

# “European Territorial Co-operation as a vehicle for European integration”

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## 1. Introduction

Already with the start of the Community Initiative INTERREG in the year 1990 the EU has taken on the task to address the structural problems of border regions as well as to prepare the Union, its Member States and regions gradually for a situation without internal borders. Since the programme period 2000-2006 (INTERREG III) there were three different stands with distinctive territorial focus: Cross-border Cooperation (Strand A), Trans-national Cooperation (Strand B) and interregional Cooperation (Strand C).

The evolution of cooperation programmes has taken another leap in the current programming period 2007-2013. European Territorial Cooperation (ETC) has been included as one of the Cohesion Policy objectives, thus raising its profile against the previous ERDF „Mainstream-Programmes“ for Objective 1 and 2. Currently 2,5 % of all ERDF resources are earmarked for ETC programmes. But introducing ETC as one of the Cohesion Policy objectives has increased the pressure for cooperation programmes to realise their unique role in the policy framework and prove their added value to Europe's territorial, societal and economic integration.

The present paper explores whether the reality of ETC implementation can meet these expectations and what should be undertaken to make better use of this policy instrument. It is based on the author's experience with ETC programmes, both as a consultant and evaluator. In particular, it draws on two recent evaluations lead by the author: A cross-programme evaluation of 14 ETC programmes in the Danube Space, which amongst others looked at the articulation between cross-border co-operation and macro-regional strategies (INTERACT Point Vienna 2010). And an evaluation of 15 years INTERREG/ETC programmes in Austria, where for the first time all relevant actors in a Member State collectively reflected on their experience gained with these programmes and drew lessons for future implementation (ÖROK 2011).

These findings are embedded and cross-referenced with two other large-scope bodies of evidence: The recent Ex-Post Evaluation of the INTERREG III Community Initiative 2000-2006 (PANTEIA and partners 2010) and the Barca Report for a Reformed Cohesion Policy (Barca 2009).

## **2. The contributions of European Territorial Co-operation to territorial development**

One of the key functions of ETC programmes is to provide a framework for inter-institutional communication and cooperation across national boundaries and to pave the way for an integrated Europe, notably through joint strategies for addressing trans-national challenges, e.g. economic globalisation, climate or demographic change. In this sense they are an essential instrument for European territorial cohesion and development. For many ETC practitioners, these programmes are “*the simplest, shortest and quite inexpensive path to an integrated Europe*” (INTERACT 2010). But to what extent can the realities of ETC programmes live up to these rather ambitious expectations?

In its conclusions on the overall impact of INTERREG III, the Final Report of the Ex-Post Evaluation has stated that the INTERREG III Guidelines set out vague territorial development objectives and largely appropriate but overly optimistic objectives in relation to territorial co-operation, which raised unrealistic expectations of what INTERREG III could achieve. This evaluation also emphasized the leverage effects and Community added value of these programmes: *„INTERREG III generated important soft leverage effects in terms of actor mobilisation, an increased inter-cultural understanding and also the development of social capital....But the programmes generated only moderate financial leverage effects in terms of mobilising private sector funding“* (PANTEIA and partners 2010, p. 72 ff)

But the Community added value varied considerably between strands and programmes, depending essentially on the strategies pursued and the degree of physical investments:

- Cross-border (Strand-A) programmes focussed mostly on enhancing the socio-economic development of the respective co-operation areas, e.g. development of business, tourism and local development initiatives. Findings showed that there were substantial direct effects on the socio-economic and sustainable development of the cross-border areas, significant and more wide-ranging direct effects resulted from investment in physical infrastructure. The interventions reduced negative impacts on the environment in cross-border areas, developed cross-border transport links or eliminated bottlenecks and created new R&D/innovation infrastructures. Considerable direct effects stimulating socio-economic change in cross-border areas were also induced by non-physical (yet tangible) outcomes associated with ‘soft co-operation’, e.g. cross-border networks, platforms, clusters and joint studies, concepts or development plans.
- Trans-national (Strand-B) programmes generally adopted broad intervention strategies, this lack of focus – together with the limited financial resources - was not conducive to achieve clear impacts on the trans-national areas. The programmes primarily addressed issues related to promoting the environment, management of cultural and natural resources as well as the elaboration of spatial development strategies. Interventions with

regard to transport systems aimed to improve the accessibility of trans-national co-operation areas, the most wide-ranging effects were achieved when transport-related issues were addressed through co-operation of a wide range of actors (from public, semi-public and private sectors). Substantial trans-national co-operation in the fields of R&D and innovation was rare and focussed mostly on furthering polycentric and urban development or on improving access to information society. Evidence shows that effects on the territorial development of trans-national areas were mainly induced through 'soft co-operation', only in exceptional cases this took place in combination with physical investments. Substantial physical investments were rare, but they achieved wide-ranging direct effects in the co-operation areas (e.g. investment in management of water systems and water quality; flooding prevention, etc.).

The findings of the evaluation "15 years of INTERREG/ETC programmes in Austria" revealed quite a similar picture:

- By and large, the immaterial effects can be considered the essence of these programmes, their value-added predominantly consisted in the exchange of knowledge and experience, the building of trust and raising mutual understanding/awareness among partners. Important value-added in institutional terms were co-operations and networks, establishing (programme) structures and stabilizing the collaboration of institutions.
- The contributions of Strand-A programmes for the development of the respective border areas are nowadays much clearer and substantive. Projects that addressed common issues or problems that are best solved jointly have been the most effective. In many cases they were able to reduce costs or public expenditure, they have broadened the margin of manoeuvre of public as well as private actors or opened up new perspectives.
- The profile and the unique features of this policy instrument scheme have become clearer over the years, which also made demarcation to other EU-programmes easier with regard to their focus and target groups. The broad range of support provided through Strand A programmes is highly appreciated, certain themes or project types can hardly be supported without this instrument.
- INTERREG/ETC programmes have substantially contributed to learning within the involved public administrations. This has also lead to improved co-operation within Austria (which often was the prerequisite for improved external co-operation). By promoting integrated approaches these programmes have greatly stimulated co-operation across (administrative) departments and sectors.
- The interventions of INTERREG/ETC programmes were highly relevant when viewed in the broader context of the developments that have taken place in the various thematic areas. The respective contextual changes were taken duly into account and the programmes have succeeded in supporting the development of adequate approaches, thus this policy area has funded many important contributions. However, the relevance of ETC projects depends on their adequate embedding in the respective territorial context, the available financial resources (but also local or small projects can be important and obtain high visibility!) and the regulatory framework (e.g. eligibility rules).

The so-called „Barca-Report“ summarizes the experience gained with INTERREG/ETC

programmes as follows: “First, cross-border and trans-national programmes have often helped to overcome institutional inertia, mobilising financial resources, stimulating economic, social and cultural exchanges and new relationships. Second, they have facilitated policy transfer and institutional adaptation through networks. Third, the intensity and effectiveness of territorial cooperation vary greatly, with the greatest impact occurring in regions where integration and cooperation are already well developed (e.g. Baltic Sea, Benelux area) within a pre-existing political or strategic framework. On the other hand, territorial cooperation has encouraged new public conceptions of regions, and the creation of new “regional identities”, institutions and cross-border governance systems: in some cases, local authorities have entered a field previously reserved for central state actors...” (Barca 2009 p. 97f.)

It is therefore widely acknowledged that INTERREG/ETC programmes have contributed to improved multi-level governance and cross-cultural understanding at project and programme level. And that they are an important tool for improving territorial cohesion in the sense of ‘place-based policy’, i.e. thinking in appropriate functional spaces for the provision of public goods or services and overcoming the limitations of existing (national) boundaries. But the programmes often lack focus and as a result produce (too) few visible effects.

### **3. Shortcomings and challenges of European Territorial Co-operation**

With respect to the impact on furthering territorial co-operation, the Ex-Post Evaluation for the 2000-2006 period has concluded that although the depth and intensity of territorial co-operation further evolved, the INTERREG III Community Initiative overall did not achieve the originally expected significant advance in co-operation at the end of the period 2000-2006.

One of the reasons cited were the very heterogeneous and often difficult framework conditions. And indeed the Community added value varies considerable between programmes, due to the type of borders, the experience and duration of co-operation or the specific intervention logics of the different strands:

- Most of the experienced Strand-A programmes on the old internal borders of the EU 15 Member States achieved progress compared to the previous period. These programmes have, in general, improved their depth and intensity of cross-border co-operation at a strategic level and their project portfolios predominantly comprised joint operations. The cross-border governance dimension for promoting socio-economic and sustainable development was strengthened through participatory joint programming processes, largely decentralised or even fully integrated cross-border programme management and stronger formalisation of their co-operation.
- Along the other borders, this process either stagnated (old external borders) or was still at early stages (new internal and external borders). An important reason for this was that, until 2004, the EU-funding procedures applied for programmes along old/new external borders were very cumbersome (i.e. a combination of INTERREG IIIA and the PHARE/TACIS-CBC funding schemes) and have since 2004 only been partially integrated. The share of joint projects in these programmes was generally low, the criteria and processes for project selection being often insufficiently developed to substantially change this situation.

- A similar pattern can be observed under Strand-B as it was mostly the more experienced continental programmes that strengthened or further developed trans-national governance. The other Strand-B programmes were either characterised by stagnation (e.g. CADSES) or by only just starting the process due to the fact that they were only recently created. However, this slow progress is not attributed to the performance of the programmes themselves, but the lack of an appropriate legal instrument. Significant advances could have only been achieved through the setting up of fully integrated trans-national programme management systems, which are not possible at present.

The Final Report also states that the financial and territorial size of INTERREG III programmes strongly conditioned the nature and scale of the impacts on territorial development achieved, the main patterns being the following:

- Strand-A programmes which intervened with high budgets on large, medium-sized or small areas had a more visible and physical impact on territorial development than programmes with medium-sized or small budgets intervening in relatively large areas. Strand-A programmes that intervened with small budgets or medium budgets on a smaller eligible area achieved a noticeable impact on territorial development, which was mostly of non-physical and focussing on specific themes or geographical sub-areas.
- In Strand-B programmes, which all operated in large areas with relatively limited amounts of funding, it was generally the exception to see both a visible and physical impact on the territorial development of sub-areas in the co-operation zones. They have largely failed to make significant contributions to territorial integration, have hardly delivered on strategic aims or were able to address the cross-cutting challenges related to globalisation, climate change, demographic change, etc. affecting the Community territory as a whole.
- Physical investments were important drivers for generating territorial development impacts, but only if they had a real cross-border or trans-national relevance. In the case of Strand A, one-sided investments were common in programmes covering the old external and new internal borders and not all interventions could clearly demonstrate their cross-border relevance. In the case of Strand B, this was even more problematic. The large majority of programmes allowed projects to make only small-scale physical investments which, more often than not, generated only local direct improvements and therefore raised justified concerns about the trans-national relevance of this impact.
- INTERREG programmes often address problems or development challenges that require a more permanent or ongoing action to be tackled effectively. Due to this, soft co-operation outcomes were only important drivers for generating a territorial development impact, if they led to the development of a joint and durable problem-solving capacity in the programme areas. The significance of such outcomes was only high in the more mature Strand-A programmes on the old internal borders, with a strategy focussed on co-operation and a high share of joint projects. Soft trans-national co-operation needs to become more durable in nature to achieve a more significant territorial development impact.

Quite similar patterns were found to have taken place with Austria's participation in INTERREG/ETC programmes: Older cross-border (Strand-A) programmes on former internal

borders (e.g. Italy, Germany) have contributed to territorial integration by eliminating physical, administrative, regulatory obstacles and addressing common challenges. The value-added of newer programmes along the former external borders was predominantly of a socio-cultural nature. Their limited impact on territorial and socio-economic development was also due to prevailing legal and administrative barriers (e.g. labour market access, legal requirements, language skills), which could hardly be addressed through INTERREG programmes (alone).

The value-added of INTERREG programmes in Austria is significantly hampered by a range of 'internal' factors that merit to be addressed by programme actors: At programme level, joint development efforts are still the exception and in reality many projects (or parts thereof) are being implemented separately in the respective cooperation areas. It is also crucial to achieve a joint understanding with the programme partners of what is regarded relevant and in the light of experience this is likely to be a continuous task and challenge.

Programmes have only limited funding and in addition make rather dispersed use of these funds, which leads to high diversity and insufficient targeting of programmes. The financial means required for co-financing projects considered to be of relevance need to be assured in due time, on all sides and at the respective level (regional or national). Limited financial resources often mean that INTERREG programmes only fund studies or plans, and that financial means for effective implementation are lacking.

The most important deficits at project level were the poor quality of partnerships and (too) little strategic focus. Even nowadays 'alibi partnerships' can still be found and in some cases there are tacit 'alliances' between programme actors and project owners to facilitate absorption of funds. The benefits of project co-operation are often restricted to involved institutions (or remain on paper) and do not reach the intended target groups. This notably concerns economic co-operation, where so far only very few entrepreneurs have benefited from INTERREG programmes.

Other factors are beyond the influence of programme actors, but have great repercussions on programme performance: This notably concerns the regulatory framework, which has become overly complex and leads to high administrative costs or excessive bureaucratic requirements that are in many cases already prohibitive for the participation of relevant actors in ETC programmes. This also has negative effects on the attractiveness and outreach of ETC programmes. They risk becoming 'minority programmes', whose benefits are limited to a (too) small circle, with a tendency towards repeated support of the same actors and similar projects. This situation is aggravated if programmes do not invest sufficiently in information and publicity activities, make efforts to transfer results to actors that are not directly involved in ETC projects and reach out to important multipliers (including political representatives) or groups that are sceptic towards co-operation and integration.

The value-added of Strand A programmes was also addressed in the INTERACT cross-programme evaluation of cross-border cooperation in Central and South-Eastern Europe. The main findings in this respect were:

- There are considerable differences between ETC (Strand-A) programmes: Not only operational solutions practiced differ considerable among programmes but also thematic orientations and types of added value generated. These differences are mainly due to the need to adapt to the various geographic and administrative settings of the programmes. It is thus not possible to single out best practices or provide benchmarks that would generally be accepted or applicable to all programmes.
- The largest differences between programmes can be observed between ‘EU12 programmes’ (involve only those Member States that joined the EU during the last two rounds of accession in 2004 and 2007) and ‘EU12&EU15 programmes’ (which involve also older Member States). Generally, projects within EU12 can reach more substantial project achievements compared to projects between EU15 and EU12 where more energy may be needed to establish cooperation routines and networks and projects tend to have more heterogeneous partnerships compared to the projects of EU12 regions.
- Partnership is the key to good cooperation and achievement of value added. The success of cooperation programmes and projects depends to a large extent on the players involved. Mutual understanding and trust of the programme and project partners are preconditions for a fruitful cooperation. Understanding and trust should not be taken for granted, time and efforts are needed to establish a supportive and positive cooperation atmosphere. Partnerships at programme as well as project level are often the key to success or the main reason for failure.
- Defining the added value is of key importance. For a focused programme management and targeted decisions about projects, it is necessary to know what type of added value a programme wants to achieve. This includes the type of value-added, the target recipients and the geographical level. Regular reflections about the basic ambitions of a programme with regard to the different facets of added value will help programmes to deliver results more effectively.

#### **4. Macro-regional strategies as a new instrument for territorial governance**

Since a few years macro-regional strategies are being promoted by the EU Commission as a means to address the prevailing weaknesses of trans-national co-operation programmes. They should provide a new framework for setting common priorities, ensuring political support for them and aligning the available policy instruments for their implementation.

But the EU Commission has already indicated at the occasion of preparing the first macro-regional strategy for the Baltic Sea, that (at least for now) there will be no new money, no new structures and no new programmes available for strategy implementation. Therefore it is up to the partner countries and their ability to mobilise and coordinate their actions and available funds.

However, this would also require a new ‘architecture’ for ETC programmes, which views territorial cooperation in the larger context and amongst others, requires deliberate articulation between the various ETC strands, but also between this policy instrument and other programmes (EU, national, regional). These aspect were investigated in the cross-

programme evaluation of 14 ETC programmes in the Danube Space, based on interviews, surveys and workshops with a range of programme actors.

Concerning co-ordination and liaison with other programmes, the study found widespread agreement that the embedding of ETC programmes in the wider policy context should be improved. But with regard to the current situation and patterns much remains to be done:

- Exchanges mainly take place with adjacent territorial cooperation (Strand-A) programmes, Objectives 1 and 2 programmes and - in some cases - also LEADER programmes. This pattern is mainly due to administrative proximity (same institutional actors) but also to the similarity of issues addressed by these programmes. The main mechanisms for these contacts and information flows are informal ones, but there are also examples of more formalized ways, e.g. jour fixes, periodic meetings of programme authorities.
- Potential for improving cooperation and linkages is mainly seen with regard to other ETC programmes, in particular between adjacent Strand-A programmes in 'trilateral' areas and between cross-border and trans-national strands. The rationale and expected benefits are mainly improved information flows and exchange of experience, but also the sharing of technical solutions (e.g. information systems, monitoring systems, project databases) or the provision of expertise respectively technical assistance.
- Linkages with Objective 1 & 2 programmes are less promising, because they differ in thematic focus, administrative routines and understanding of cooperation. But nevertheless efforts should be made to coordinate with these programmes on aspects like innovation, competitiveness and accessibility.
- Better liaison with other programmes should start with mutual information, which could lead to increased awareness about the possibilities for collaboration. Coordination platforms should predominantly be established at regional level. Another idea was the elaboration of regional strategies with subsequent top-down indication of suitable EU programmes for their implementation.

Although representatives of ETC programmes generally agree about a better embedding in the wider policy context, many doubt the usefulness of macro-regional strategies and fear this might just turn out to be another 'planning hype', ending up in strategies that are too broad and vague to be operationalized. Others caution against using them as a reference frame for ETC programmes, being concerned about the practical implications for Strand-A programmes in particular.

Most respondents consider trans-national programmes as the most important instrument for implementing macro-regional strategies, but these would have to be conceived differently to fit with the new requirements. And there is widespread concern that Strand-A programmes will come under increasing pressure, neglecting the achievements gained so far and the value of bilateral co-operation at smaller scale. There is considerable resistance against using these programmes for co-financing the implementation of macro-regional strategies, as their financial resources are rather small and they have a different mission or focus.



A danger is also seen in the spreading of a macro-regional 'labelling virus', whereby project promoters try to sell their ideas as 'macro-regional' projects without sound justification. Moreover, additional strategies are likely to be prepared at an intermediary level (e.g. Centroe, Alps-Adriatic-Pannonia), which represents trans-national areas that have more functional linkages and trans-national development potential. This tendency could further complicate decision-making at the level of individual programmes, if all of these strategies must be considered.

However, there were also many constructive views on macro-regional strategies: They are seen to offer new opportunities and perspectives for successful ideas at larger scale as well as impulses for know-how transfer beyond the respective programme area. In a pragmatic manner they can be treated as an additional framework that needs to be taken into account (similar to NSRFs), and like in a puzzle ETC programmes (and their projects) can be seen as synergetic parts of a bigger picture, contributing to broader topics or strategies.

Ideas for incorporating macro-regional strategies in ETC programme decisions include:

- Focus on topics of joint between macro-regional strategies and ETC programmes
- Topics of wider interest should be indicated top-down, but corresponding project generation should take place bottom up, steered by the ETC programmes
- Monitoring Committees of ETC programmes should identify topics from macro-regional strategies which are considered appropriate for the respective programme
- The relevance of macro-regional strategies for the respective CBC programme should already be reflected at the programming stage for the new period
- The remaining programme period could already be used for pre-defining appropriate projects for 2014+

There were many requests for putting in place a steering mechanism at the level of a macro-region, which is capable of addressing and co-ordinating ETC and other ERDF programmes. This should include the establishment of national interfaces (contact points) to coordinate the various inputs of Structural Funds in the respective country. Such a trans-national governance structure, which is capable to liaise between macro-regional strategies and ETC programmes - and between ETC strands - would constitute a new framework for the implementation of ETC programmes. On this basis, the decision – making of ETC programmes could be modified even further in view of macro-regional strategies, for instance:

- Member States, in particular the national interfaces, could encourage and support ERDF and ETC programmes in contributing towards macro-regional strategies
- Programmes could incorporate issues of macro-regional relevance in their assessment and selection procedures
- Programmes could earmark part of their programme budget for co-financing macro-regional strategies.

In line with the willingness of ETC programmes to take a broader territorial perspective, there is widespread agreement of the utility and potential to transfer idea, projects or experiences

beyond the immediate programme areas. This is also a way to overcome the new 'programme borders' and make them more permeable. There are three key mechanisms that can be applied – with or without a macro-region as an overarching vehicle:

- Replication or 'cloning' of projects: This way for transferring ideas and good practice is only occasionally practiced at present, mainly for transfers to adjacent Strand-A programmes in trilateral constellations. But 'automatic' transfers should be avoided and differences in context must be taken into account. Care should be taken to check that only proven and good practice is transferred, which includes warning others about bad experience. If not, mistakes and problems might be transferred as well. Private actors (Project partners, consultants) are seen as the driving force behind replication, motivated by business interests for copying successful project ideas.
- Fast track or capitalisation: These approaches are hardly taken into consideration for transfers to other programmes /areas, and there are strong doubts about their utility. At best they are seen as a method for transfers between ETC programmes, in particular between Strands A and B. But transfers to other mainstream programmes (Objectives 1 and 2) are not seen as feasible, because their focus, dynamics and structures are quite different. Changes would be needed in these latter programmes to improve the conditions for capitalisation.
- Involvement of partners beyond the eligible area: This so-called '20% rule' of the ERDF Regulation is applied quite broadly and ETC programmes are quite open to participation of actors from outside. Some regard it as a means to modify problematic demarcations of programme areas. In particular with topics where a different – and much wider - territorial coverage would be appropriate, e.g. to include functional areas or adjacent agglomerations.

In the light of these findings macro-regional strategies do have considerable potential as a new framework for territorial governance, but much remains to be done for them to become effective. The experience of the first years in the Baltic Sea co-operation area shows that macro-regions are rather the institutionalisation of existing cooperation processes and a new 'branding' for projects that are already foreseen or in the pipeline. But so far this has rarely lead to new joint strategies or the development of innovative projects.

And despite the considerable interest and political support in drawing up the Strategy for the Danube Region it remains to be seen whether the envisaged governance mechanisms can function efficiently as coordination structures for decision-making and implementation. Among the challenges that still have to be resolved are a flexible geography of co-operation (in line with the principle of functional relationships), and enhancing the involvement of relevant sub-national (cities, regional and local authorities) and non-governmental actors.

If macro-regions are to provide a value-added for trans-national governance, they must be capable of addressing development issues of trans-national importance. This notably requires avoiding a too narrow focus on implementing concrete projects; instead they must attempt to strike a balance between identifying concrete projects that respond to real needs and efforts to stimulate longer-term visions for cooperation.

Therefore the current examples in the two macro-regions can only be seen as first attempts of establishing trans-national governance structures, which are capable to liaise between macro-regional strategies and ETC programmes and would constitute a new framework for the implementation of ETC programmes.

## **5. Ideas and recommendations for improvement**

The evaluation „15 years INTERREG/ETC in Austria“ has concluded with a set of action proposals, that can improve the use of ETC programmes as a means for supporting territorial integration. These recommendations were grouped under three main headings:

- Strengthen the strategic focus and profile of ETC programmes

Programme implementation should be guided more thoroughly by strategic considerations, whereby a balance must be struck between thematic concentration (in the respective regional context) and considering EU-priorities or higher-level strategies. This will also require ‚top down‘ decisions on strategic projects or joint criteria, pro-active project development and new approaches for identifying suitable projects (e.g. targeted calls on strategic topics).

In addition a more deliberate demarcation, but also connection and linkage of ETC programmes will be needed: On one hand this concerns the articulation between the various ETC strands (notably Strands A and B), on the other hand the connectivity with other EU Programmes or Funds and national programmes (e.g. Regional Competitiveness and Employment, Rural Development, ESF, 7th Framework Programme). The territorial demarcation of funding areas can be maintained, but a more flexible framework is needed which allows e.g. functional collaboration across programme areas.

- Simplify the regulatory framework and programme administration

Experience has shown that delegating most of the regulatory tasks to Member States and asking them to solve this in collaboration is rather ineffective. For such joint undertakings EU-wide solutions are needed and in the future as much as possible should be regulated at European level.

This notably will require that the EU-Commission draws up standard requirements and instruments for all ETC programmes (per Strand), e.g. eligibility rules, templates for applications and contracts. What cannot be regulated at EU level should be done at programme level – together with the partners. Here the programmes and Member States should make better use of their room for manoeuvre (e.g. applying simplified procedures).

Moreover, ETC programmes should gain more recognition in order to promote higher and more effective visibility. On the European level there is need for more political support and recognition, common branding and corporate identity of ETC. And formal co-ordination should be strengthened, both at EU and national levels, between ETC programmes and other mainstream programmes.

- Improve communication, visibility and capitalisation

Essentially ETC programmes should be used for establishing and strengthening institutionalized platforms for co-operation. Information and publicity activities of ETC programmes should be more focused and differentiated (with respect to topics, target groups, territories). Specific actors have to be approached and motivated to participate in ETC projects. Visibility should be improved by informing politicians and the broader public more thoroughly about the potential and results of ETC.

The results of ETC projects should also be disseminated more systematically, notably addressing those actors who are not directly involved but of relevance for achieving effects. Projects that deal with establishing baseline information or data banks must aim at a higher degree of sustainability, which often requires involving other actors and institutions for their maintenance.

Since many of the shortcomings and challenges are not specific for Austria, but are valid for European Territorial Co-operation at large, the proposals outlined above largely coincide with the recommendations of the Ex-post Evaluation of INTERREG 2000–2006.

For the current period 2007-2013 of ETC (Objective 3) programmes, the main recommendations of this evaluation include the following points:

- The cross-border and trans-national programmes should more pro-actively influence future project proposals with a view to achieving a more visible overall programme impact (i.e. “anticipatory management” of the project portfolio).
- The cross-border and trans-national programmes should establish more pro-active and ongoing inter-action with the convergence and regional competitiveness and employment programmes and other territorial co-operation programmes operating in their areas to ensure complementary, co-ordination and synergies. This should not only be limited to the remainder of the current programming period but also involve the preparation of a more complementary and integrated approach for the period after 2013.
- Where possible, the Objective 3 programmes should start experimenting with the new Community-level instrument of “European Groupings for Territorial Co-operation” in order to prepare the setting-up of fully integrated cross-border and transnational programme management structures for the time after 2013.
- The cross-border and trans-national programmes should undertake the first steps to preparing their future co-operation programmes for the period after 2013. This applies especially to the programmes that have not yet introduced a cross-border territorial development concept or a trans-national spatial vision. They should launch a project that aims to elaborate a joint and medium-term territorial integration strategy identifying the most important needs in the respective co-operation area.

Concerning the policy implications for European territorial co-operation after 2013, the ex-post evaluation report has recommended that future European territorial co-operation should develop a specific role in contributing to the achievement of the territorial cohesion objective - which is different from the other regionalised Structural Funds interventions of the future EU-Cohesion Policy - to underline its specific nature and added value. The main elements of such a role could be the following:

- Cross-border and trans-national co-operation should enhance the territorial integration of their respective programme areas. This should be achieved by progressively eliminating or alleviating remaining obstacles that still cause a fragmentation of socio-economic and inter-personal relations between areas located in different countries and through establishing functional relations and enlarging their geographical scale and intensity across the European Union and beyond.
- Cross-border and trans-national programmes should establish a closer co-operation and co-ordination with other EU-interventions operating in the same territory to ensure that the various interventions are complementary. The European Commission should support the development of macro-regional EU-strategies for larger areas such as the recent Baltic Sea Area strategy. Within such macro-strategies, the cross-border, trans-national, and interregional programmes should have a lead role in those aspects requiring co-operation among member-states and regions.
- More intense and durable cross-border, trans-national and inter-regional co-operation processes should be established if future territorial co-operation is expected to achieve more concrete and tangible socio-economic development effects. These processes should involve public and semi-public sector organisations located at various levels of government, but also actors from the private sector and the civil society.

Finally, a comparison with the cross-programme analysis of the INTERACT cross-programme evaluation of cross-border cooperation in Central and South-Eastern Europe reveals that the ideas and recommendations outlined above are largely in line with the tendencies and emerging practice identified in this analysis:

- Programmes increasingly aim at achieving a stronger strategic focus in project generation. As part of this effort, programmes provide more information and support at early stages of project development (e.g. exchange of project ideas, partner search). Some programmes use a call system for the generation of certain types of projects but not for others. In more strategic thematic fields, these programmes support project generation from the project idea through the application process. These projects are not ranked and receive co-financing without competition. Efforts are also made to harmonise programme conditions on both sides of a border (e.g. level of support provided, requirements). Some programmes have introduced pre-financing to alleviate the financial burden and risk of project owners.
- There is growing awareness that project selection should be done more in line with programme objectives/strategies than guided by individual interests or needs. To this end, some programmes modify the membership of Monitoring Committees (MCs), e.g. by reducing the number of members in order to achieve a more balanced representation. Some programmes also modify the MC decision-making process, e.g. by limiting voting rights of regional representatives. Other measures to actively improve the process include instructing MC members on their tasks and responsibilities, providing them with information early on and/or speeding up the selection process altogether. Some programmes also introduce an element of 'pre-selection' e.g. preparatory meetings or thematic working groups.

Apart from these more operational aspects, this evaluation also drew a set of general conclusions for improving the function of ETC programmes for European territorial integration. They can be summarized under five main requirements or needs:

- Need to remain attractive and involve new actors: ETC beneficiaries and potential applicants have become very aware of the high administrative burden associated with managing cooperation projects. It is becoming increasingly difficult for partners with little experience to become involved in ETC projects and ETC programmes have difficulties in attracting new and suitable partners. Mature project partnerships are usually more successful and result oriented whereas young partnerships often need a substantial amount of time to establish trust and understanding between cooperation partners. However, if demands on projects become too high and the programmes do not allow and support young or inexperienced partnerships to test and learn cooperation, there is a risk that ETC programmes will turn into a closed shop of 'initiated' actors.
- Need to ensure continuity: Cooperation is not a one-off exercise, it should be established with a long-term perspective and allow time to grow. ETC programmes are an important stepping-stone in the evolution of partnerships and should regard themselves as such. For this reason, they should also pay attention to the sustainability of partnerships and results after project closure.
- Need to invest in content development and innovative management practice: ETC programmes operate in a rather complex environment compared to Objective 1 and 2 programmes, but also to national programmes and other EU cooperation programmes (e.g. RFPs). Programmes invest considerable resources on complying with administrative and legal requirements, many of which were not designed for programmes involving more than one country. At present there is very limited time and resources to support projects in the generation of added value and very little opportunity to try new and innovative approaches to programme and project management.
- Need to reduce administrative requirements: With regard to the operational aspects, simplification and proportionality are the key words to observe. Attention should be paid on diminishing the administrative workload of programme actors as well as applicants, e.g. by simplifying procedures, reducing or harmonising administrative requirements. Regarding project content, focus and streamlining are the key, as a high degree of complexity or ambition can be too difficult to handle within the current administrative framework. To this end, regular reflections on the needs of a programme areas and the specific role of ETC programmes (in relation to other EU or national programmes) can provide helpful guidance for project owners and applicants.
- Need for cross-programme exchanges and learning: ETC programmes are willing to take a broader territorial perspective and are interested in cross-programme transfer and learning, but also signal their limited resources in this respect. A range of transfer mechanisms is already in use such as informal exchange with adjacent programmes, periodic meetings of actors involved in programmes in trilateral border areas or coordination and exchange between ETC programmes at national level. Many stakeholders welcome the role of INTERACT in supporting liaison of and exchanges.

## **6. Conclusions**

Up-grading the previous Community Initiative as a new Cohesion Policy (ETC) has not only raised the expectations for cooperation programmes, but also highlighted some of their deficiencies in realising their full potential and defining their appropriate role in the EU policy framework. Based on the findings of several recent evaluations there is widespread agreement and broad evidence on their soft leverage effects, but their added value for territorial and economic integration differs considerably between strands and programmes.

Heterogeneous framework conditions and an overly complex regulatory framework are among the prime causes for rather disappointing performance of some programme categories with respect to territorial integration (in particular transnational programmes and cross-border programmes on new internal borders). Although macro-regional strategies do have considerable potential as a new framework for territorial governance, much remains to be done to turn them into effective instruments. This notably concerns the establishment of trans-national governance mechanisms that are capable to liaise between macro-regional strategies, ETC and other programmes (at EU, national and regional level).

Improving the use of ETC programmes as a means for supporting territorial integration requires above all to strengthen their strategic focus and profile, simplify the regulatory framework and programme administration and improve their communication, visibility and capitalisation. In order to improve the function of ETC programmes for European territorial integration, they need to remain attractive and involve new actors, invest in content development and innovative management practice, reduce administrative requirements and ensure sustainability as well as continuity of their interventions.

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