIAL CONTRACT	MINIMUM/MAXIMUM CARDS, TACIS, PHARE FUNDING
<b>Neighbourhood Programmes</b>					
<b>IIIB - CADSES</b>	<ul style="list-style-type: none"> <li>▪ Albania</li> <li>▪ Croatia</li> <li>▪ Serbia</li> <li>▪ Montenegro</li> <li>▪ Bosnia and Herzegovina</li> <li>▪ Romania</li> <li>▪ Bulgaria</li> <li>▪ Ukraine</li> <li>▪ Moldavia</li> </ul>	<p>Government bodies and their equivalents:</p> <ul style="list-style-type: none"> <li>▪ Government departments (central, regional and local)</li> <li>▪ Public bodies and agencies</li> <li>▪ NGOs and other non-profit associations</li> <li>▪ Research centres</li> <li>▪ Universities</li> <li>▪ Economic development organisations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cofinancing Statement</li> <li>▪ Letter of intent (for applicants without cofinancing)</li> <li>▪ Two copies of articles of association (in the original language)</li> <li>▪ Two certified copies of latest balance sheet</li> </ul>	<p>Signature, within 90 days of the Steering Committee meeting, of a grant contract between the LP of each Third Country and the Contracting Authority:</p> <ul style="list-style-type: none"> <li>▪ 1. EC Representatives for contracts CARDS (Croatia, Albania, Bosnia and Herzegovina)</li> <li>▪ 2. Authorising Officer- PHARE in Romania and Bulgaria (Romanian Ministry of European Integration; Bulgarian Ministry of Local Development) TACIS (Ukraine and Moldavia)</li> <li>▪ 3. European Agency for Reconstruction (Serbia and Montenegro, FYROM)</li> </ul>	<ul style="list-style-type: none"> <li>▪ EUR 50 000 to EUR 300 000 per Third Country</li> </ul>

COFINANCING PERCENTAGE	COFINANCING SOURCE (NEIGHBOURHOOD PROGRAMMES)	PROGRESS REPORT PROCEDURES (IHC PROJECT MONITORING)	PARTICULAR INFORMATION REQUIRED FROM THIRD COUNTRY PARTNERS IN APPLICATION PACKAGE
<ul style="list-style-type: none"> <li>▪ 75%-90% from CARDS, PHARE, TACIS funds</li> <li>▪ 25%-10% partner cofinancing</li> <li>▪ CARDS (ALB, BOS, CRO, FYROM, SER): 90%</li> <li>▪ PHARE (BUL, ROM): 75%</li> <li>▪ TACIS (UKR, MOL): &gt;300,000: 90% &lt; 300,000: 75%</li> </ul>	<ul style="list-style-type: none"> <li>▪ CARDS</li> <li>▪ PHARE</li> <li>▪ TACIS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Payments by the Contracting Authority (CA) to the external LP follow the rules for advances. The latter must submit progress reports to the CA and the Programme Coordination Unit (PCU). The LP submits the final technical and financial report to the CA with a request for the balance of the funding and accompanied by certified expense accounts. The LP is responsible for transferring payments to their final recipients in accordance with the rules laid down in PRAG (<i>Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external action</i>) and based on the audited certified accounts. The requisition to the CA for payment has to follow PRAG rules for admissible expenses in accordance with the directives for proximity programme implementation issued by the EC in June 2004. A statement of certified expenses must be filed as part of the progress report that the LP must submit to the JTS every six months.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All activities, results and project must be given in detail for each Third Country.</li> <li>▪ Each external LP must fill up a bank ID form and sign it.</li> <li>▪ The financial tables for Third Countries must be broken down by types of expenses (personnel: give cost per day of each resource person).</li> <li>▪ The costs admissible are given in detail for the Third Countries.</li> </ul>

	THIRD COUNTRIES	ELIGIBILITY RESTRICTIONS	DOCUMENTATION REQUIRED WHEN SUBMITTING PROJECT APPLICATIONS	SIGNATURE OF SPECIAL CONTRACT	MINIMUM / MAXIMUM CARDS, TACIS, PHARE FUNDING
<b>IIIB - BALTIC SEA</b>	<ul style="list-style-type: none"> <li>▪ Russian Fed.</li> <li>▪ Belarus</li> <li>▪ Norway</li> </ul>	<p>Government bodies and their equivalents:</p> <ul style="list-style-type: none"> <li>▪ Government departments (central, regional and local)</li> <li>▪ State organisations and agencies</li> <li>▪ NGOs and other non-profit associations</li> <li>▪ Research centres</li> <li>▪ Universities</li> <li>▪ Chambers of commerce and trade unions</li> </ul>	<p>Documentation to be furnished by the LP negotiating with the EC Delegations for TACIS funds:</p> <ul style="list-style-type: none"> <li>▪ Partnership agreement for TACIS country partners</li> <li>▪ Bank ID form</li> <li>▪ Articles of association for local collective organisations and regional institutions</li> <li>▪ VAT or Social Security number</li> <li>▪ Letter of joint financing</li> <li>▪ Statement of full compliance by external LP</li> <li>▪ Partners: Partnership agreement Letter of joint financing</li> </ul>	<p>Norway:</p> <ul style="list-style-type: none"> <li>▪ Signing of a grant contract with the MA of the Baltic Area Programme:</li> <li>▪ Contracting Authority EC Delegations for the Russian Federation and Belarus Those responsible for programme implementation are the National Coordination Units (Ministry of Economy, Belarus; Ministry of Economic Development, Russian Federation)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TACIS total contribution EUR 50 000 - EUR 1 000 000</li> </ul>
<b>IIIA - Italy-Balkans</b>	<ul style="list-style-type: none"> <li>▪ Albania</li> <li>▪ Croatia</li> <li>▪ Serbia</li> <li>▪ Montenegro</li> <li>▪ Bosnia and Herzegovina</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government body or an equivalent</li> <li>▪ International organisations</li> <li>▪ NGOs</li> <li>▪ Non-profit associations</li> <li>▪ Training and education centres having legal or operating headquarters in one of the eligible countries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Partnership agreement between ERDF country and Third Country partners</li> <li>▪ Statement of full compliance by external LP</li> <li>▪ Bank ID form</li> <li>▪ Designation of an external LP for each country to negotiate with the EC Mission for CARDS-PHARE funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Signing with 30 days from the date of funding approval by the CA, of a contract between the external LP designated on the application form and the Negotiating Authority:</li> <li>1. EC Delegations for CARDS contracts: Croatia, Albania, Bosnia and Herzegovina European Agency for Reconstruction: Serbia and Montenegro</li> </ul>	<ul style="list-style-type: none"> <li>▪ EUR 50 000- EUR 300 000 per Third Country</li> </ul>

COFINANCING PERCENTAGE	COFINANCING SOURCE (NEIGHBOURHOOD PROGRAMMES)	PROGRESS REPORT PROCEDURES (IHC PROJECT MONITORING)	PARTICULAR INFORMATION REQUIRED FROM THIRD COUNTRY PARTNERS IN APPLICATION PACKAGE
<ul style="list-style-type: none"> <li>▪ For projects of more than EUR 300 000: TACIS 90% plus 10% cofinancing.</li> <li>▪ For projects of more than EUR 300 000: TACIS 75% plus 25% cofinancing.</li> <li>▪ The Norwegian Fund began by contributing 50% cofinancing, then it was reduced to 30%; but the available funding was all used up when the call for proposals was issued in the Proximity Programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ TACIS</li> </ul>	<ul style="list-style-type: none"> <li>▪ According to the PRAG rules, Third Country partners must submit semi-annual intermediate progress reports and final technical and financial reports to their Contracting Authority, and they must be written in English. Expenses must be certified by an external auditor. Payments by the CA to external LPs follow the rules for advances. The percentage of the advance (80%) as well as the terms and conditions of payment may change from budget to budget and according to the project's time span.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ 90% CARDS, PHARE, TACIS</li> <li>▪ 10% partner cofinancing</li> </ul>	<ul style="list-style-type: none"> <li>▪ CARDS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Payments by the CA to external LPs follow the rules for advances. The LP must submit financial progress reports to the CA and the PCU. The LP is responsible for transferring payments to their final recipients in accordance with the rules laid down in PRAG and based on the audited certified accounts. The requisition for the CA for payment has to follow PRAG rules for eligible expenditure in accordance with the directives for Proximity Programme implementation issued by the EC in June 2004.</li> </ul>	<ul style="list-style-type: none"> <li>▪ External LP's bank ID form, with the number of the euro account for Albania and Bosnia.</li> </ul>



ANNEX

## LIST OF CONTACTED INSTITUTIONS

### EUROPEAN COMMISSION

- **DG Aidco**
  - *Mr. Egidio Canciani*
  - *Ms. Katharina Borgh-Rham*
- **DG Regio**
  - *Ms. Fausta Corda*
  - *Mr. Claudio Caruso*

### MANAGING AUTHORITY NPP CADSES AND CIP IIIB MEDOCC

- **Italian Government Department for  
Transport and Infrastructures**
  - *Mr. Fabio Croccolo – Managing Authority*

### MANAGING AUTHORITY NPP CADSES

- **Italian Government Department for  
Transport and Infrastructures**
  - *Ms. Concetta Collarile*
  - *Mr. Giuseppe Crimauto*  
*Technical Assistance Unit*

### FINLAND

- **Home Office**
  - *Mr. Harry Ekestam – Member of the NPP  
BALTIC SPACE REGION Committee*

### GREECE

- **West Greece Region**
  - *Mr. Nicolas Petropoulos*  
*Head of International Cooperation Unit*

### ITALY

- **Sicily Region**
  - *Mr. Luigi Lo Piparo – Brussels Office*

### RUMANIA

- **Department for European Integration**
  - *Mr. Marius Radu - Head of Cross-Border  
Cooperation Division*

### BULGARIA

- **Department of Finance - European Funds  
Management and Territorial Cooperation**
  - *Ms. Angelina Teodorova*

### MOROCCO

- **Ministry of Finance and Privatization**
  - *Mr. Abdelghni Lakhdar*  
*Head of Relations with the European  
Union Division*

### TUNISIA

- **Ministry of Regional Development and  
International Cooperation**
  - *Ms. Karina Ghribi*

### ALGERIA

- **Department of Foreign Affairs**
  - *Mr. Mohamed Taleb*  
*Embassy of Algeria in Italy*

### EGYPT

- **Department of Foreign Affairs -  
International Cooperation**
  - *Ms. Zahia Abu Zeid*  
*Vice-state Secretary for European  
Cooperation*

### JORDAN

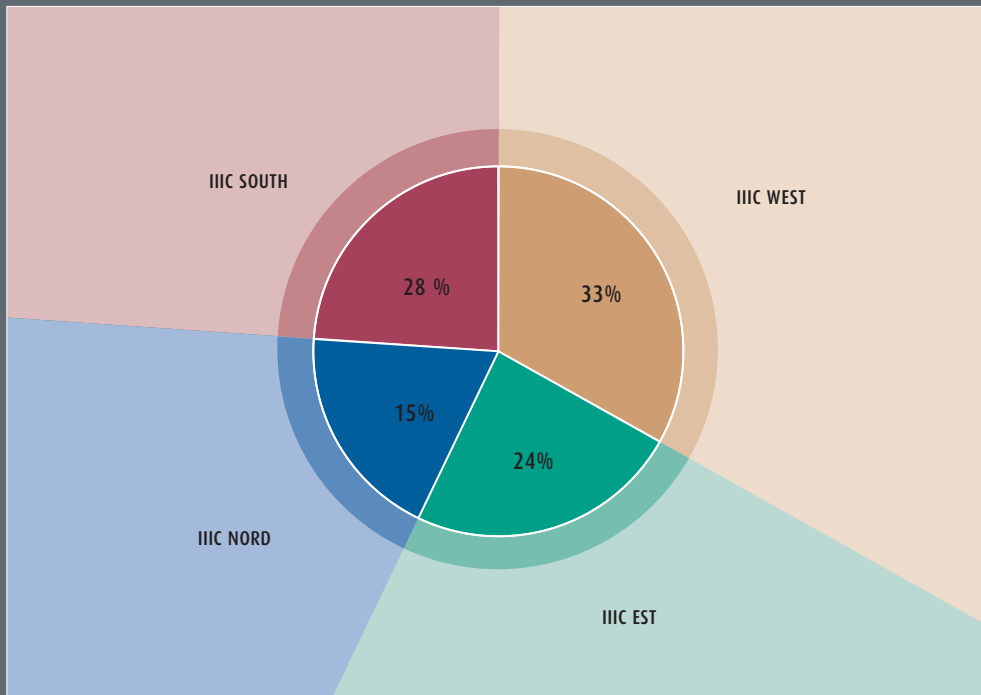
- **Ministry of Planning and International  
Cooperation**
  - *Mr. Marwan Al-Refai*

### ARMENIA

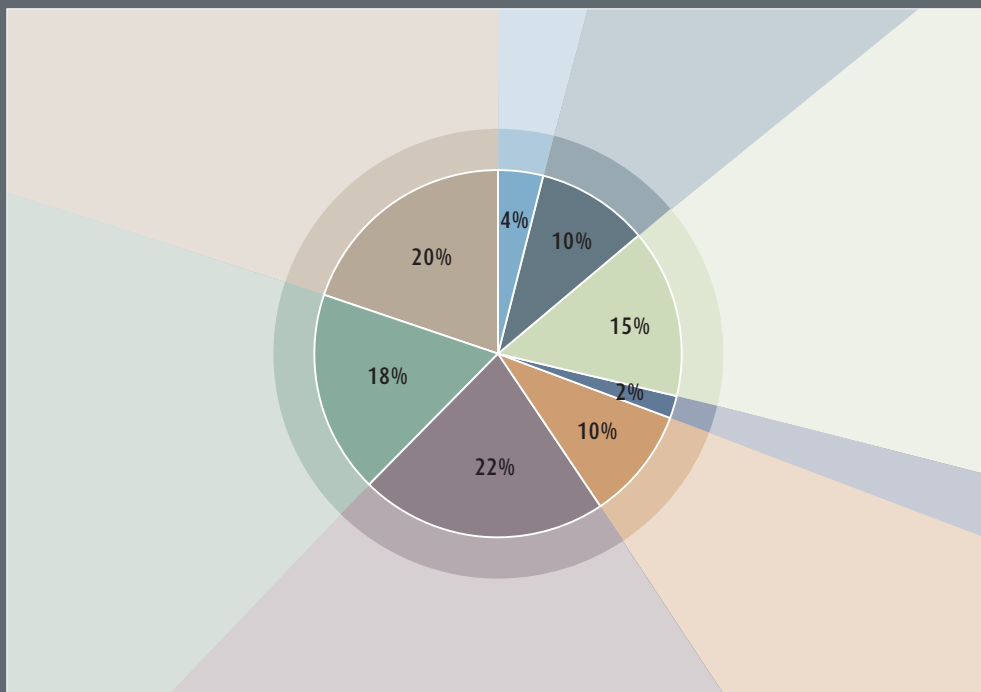
- **Delegation of the European Commission**
  - *Mr. Jean-Francois Moret*

## UPDATED INTERREG IIC THIRD COUNTRY PARTNERS STATISTICS (DATA 2006)

DISTRIBUTION (%) OF THIRD COUNTRY PARTNERS INVOLVED IN IIC OPERATIONS BY ZONE

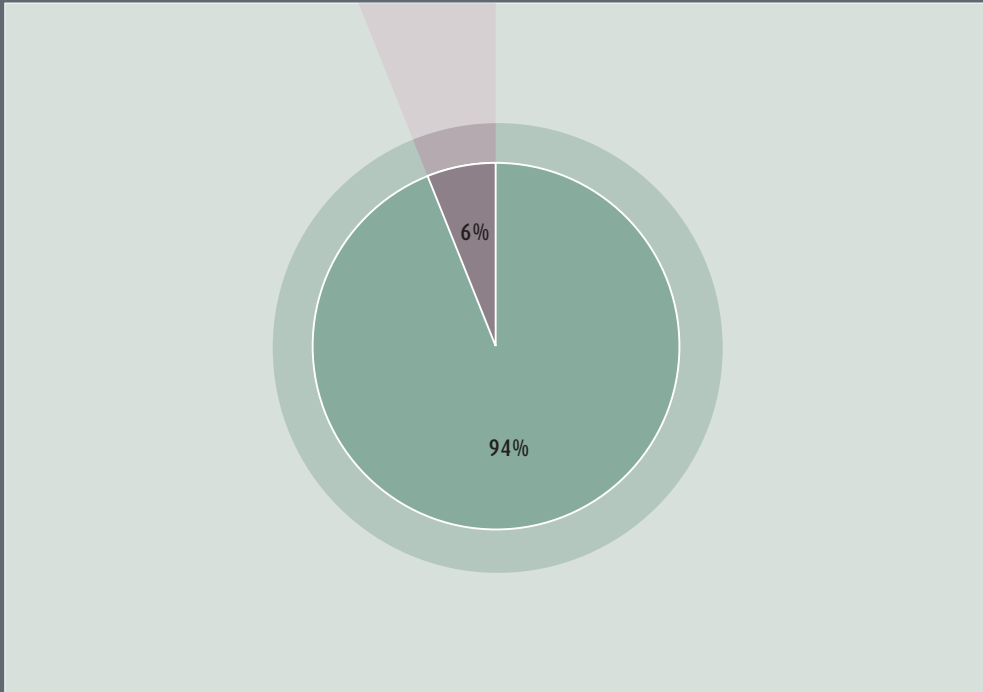


DISTRIBUTION (%) OF IIC OPERATION WITH THIRD COUNTRY PARTNER BY THEME OF COOPERATION

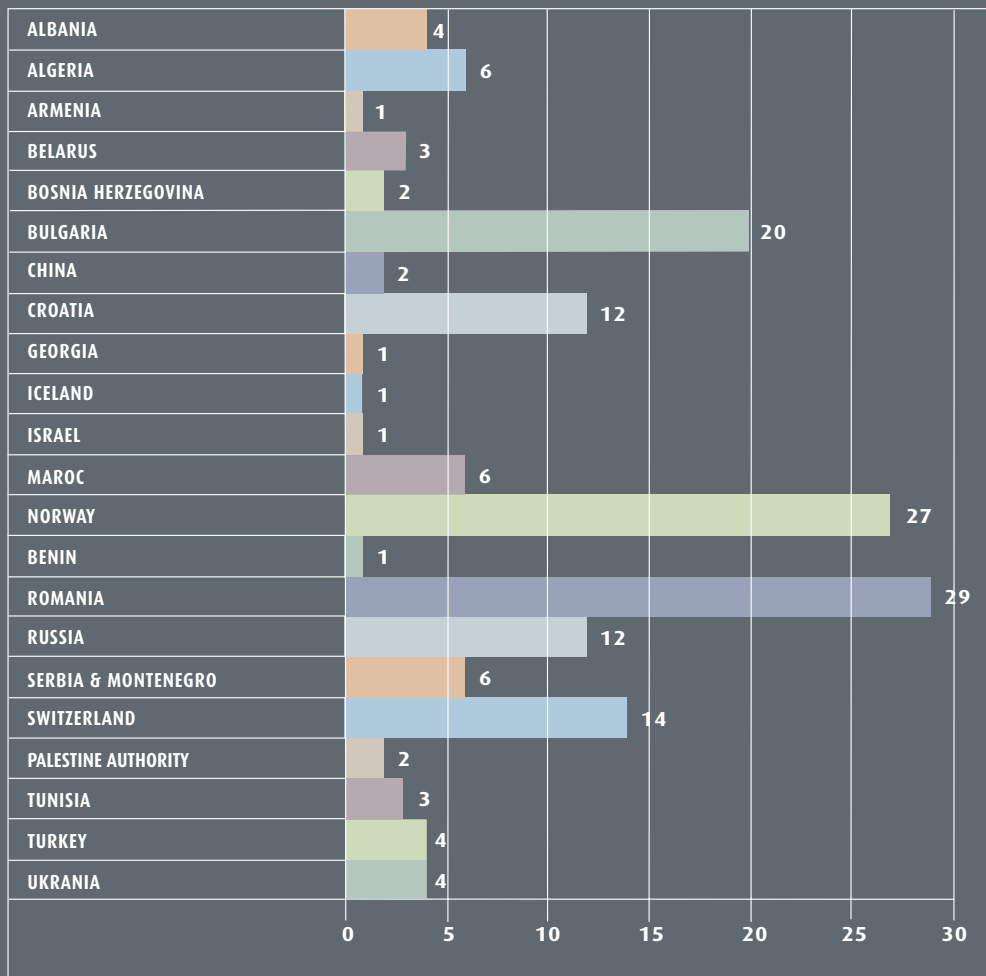


- |  |  |
|--|--|
| <span style="color: #4F81BD;">■</span> Research, Technology and Innovation                         | <span style="color: #A67C8A;">■</span> Environment, Risk Prevention, Energy and Natural Resources        |
| <span style="color: #90C080;">■</span> SME Development and Entrepreneurship                        | <span style="color: #66C2A5;">■</span> Regional Planning, Territorial Regeneration and Urban Development |
| <span style="color: #4F81BD;">■</span> Information Society and e-Government                        | <span style="color: #C4A390;">■</span> Tourism, Heritage and Culture                                     |
| <span style="color: #E69F00;">■</span> Employment, Social inclusion, Human Resources and Education | <span style="color: #4F81BD;">■</span> Accessibility, Mobility and Transport                             |

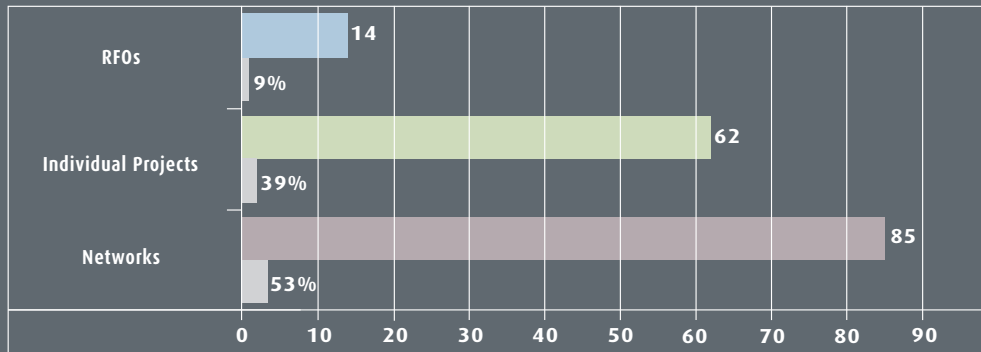
DISTRIBUTION (%) OF THIRD COUNTRIES PARTNERS OUT OF ALL IIIC PARTNERS



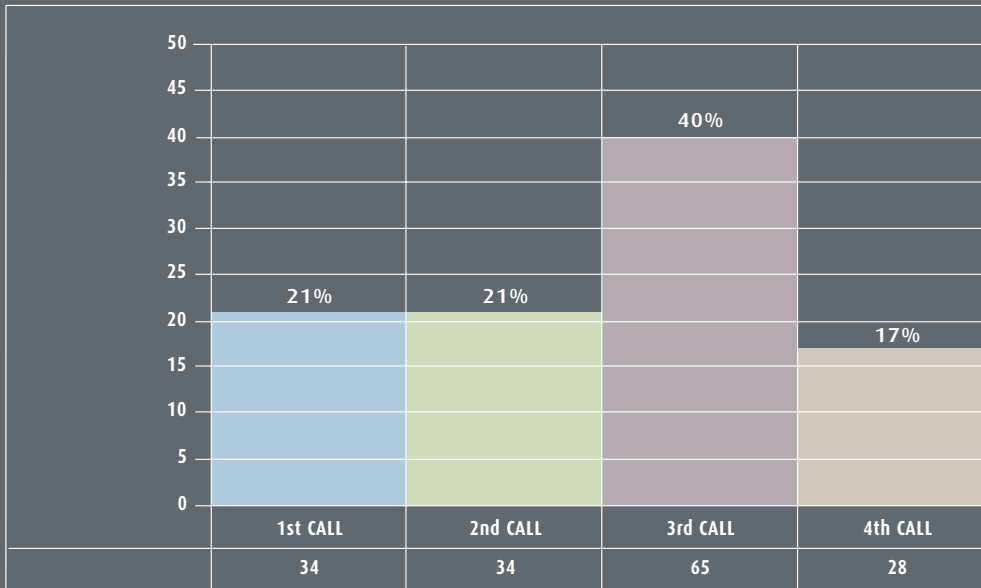
NUMBERS OF THIRD COUNTRY PARTNERS IN IIIC OPERATIONS



DISTRIBUTION (% AND NUMBER) OF THIRD COUNTRY PARTNERS BY TYPE OF OPERATION, COMPARED TO ALL IIIC OPERATIONS



DISTRIBUTION (% AND NUMBER) OF THIRD COUNTRY PARTNERS BY PROJECT GENERATION



% and number of IIIC operation with Third Countries partners by call for proposals compared to all IIIC operations' approved by application round