
INTERACT 2007-2013

Good Governance of Territorial Cooperation Programmes

Operational Programme

under the “European Territorial Cooperation” Objective
based on Article 6 pt. 3 lit. b of Regulation 1080/06
of the European Parliament and the Council

Version 3, approved by European Commission in March 2014

Abbreviations:

AWP: Annual Work Plan
CARDS: Community Assistance for Reconstruction, Development and Stabilisation
CBC: Cross-border Cooperation
CSG: Community Strategic Guidelines
EAFRD: European Agricultural Fund for Rural Development
EDF: European Development Fund
EEC: European Economic Community
EGTC: European Grouping of Territorial Cooperation
ERDF: European Regional Development Fund
ENPI: European Neighbourhood and Partnership Instrument
ICT: Information and Communication Technologies
IPA: Instrument for Pre-Accession
IP: INTERACT Point
IS: INTERACT Secretariat
MA: Managing Authority
MC: Monitoring Committee
MEDA: Mésures d'accompagnement financières et techniques
MWP: Multi-annual Work Program
NCP: National Contact Person
NSRF: National Strategic Reference Framework
OCT: Overseas Countries and Territories
OP: Operational Program
PHARE: Aid for Restructuring of the Economies
QM: Quality Assurance Manager
RTD: Research and Technology Development
SEA: Strategic Environmental Assessment
TA: Technical Assistance
TACIS: Technical Assistance to the Commonwealth of Independent States

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EXECUTIVE SUMMARY

INTERACT II 2007-2013 is part of the Structural Funds objective “European Territorial Cooperation” acc. to Article 6 pt. 3 of Regulation 1080/06.

INTERACT is about good governance, with specific regard to the complexity of European Territorial Cooperation programmes. INTERACT II capitalises on the significant pools of expertise in the fields of regional development, cross-border cooperation, transnational cooperation, interregional cooperation and network programmes developed through INTERREG in the EU Member States. The ultimate purpose of INTERACT II is to provide support to the stakeholders to implement European Territorial Cooperation programmes more effectively and efficiently since good governance is identified as the key-challenge for European Territorial Cooperation. This programme was submitted to the European Commission by the Federal Chancellery of the Republic of Austria on behalf of all EU Member States and subsequently approved on 4 December 2007 (decision C (2007) 5833). It was modified following the Monitoring Committee decision of 4 March 2008 to select the Bratislava Self-governing Region as the new Managing Authority. Further modifications to the programme budget and to certain indicator targets were approved by the Monitoring Committee in May and November 2013, respectively (decision C (2014) 1290). The programme has been elaborated taking into account the experiences from INTERACT I and in close consultation with all relevant national authorities and institutions.

In order to achieve the ultimate purpose of INTERACT II, programme stakeholders' activities will be concentrated on the real needs of the stakeholders in territorial cooperation programmes. The target groups of INTERACT are the institutions and bodies set up around Europe to manage European Territorial Cooperation programmes, above all Managing Authorities and Joint Technical Secretariats as well as Monitoring Committees and National Contact Persons, Certifying Authorities and Audit Authorities. The main focus will be on the following:

- generating and sharing knowledge among the stakeholders of the target groups identified,
- to contribute to the improvement of procedures and tools to achieve a high level of quality in programme implementation and
- to spread good governance approaches to interested target groups.

INTERACT II is structured along two priority lines:

- Priority 1: Service development and delivery
- Priority 2: Technical Assistance

offering a set of concrete interventions including provisions for information resources, support in cooperation, dissemination and publicity as well as quality management.

A more detailed description of the INTERACT II activities will be elaborated in a Multi-Annual Work Programme specified by Annual Work Plans.

The new INTERACT II delivery system builds on the experiences gained in INTERACT I. In future, 4 INTERACT Points will be directly attributed to a Regional Network encompassing the cross border programmes in a delimited geographical area. Each INTERACT Point will focus its service delivery on the target group within its geographical area whereas the INTERACT Secretariat will ensure a strong coordination among the INTERACT Points and also to the other bodies involved. An additional element of the new delivery system shall be the National Contact Persons each Member State is invited to nominate to facilitate relationships of the INTERACT bodies with the stakeholders at national level.

Given the streamlined implementation model, INTERACT II aims at widening and deepening its service delivery within the budgetary frame given of a total of 30 154 277 € ERDF for the programming period 2007-2013.

Additional funds from the European Neighbourhood and Partnership Instrument budget will be put at the disposal of the INTERACT Managing Authority to finance INTERACT – type activities concerning the provision of assistance to cross border programmes financed under the ENPI.

1 INTRODUCTION

1.1 INTERACT – GOOD GOVERNANCE OF TERRITORIAL COOPERATION PROGRAMMES

Since 1999, the European Union has devoted about 5,3 billion Euros of the ERDF for cross-border, trans-national and interregional cooperation intended to promote *“the harmonious, balanced and sustainable development of the Community ...”*¹. National borders should not be a barrier to economic and social cohesion in the Union and to the integration of the European territory. As for 2007-2013, another 7,7 billion Euros are allocated to the European Territorial Cooperation objective.

However, the extent to which the overall political objectives of the Community Initiative INTERREG III/the European Territorial Cooperation objective can be met highly depends on the features of the implementing systems, such as the

- the variety of actors (qualification, interests, professional and cultural background) actually delivering the policy
- the interaction of the different government and administrative levels (EU, national, regional, local) and institutions involved, fundamentally influencing the efficiency and effectiveness of policy implementation.

In the case of cooperation programmes, the implementing systems are specifically complex because of their multi-country, multilevel and cross-sector nature. New and ambitious policies – such as the Structural Funds European Territorial Cooperation objective – deserve therefore specific efforts to develop appropriate governance solutions for policy implementation.

In short, territorial cooperation is a case for good governance. And this is the core mission of INTERACT.

1.2 LEGAL BASIS

The legal base for Structural Funds Programmes co-financed out of the ERDF in 2007–2013 is:

- Council Regulation (EC) No. 1083/06 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/99 (= **“General Regulation”**);
- Regulation (EC) No. 1080/06 of the European Parliament and of the Council on the European Regional Development Fund and repealing Regulation (EC) No. 1783/1999 (= **“ERDF-Regulation”**), and
- Regulation (EC) No. 1082/06 of the European Parliament and of the Council on a European grouping of territorial cooperation (EGTC)] (= **“EGTC-Regulation”**)
- Commission Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development (= **“Implementing Regulation”**).

The legal basis for INTERACT II is Article 6 pt. 3 of Regulation 1080/06 stipulating the priority: *“reinforcement of the effectiveness of regional policy by promoting (a) ...; (b) exchanges of experience concerning the identification, transfer and dissemination of best practice including on sustainable urban development as referred to in Article 8 and ...”*².

¹ Article 20 (1) a) of Council Regulation 1260/99, Article 3 pt. 1 of Council Regulation 1083/06

² Article 8 (“Sustainable urban development”) is the legal basis for integrating the former Community Initiative URBAN II into the ERDF programmes 2007-2013.

2 ANALYSIS: TERRITORIAL COOPERATION FROM A COMMUNITY INITIATIVE TO THE EUROPEAN TERRITORIAL COOPERATION OBJECTIVE

2.1 THE COMMUNITY INITIATIVE INTERREG

Since its first introduction in 1990, the Community Initiative INTERREG has stretched over three Structural Funds periods. The programme is financed by the European Regional Development Fund (ERDF) and is based on the creation of partnerships across borders in order to encourage the harmonious and balanced development of the European territory. In its first round (1990–1993), INTERREG supported 31 cross-border programmes. In its second period (1994–1999), the number of cross-border programmes rose to 59. Moreover, trans-national programmes and Article 10-programmes³ were introduced, which were definitely integrated in the year 2000.

INTERREG III (2000–2006) was made up of 81 programmes divided into three strands:

- **Strand A** comprising 64 cross-border cooperation programmes between adjacent regions and supporting projects in the fields of socio-economic development, planning, culture, infrastructure and related fields.
- **Strand B** promoting 13 trans-national cooperation spaces between national, regional and local authorities with the aim of achieving better integration within the Union through the formation of large groups of European regions.
- **Strand C** promoting cooperation between regions across Europe and aiming to improve the effectiveness of regional development policies and instruments through large-scale information exchange, cooperation projects and sharing of experience (networks).

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

- **ESPON**, The European Spatial Planning Observatory Network (Article 53 of the INTERREG III Guideline) has been developed under a programme financed jointly by the European Union and the EU Member States. This network of co-operation between national spatial planning institutes is specialised in the observation and analysis of regional development trends in Europe and beyond.
- **Cooperation with neighbouring countries**, which had already begun through the TACIS, PHARE and MEDA programmes in the programming period 1994-1999, continued to be developed in cooperation with INTERREG III. Under the CARDS programme, the Balkans also benefited from financial assistance in co-operation with the INTERREG initiative (Regulation CARDS 5/12/2000).
- **INTERACT**, primarily focusing on the immediate needs and the support of the INTERREG initiative and aiming to increase the efficiency and effectiveness of and providing support to the implementation of the three strands of the Community Initiative INTERREG III, and contributing to the quality of the INTERREG Community Initiative.

The European meta-evaluation of the INTERREG III mid-term evaluations, commissioned by INTERACT I, gave an overall positive picture of the added value of INTERREG III programmes:

- the political added value: INTERREG is a visible image carrier of the EU and contributes strongly to develop regional integration and new concepts of governance;
- the policy added value: INTERREG III is seen as an innovative instrument to address policy problems;

³ Art 10 of Council Regulation (EEC) No 2083/93 of 20 July 1993 amending Regulation (EEC) No 4254/88 laying down provisions for implementing Regulation (EEC) No 2052/898 as regards the European Regional Development Fund

- the institutional added value: new institutions, networks and partnerships with potential for sustainability have been created;
- the learning added value: there are strong effects on exchanges of experiences, knowledge and know-how; INTERREG generates and mobilises potential for individual and institutional learning.

However, some shortcomings have been highlighted such as

- the lack of a legal framework ensuring a reliable background against the wide variety of national legislations and regulations;
- vaguely defined responsibilities, functions or relationships among Managing Authorities, Paying Authorities, Joint Technical Secretariats and intermediate bodies.

The evaluators also highlighted the important role of INTERACT I in facilitating the successful launch of the new Member States programmes and in averting the threat of automatic de-commitment. *“A strong overall theme is the importance of interaction in both learning and codifying as well as generating new knowledge. This points towards investment in creating focused communities of practice.”*⁴

2.2 REVIEW OF INTERACT I (2002 – 2006)

2.2.1 GENERAL OBJECTIVES, PRIORITIES AND TARGET GROUPS OF INTERACT I

The mission of INTERACT I was

- to enhance the know-how, the technical and organisational capacity of institutions, organisations and persons directly involved in the realisation of INTERREG Programmes;
- to enable and encourage the transfers of know-how between institutions and players in different geographical areas, between different cooperation programmes and the different strands of INTERREG;
- to support the development of common tools and procedures wherever synergies could be exploited;
- to support candidate countries in their preparations for participation in and coordination with INTERREG and to support the programme partners after accession in managing transition to the new programming period;
- to encourage and strengthen territorial cooperation along the external borders of the EU;
- to prepare the ground for a successful launch of the new territorial cooperation programmes 2007 to 2013.

INTERACT I was primarily targeting the management bodies and key stakeholders of 62 cross-border, 13 transnational and 4 interregional INTERREG III programmes. The core target group at management level included Managing and Paying Authorities, Joint Technical Secretariats, public administrations and programme committees involved in the steering, management and control of INTERREG III programmes at national, regional and local level. 25 Member States, two Candidate Countries (BG, RO) and two Associated Countries (CH, NO) participated in INTERACT I.

2.2.2 STRUCTURAL SET UP AND ACHIEVEMENTS OF INTERACT I

The main entities and bodies involved in the programme management have been the Monitoring and Steering Committee, the Managing Authority, the Paying Authority, the INTERACT Secretariat and the INTERACT Points. The INTERACT I services have been delivered by the INTERACT Secretariat and the decentralised implementing bodies (i.e. INTERACT Points). The five INTERACT Points and their subsidiary partners were spread over nine locations. They could be categorized in two types:

- INTERACT Points with a vertical role – providing particular services to the whole delivery network: INTERACT Point “Qualification and Transfer” and INTERACT Point “Managing Transition and External Cooperation”; and
- INTERACT Points with a horizontal (process-oriented or thematic) role: INTERACT Point “Tool Box”, INTERACT Point “Information and Animation” and INTERACT Point “INTERREG IIIC Coordination”.

The INTERACT Secretariat played a dual role in programme implementation: in addition to providing the typical technical assistance functions, it also acted as the implementing body for the programme.

⁴ Bachtler, John; Taylor, Sandra; Olejniczak, Karol (2005): A Study of the Mid Term Evaluations of INTERREG Programmes; p.12., University of Strathclyde in Glasgow

Aiming to capitalize on the significant pool of expertise in cooperation programmes and projects in the different Member States and regions the INTERACT Programme made this know-how available to the INTERREG stakeholders particularly through:

- 11 European-wide conferences and special thematic seminars;
- INTERREG IIIC-programme Coordination;
- Training seminars, workshops and on line discussion;
- Advisory services and study visits;
- Creation and animation of networks of professionals;
- Management tools, studies and surveys on INTERREG Programmes, projects and specific topics;
- Data collection on INTERREG Programmes, on nearly 700 INTERREG Projects of all strands, and on good practice examples;
- The INTERACT Portal website and communications campaigns;
- 21 complementary projects⁵ having been launched after two calls for proposals.

Between early 2004 and the end of 2005, the expert team of the EPRC conducted **a mid-term evaluation including updates for INTERACT I**. The evaluators confirmed considerable achievements of INTERACT I in spite of its late start. The main findings in respect to strengths and weaknesses of INTERACT I are depicted in overview 1. Concerning the 21 projects, the evaluators found it too early to give valuable judgments on their relevance and quality. However, there are high expectations that they would provide a good information base for a wide range of thematic issues for the next programming period.

2.2.3 STRENGTHS AND WEAKNESSES OF INTERACT I

The following overview provides the strengths and weaknesses of INTERACT I, as written down in the mid-term evaluation and update and evoked in a focus group meeting⁶ while preparing INTERACT II.

⁵ Under the First and the Second Call for proposals (published in July 2003 and May 2004) the INTERACT Programme approved 17 Projects under Priority 2 (INTERREG Development – local and regional initiatives) and 4 Projects under Priority 3 Measure 2 (INTERREG Participation at the External Border).

⁶ held in Vienna, 3 and 4 April 2006.

Overview 1: Table of Strengths and Weaknesses

STRENGTHS	WEAKNESSES
Implementing structure	
<p>The Monitoring and Steering Committee is functioning as a common programme and steering mechanism.</p> <p>The programme staff has gained much experience and developed fruitful network relationships in a relatively short period of time. The INTERACT Points were developing close contacts with the INTERREG community.</p>	<p>Decentralised implementations entailed disperse and varied amount and quality of output.</p> <p>The more process-oriented INTERACT Points had difficulties to become visible and to connect to the clients.</p> <p>The possibilities of institutional networking were not fully exploited.</p> <p>Not all local and regional stakeholders were sufficiently reached.</p> <p>Animation and communication as central functions were not well placed in a decentralised INTERACT Point.</p> <p>The strategic role of the Communication Group was diluted by operational details.</p> <p>There was high staff turnover, specifically in the INTERACT Secretariat.</p>
Information and communication flows	
<p>The upgraded website with the intranet communication is well accepted and frequented. The European Commission and other institutions make use of the web site as primary information source for European territorial cooperation.</p> <p>There is already a huge database on programmes and good practice.</p> <p>Responsiveness to the immediate demand of target groups was ensured by feedback systems established around two INTERACT Points (advisory group of INTERACT Point Qualification and Transfer, national contact persons of INTERACT Point Managing Transition and External Relations).</p> <p>The needs assessment study and synthesis of INTERREG mid-term evaluations provided insights for better tailoring of INTERACT Point services.</p> <p>A corporate identity (CI) of INTERACT emerges throughout Europe and across all strands. All products of the INTERACT Points feature the logo and make INTERACT a common platform for territorial cooperation.</p>	<p>The database and the <i>livelink</i> communication tool are not yet optimised, which leads to duplications.</p> <p>Quality management and control was mainly focusing on event evaluation and formal check-ups, but they were not linked to strategic questions, e.g. guidance on thematic questions.</p>
Specific activities	
<p><i>IQ Train</i>⁷ has been highlighted as a good model for a regionalised networking approach.</p>	<p>Staff exchange between INTERREG programmes proved to be too complex to handle and could be better done at the level of territorial cooperation programmes.</p>

⁷

<http://www.bab.at/p-iqtrain.html>

2.3 EUROPEAN TERRITORIAL COOPERATION 2007 – 2013

2.3.1 THE EUROPEAN TERRITORIAL COOPERATION OBJECTIVE

In the Third Cohesion Report of February 2004 the European Commission set out its proposals for reform of the Funds. With the adoption of the Financial Perspectives 2007–2013 and the Regulations for the Structural Funds for this period, the European Council and the European Parliament completed the framework for programming European Territorial Cooperation. From 2007 on, the Community Initiative INTERREG becomes a separate objective in its own right of the Structural Funds and therefore an important pillar of Cohesion Policy.

This reform essentially reinforces the cornerstones of the 1999 reform, namely

- the introduction of joint management structures, programmes and processes, genuine cross border projects and the project leader approach;
- the new European legislation on financial management and control;
- the pre-accession strategy for cooperation programmes.

In addition, the reform introduces changes, namely

- to enlarge the overall budget for Territorial Cooperation from 5,8 to 7,6 billion €;
- to strengthen cross border cooperation (from 4 to 5,6 billion €, i.e. from 69 to 74%), with a broad range of eligible measures but even more ambition towards joint procedures, joint projects and joint cooperation structures;
- to drive territorial cooperation towards more strategic projects and tangible results with a focus on the Lisbon and Gothenburg agendas;
- to encourage interregional cooperation projects with regions in other Member States in Convergence and Competitiveness Programmes;
- to prepare the participation of acceding countries in European Territorial Cooperation objective programmes by means of an Instrument for Pre-Accession Assistance (IPA);
- to set up a complementary European Neighbourhood and Partnership Instrument (ENPI) to finance cooperation on the new external borders of the EU.

2.3.2 REGIONS FOR ECONOMIC CHANGE

For the period 2007-2013 the Commission plans to refocus in partnership with Member States two existing instruments of European Regional Policy – Interregional Cooperation and Urban development – so that they provide a testing ground for techniques of economic modernisation and increased competitiveness. This new initiative is called *Regions for Economic Change* and shall further enhance the contribution of European Regional and Cohesion policy to achieving the goals of the renewed Lisbon agenda.

Under the new initiative, Interregional Cooperation and Urban development will continue to operate as at present. A new element for 2007-2013 will be that the Commission will offer the networks a number of themes focused on economic modernisation and the renewed Lisbon agenda. However participating Member States, regions and cities will continue to play the leading role in the animation and work of the network. The second major innovation will be to place at the heart of *Regions for Economic Change* an element to be called the “fast track option”. Volunteer networks will be established around a number of selected themes and the Commission will actively participate and provide its expertise.

2.4 GOOD GOVERNANCE AS THE KEY CHALLENGE FOR EUROPEAN TERRITORIAL COOPERATION

It follows that the main challenge for INTERACT is about good governance, with specific regard to the complexity of European Territorial Cooperation programmes.

The core mission of INTERACT is to identify, to describe and to spread good governance approaches and practices of cross-border, trans-national and interregional cooperation across the EU. The nature of INTERACT is that of a technical support programme aimed at enhancing the implementation and delivery of the European Territorial Cooperation objective programmes. The Cooperation of institutions from Member States among themselves but as well with Neighbouring Countries is an extremely complex task and poses additional and specific challenges for the management and governance of such programmes.

Governance encompasses the rules, processes and practices that affect the way in which powers are exercised at European level. It particularly refers to issues such as accountability, clarity, transparency, coherence, efficiency and effectiveness. The debate also includes questions about the role of regional, local and nongovernmental actors in the policy-making process. The reform of European modes of governance is essentially about improving democracy in Europe.

The Commission published a White Paper on Governance⁸ on 25 July 2001. It contains recommendations on how to enhance democracy in Europe and increase the legitimacy of the institutions.

Therefore, spreading good governance approaches means to make European Territorial Cooperation programmes work more efficiently and more effectively for their target groups, in practical terms to reinforce the operational principles and structures introduced with the last Structural Funds reform and to strengthen the pursuit of excellence in the context of European diversity.

- **In the enlarged EU**, the quality of implementation still shows a number of shortcomings, which can be summarized as follows:
 - the n+2 losses in the current period, a certain lack of strategic orientation, deficiencies in project quality and governance routines which are not delivering;
 - standards of cooperation structures, procedures and management differ substantially from programme to programme and from strand to strand;
 - the potential to enhance the know-how, the technical and organisational capacity of institutions, organisations and persons directly involved in the realisation of cooperation programmes is still far from being fully exploited;
 - the know-how generated by INTERACT I will need to be transferred to a wider circle of institutions and players and to be localised for different geographical areas and languages;
 - the potential spillovers from trans-national and interregional to cross-border programmes and between trans-national programmes need to be fully exploited concerning the development of advanced management instruments;
 - the transfers of good management practises between different cooperation programmes and the different strands of the European Territorial Cooperation objective will require ongoing efforts as there is no other programme apart from INTERACT with this cross-cutting mission.
- The smooth integration and adaptation of the territorial cooperation programmes of the **new Member States Bulgaria and Romania** shall be given specific attention.
- With reference to the positive experiences made during INTERACT I, **the two associated countries, Norway and Switzerland**, have declared their interest to participate in and finance INTERACT II on the basis of mutual agreements with the Managing Authority.
- Whereas the **new European Neighbourhood/Partnership Instrument (ENPI)**, whose CBC component covers the borders between the European Union, the ENP Countries and Russia, is implemented under the shared responsibility of DG External Relations and DG Europe Aid, INTERACT II should provide a flexible interface in order to maximize the benefits of mutual information and communication flows.

⁸ http://ec.europa.eu/comm/off/white/index_en.htm

Furthermore, the governance challenge entails the following tasks to be taken into consideration by INTERACT II:

- **Adopting a more strategic orientation and focus on Lisbon and Gothenburg agendas**
- **Aiming at stronger localisation, demand-orientation, customisation, and visibility**
- **Building and improving capacities for programme management**
- **Territorial Cooperation with Candidate States**
- **Keeping a flexible interface towards external borders.**

2.4.1 ADOPTING A MORE STRATEGIC ORIENTATION AND FOCUS ON LISBON AND GOTHENBURG AGENDAS

The European Territorial Cooperation objective is expected to contribute to the Lisbon and Gothenburg objectives. The revised Lisbon strategy was launched at the European Council of March 2005 and laid down in the *“Integrated Guidelines for Growth and Jobs 2005-2008”*, consisting of macro, microeconomic and employment guidelines. The three principal aims are:

- Making Europe an attractive place in which to invest and work;
- Placing knowledge and innovation at the heart of economic development in Europe; and
- The generation of business and the generation of jobs⁹.

During the EU Council held on 16 and 17 June 2005 it was confirmed that the renewed Lisbon agenda be integrated in the *“wider context of the sustainable development requirements that present needs should be met without compromising the ability of future generations to meet theirs”*.¹⁰ As an implication of the renewed *“partnership for growth and jobs”* the means for the effective implementation of this policy approach will need specific attention:

- During programming, but also during implementation, the operationalisation of the Community Strategic Guidelines (CSG) as well as the National Strategic Reference Frameworks (NSRF) will be a demanding endeavour;
- Raising the strategic orientation and the quality of projects will become more important for all strands of European Territorial Cooperation objective;
- The envisaged thematic concentration for trans-national and interregional cooperation has important implications for the project generation approach, the quality assessment, the building of appropriate indicators, the project selection mechanisms and the impact monitoring during project implementation;
- The focus of the transnational strand on transport and connectivity, risk prevention and water management, innovation and RTD and urban development will mean a further engagement of the line ministries concerned and a professional management of interfaces between central and regional bodies co-financing projects;
- Capturing INTERREG III project results to carry forward into new programmes will become essential, and the INTERACT project database a valuable source for it;
- The articulation of European Territorial Cooperation with the national and regional programmes under the “Convergence” and “Regional Competitiveness and Employment” objectives will require a mutual integration of decision making processes which hitherto have been separated due to the distinct character of the Community Initiative INTERREG; this requirement for integration holds specifically true for the linkage with the Commission’s pro-active instrument “Regions for Economic Change” which is deemed to help Member States and regions to implement actions aiming at economic modernisation in view of the Lisbon and Gothenburg targets.

INTERACT II can be expected to deepen the understanding of good governance of multilevel and cross-sector policies as a key factor for improving regional competitiveness. This does not only reside in the competitiveness of its constituent individual firms and their interactions, but also in the wider assets and social, economic, institutional and public attributes of the region itself.

Therefore, the notion of regional competitiveness is as much about qualitative factors and conditions (such as untraded networks of informal knowledge, trust, social capital, and the like) as it is about quantifiable attributes and processes (such as inter-firm trading, patenting rates, labour supply and so on).¹¹

⁹ “Working together for growth and jobs” SEC (2005) 622/2

¹⁰ “European Community Strategic Guidelines for Growth and Jobs.” Communication from the European Commission, 5.7.2005, Brussels.

¹¹ ECORYS (2003): Recognising the driving factors for regional competitiveness (www.ecorys.com/competitiveness/news/factors.html).

In this respect good governance can be regarded as a characteristic of highly evolved and consolidated institutional and administrative capacity to act, which is closely linked to the social capital of an area.

In addition, INTERACT II can be expected to supply the programme management bodies of all strands of the European Territorial Cooperation objective with appropriate tools and tailored support to meet the need for raising the strategic orientation and the quality of projects over all phases, from identification to implementation and evaluation.

2.4.2 STRONGER DEMAND ORIENTATION, LOCALISATION, CUSTOMISATION AND VISIBILITY

With a share of 74 % of the overall allocation of Objective 3 (European Territorial Cooperation) and a rise from 4 to 5,6 billion €, the cross-border strand will become the major pillar of European Territorial Cooperation objective¹². The ambition is to raise the quality of the cooperation by means of enhanced project application and evaluation criteria, but there is still a way to go:

- whereas the application of the lead partner principle is a precondition for trans-national and interregional projects, its general application also for cross-border programmes remains a challenge for many regional and local administrations and project owners (language competence, efficiency of procedures, legal implications for contracting, national systems for co-financing, timeline for project development and investments, ...);
- the use of enhanced project selection criteria (joint generation, financing, staffing, and implementation) will make project generation more ambitious and call for more sophisticated project evaluation procedures;
- the quest for truly strategic projects requires long term and close collaboration with/among Territorial Cooperation stakeholders.

Whereas INTERACT can draw from the significant experience of many trans-national and cross-border programmes and the knowledge base built up during the current period, the localisation of this know-how for cross-border programmes will remain a major challenge to be met because of

- language barriers at the level of regional and local actors;
- limited management and operational capacity of local administrations, including difficulties to get sufficiently qualified staff in relatively remote areas (as border areas often are);
- limited interest or resources of local decision makers to take part in international activities.

The outermost regions of the European Union pose a double challenge to the capacity of the INTERACT programme: first, to adequately respond to the specific demands rooted in their geographical situation; second, to include and involve these areas in the communication system regardless of distance.

The reform of the Structural Funds will open the possibility for interregional cooperation also within the Convergence and the Competitiveness and Employment objectives. With the European Initiative Regions for Economic Change more stakeholders will be reached in communicating and disseminating best practice results. Although the modalities for the implementation of these types of operation still have to be explored, substantial transfer of experience available within European Territorial Cooperation objective programmes towards the administration of mainstream programmes can be expected.

The added value of Territorial Cooperation is related to its perception by the customers and stakeholders involved as well as by the general public. A strong focus should therefore be put on communication aspects, to include more stakeholders at local level and to make the achievements of Territorial Cooperation widely known as a genuine European added value in the EU27.

¹² Art 21 of COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999

2.4.3 BUILDING AND IMPROVING CAPACITIES FOR PROGRAMME MANAGEMENT

As far as the creation of the joint cooperation structures are concerned, INTERACT II will face the following challenges:

- a process of regionalisation of programme management and of control functions can be expected to continue in the next period pending on the constitutional and institutional framework conditions, administrative traditions and the speed of devolution of power to the regional level in general;
- the new joint programme management bodies (joint managing authorities, technical secretariats and paying authorities) created in the current period will still need support to consolidate;
- in addition, the national and regional administrations being ultimately responsible for sound financial management and control would benefit from sharing experience available. The technical and organisational capacity of the (mostly public) administrations deserve more focus from INTERACT as bottlenecks or deficiencies on this side can put the efficiency of programme implementation at risk;
- this is specifically true for first level control of expenditure, which turned out to be a major source of insecurity and organisational stress. Second level control will also need to be addressed: an EU-wide platform for trans-national financial control has been created in 2004 out of INTERACT resources, whereas models and methods for system and sample checks in this complex field are still in a testing phase;
- the structures and procedures for monitoring and steering cooperation programmes represent a key part of the implementation system. The same holds true for the composition of the monitoring committees. Therefore the effectiveness of these settings and decision making procedures will become an issue in itself;
- the Regulation on European Groupings for Territorial Cooperation (EGTC)Nr. 1082/06 provides a new legal basis for cross-border and trans-national cooperation structures and will therefore be explored by pioneering programme partners;
- the new Member States will increasingly share the responsibility for programme management and financial control with the old Member States. A continued restructuring of management will therefore deserve specific efforts;
- the structural funds and the Community Initiative INTERREG on the one hand and the external policy instruments PHARE, TACIS, CARDS and MEDA on the other hand have generated different procedures and administrative mindsets (project generation, evaluation, tendering, contracting,...), a difference which will need to diminish, when the lead partner principle will be equally applied to old and new partners; this is a specific challenge in view of the new Member States Bulgaria and Romania;
- several small cross border programmes will merge into multilateral programmes, a process which could specifically profit from the know-how available through the INTERACT network.

2.4.4 COOPERATION WITH CANDIDATE STATES AND PRE-CANDIDATE COUNTRIES

As a part of the strategy of the EU towards accession countries, a special focus lays on South East Europe. Subsequently, the cooperation with the candidate and potential candidate states in this area will be financed under the Instrument for Pre-Accession Assistance (IPA) of DG Enlargement. There is an agreement between DG Regional Policy and DG Enlargement that the internal side of most IPA programmes will be managed according to the European Territorial Cooperation objective rules and modalities. INTERACT II will cover services for these IPA cooperation programmes as well.

2.4.5 EXTERNAL BORDER COOPERATION

The new European Neighbourhood/Partnership Instrument (ENPI) has a specific CBC component covering the borders between the European Union, the ENP Countries and Russia. This component is co-financed by External Relation Funds and by the ERDF and will be implemented using the rules and procedures set out in the ENPI regulation whose implementation within the Commission is a shared responsibility of DG External Relations and DG Europe Aid.

ENPI, although building on the INTERREG experience, has a number of implementation features which are taken from the European Commission external assistance rules. Thus there will be differences in the way the Member States involved in both ENPI and ERDF programmes, will have to organize cross-border cooperation at their external and internal EU-borders.

This group of Member States expects INTERACT to continue its support for external border cooperation. INTERACT I had developed a good experience in CBC at the external borders, having closely followed the elabo-

ration of ENPI rules and procedures. It is thus well placed to continue assisting in its implementation and act as a bridge between cross-border-cooperation within the EU and cross-border cooperation at the external borders.

To do so, INTERACT will act in a complementary but distinct way as far as the legal, administrative and financial framework for services provided in regard to the ENPI/CBC component is concerned. Separate funding will be made available from the ENPI budget to INTERACT II for such "external activities". In order to achieve maximum benefit, INTERACT will then, whenever this is useful, implement such activities and those focusing towards the internal borders in close mutual coordination. This will allow establishing information and communication flows with actors and stakeholders involved in CBC programmes, experience sharing and cross-fertilization.

Similar linkages could also be established with cooperation spaces benefiting from funding from the European Development Fund (EDF), the main instrument for Community aid for development cooperation in the ACP countries and the Overseas Countries and Territories (OCT) according to the Articles 131 and 136 of the European Treaty.

2.5 OPPORTUNITIES AND THREATS FOR INTERACT II

Overview 2: Table of Opportunities and Threats for INTERACT II¹³

OPPORTUNITIES in providing support for territorial cooperation programmes	THREATS associated with:
By widening and deepening and localising INTERACT activitiesto reach/activate more stakeholders	The design of the priorities and activities of the programme: <ul style="list-style-type: none"> • potential over-emphasis on technical aspects of programme/project management; • insufficient recognition of/attention to the needs of different groups of beneficiaries
Also, consider opportunities through extending the knowledge base	The design of the implementation system (structure), in particular with regard to: <ul style="list-style-type: none"> • the mode of operation and the resources available, especially INTERACT Points • inconsistent and potentially weak NCP network due to their non-mandatory status
	The resources available to each priority and type of activity

¹³ As per the INTERACT II 2007 – 2013 Programme Ex-Ante Evaluation commissioned by the Austrian Federal Chancellery in its capacity as Managing Authority.

3 JOINT STRATEGY FOR INTERACT II

3.1 BENEFICIARIES, TARGET GROUPS AND WIDER CLIENTELE OF INTERACT II

A **beneficiary** in the meaning of Article 2 pt. 4 of Council Regulation 1083/06 is meant to be „*an operator, body or firm, whether public or private, responsible for initiating or initiating and implementing operations*“. In this regard – formally – the beneficiaries of INTERACT II are the units comprising the Managing System (see Chapter 5).

The **target groups**, however, are all those institutions and/or bodies to which the INTERACT II services are addressed and delivered. The target groups of INTERACT II are those institutions and bodies set up around Europe to manage European Territorial Cooperation programmes. INTERACT II target groups therefore are

- Managing Authorities
- Joint Technical Secretariats
- Monitoring Committees
- National Contact Persons
- Certifying Authorities and
- Audit Authorities
- First level control bodies

of cross-border, trans-national, interregional and network programmes operating under the European Territorial objective 2007-2013. Equally, with reference to the IPA programmes mentioned in chapter 2.4.4, implementing bodies of these programmes are regarded as a target group of INTERACT II as well.

Strong links will be built with the network programmes ESPON and URBACT, as well as with the activities carried out with the initiative “Regions for Economic Change”, in order to reach all stakeholders in search of excellence in interregional knowledge transfer, networking, dissemination of good practice and policy shaping.

Moreover, an important and sensitive element in implementing territorial cooperation programmes is the link between the institutions and bodies at management level listed above and the public administration and national stakeholders backing territorial cooperation programmes. Therefore, INTERACT II will extend its scope to a wider clientele and strengthen its efforts to address these members of administration and other national stakeholders as well.

Besides, when discussing appropriate means to enhance the quality of projects under the European Territorial Cooperation objective, it was frequently asked whether INTERACT II can expand its activities from programme management support towards know-how transfers for owners of cooperation projects. Many of the topics relevant at programme level are equally relevant for project owners and vice versa. Given a limited capacity available to the INTERACT II implementing bodies, support to project owners will remain primarily a task of the different programme secretariats or national support structures. However, benefits from the enhanced localisation of INTERACT II (see above) shall be exploited as much as possible for the sake of good quality projects.

3.2 ADDED VALUE OF INTERACT II

The multi-tier web of cross-border and trans-national relationships constitute assets for promoting “*throughout the Community a harmonious, balanced and sustainable development of economic activities (...), sustainable and non-inflationary growth (...), a high level of protection and an improvement in the quality of the environment, an increase in the standard and quality of living conditions*”, as stipulated in Article 2 of the Amsterdam Treaty 1997. National boundaries do not produce a complete discontinuity between the neighbouring areas, which are mostly intertwined by a multitude of geographical affinities, as well as cultural, social and economical links between the people living at either side of a border. The successful deepening of the European Union in the current decade of enlargement largely depends on the ability of European institutions to generate and to communicate its added value. This added value is largely related to public benefits which cannot be raised – or at best insufficiently – by mere interaction between Member States or by the hand of market forces.

Making these relationships work as to produce the desired changes is not a trivial task. INTERACT is specifically designed to support their implementation in all areas and across all strands of the European Territorial Cooperation objective, whereat INTERACT II will provide services equally to target groups in all EU Member States and associated countries despite their experience level in territorial cooperation.

The service provision under INTERACT II will continuously have to be examined against its added value over and above what single programmes themselves produce. In this respect it refrains from all activities which are already done within territorial cooperation programmes of any strand. This means that its scope of intervention aiming at supporting its target groups in implementing European Territorial Cooperation programmes will straddle over three stages of immediacy:

- to promote and disseminate good practices and interesting approaches;
- to enhance and encourage target groups in taking their own initiative in developing new approaches, tools, instruments and standard procedures for the wider community of territorial cooperation stakeholders;
- to develop and deliver own services and products.

Against this background all INTERACT services provided to the INTERACT target groups need to be developed in the following four generic domains:

- relating all activities to the real needs of stakeholders in territorial cooperation
- generating and sharing knowledge
- provide successful examples for procedures and tools at a high level of quality
- spreading methodologies and practices of good governance.

3.2.1 RELATING ALL ACTIVITIES TO THE REAL NEEDS OF STAKEHOLDERS IN TERRITORIAL CO-OPERATION

The primary source and ultimate purpose of INTERACT II is the people involved in territorial cooperation. The experiences of INTERACT I and the explicit demand of target groups show that the more direct the relationship of the services and opportunities offered by the INTERACT Points, the better their acceptance and the quicker and deeper the dissemination of achievements. It clearly points towards a deepening and systematization of practising feedback cycles for an early perception and thorough analysis of the presumed target groups' needs in the different parts of the European Union. This is not a one-time process, but should rather be embedded in the regular management system. This does not mean either that any demand is taken up without consideration and turned into a respective activity, nor does it mean that the Managing System of INTERACT II would not dare to embark on activities which have not been explicitly formulated by target groups.

In 2004, an *"assessment of needs for INTERACT activities"* has been carried out by INTERACT I¹⁴. The study still provides a basic orientation, but due to the dynamic environment in which territorial cooperation is implemented, more recent sources are sought for. During INTERACT II, activities aiming at needs assessment will not be separated from the standard implementation of the programme. On the contrary, it will be embedded in the interactive communication between the Managing Authority, namely the INTERACT Points on one side and the target groups/contributors on the other, namely through:

- periodic inquiries among National Contact Persons;
- geographical or thematic surveys on demand;
- focus groups operating within the quality management framework.

The framework of expected outputs and results and the set of managing and cooperation rules will be sufficiently transparent and reliable, both leaving sufficient space for flexible and open programme making.

The main process will consist of

- duly listening to the expectations of target groups;
- organising joint reflection meetings on how this perceived demand could be converted into a meaningful offer;
- elaborating the offer of services and products in a way that the demand is not only precisely met, but also that generic solutions may be generated in anticipation of future demands of a similar kind;

¹⁴ INTERACT Programme Secretariat (2004): INTERREG – An Assessment of Needs by INTERACT. Vienna.

- validating the products and services in order to avoid errors stemming from misleading translation or insufficient consideration of the institutional contexts of specific Member States.

As the project component is not pursued during INTERACT II, and as the overall level of resources available is similar to INTERACT I, the streamlined model for service delivery by the INTERACT Points shall have a deeper and wider impact in INTERACT II:

- **Wider** in the sense that more stakeholders at programme level and in the interested community shall be reached by the programme: hitherto unaddressed people shall become users of INTERACT products and services. This refers for instance to members of monitoring committees and local stakeholders in cross-border programmes. A network of national contact persons shall help to overcome the language barrier and to better reach these potential target groups;
- **Deeper** in the sense that clients and users shall be more properly addressed and become active contributors in the INTERACT network. Managing information *flows* and facilitating communication remains a key task. However, building up and maintaining the *stocks* of knowledge and experiences gains more and more significance.

3.2.2 GENERATING AND SHARING KNOWLEDGE

A pool of experience in cross-border, trans-national and interregional cooperation has emerged, dispersed among various stakeholders all over Europe, and growingly shared between users of INTERACT I. The programme has built a comprehensive database on INTERREG III programme area including maps, INTERREG III projects, examples of good practice, containing all the regulatory framework and relevant policy papers. This process is going to be intensified and broadened: it will consider the enlarged EU as a coherent space in which generic and localisable demands will be identified and served. Capacity and institution building, improvement in process management are an issue in many Member States regardless of their date of EU accession, but the real information or qualification need will have to be explored by fine-tuned instruments in order to be able to offer the appropriate support.

On the other hand, INTERACT promotes the exchange of experience, makes best practice accessible to interested stakeholders in the European Union through an active programme of dissemination. INTERACT provides support to upgrade many aspects of European Territorial Cooperation objective programme management, for example financial management and project implementation. INTERACT also aims at providing tools and know-how for managing institutional change and readjusting to new quality-control standards. In this way, INTERACT shall reach more local and regional stakeholders responsible for cross-border co-operation programmes, such as representatives of authorities involved in programme monitoring committees or in project implementation.

The implementation of the European Territorial Cooperation objective requires specific trans-national know-how which is rarely available at national or regional level. This holds especially true for the trans-national and interregional programmes as under the current strands B and C of INTERREG III. Although a series of new trans-national structures and stakeholders is now emerging, resources devoted to building up this specific know-how are still very limited. Trans-national cooperation areas have been revised, whereas the cooperation space for the thematic interregional cooperation shall be unified and serviced by a streamlined programme management. INTERACT is designed to meet the demand in specific trans-national and interregional know-how and to develop and offer decentralised training interventions and workshops for implementing bodies and project leaders aimed at enhancing their management skills.

In order to keep in mind the main issue of good governance, the content of territorial cooperation (e.g. problems and development opportunities best addressed through territorial cooperation; development of strategic projects in trans-national cooperation; appropriate indicator building etc.) needs to be adequately covered as against an overly narrow focus on programme and project management techniques. Appropriate links shall therefore be established with the network programmes ESPON and URBACT, not to forget the thematic networks and cooperation platforms operating in fields such as RTD, transport, telecommunication, environmental protection etc.

3.2.3 IMPROVING PROCEDURES AND TOOLS TO ACHIEVE A HIGH LEVEL OF QUALITY

In order to bridge the gap between nationally anchored responsibilities for financial control and trans-national programme implementation, INTERACT II promotes the development and the application of joint co-operation tools and procedures. As legal matters require clarification, INTERACT II contributes to finding sustainable legal and administrative solutions for cross-border as well as for trans-national and interregional cooperative structures and to support the establishment of European groupings of territorial cooperation (EGTC) according to Reg. 1082/06.

The coordination with the Instrument for Pre-Accession Assistance (IPA) with territorial cooperation programmes under the European Territorial Cooperation objective and the successful management of the transition from external to internal border programmes is a particular challenge for INTERACT II. To face this challenge, strong collaboration ties and working arrangements with DG ENLARGEMENT and DG Europe Aid shall be set up. But there is also the inheritance of different mindsets stemming from the different administrative routines of former external policy instruments like PHARE, MEDA and TACIS on one side and the ERDF on the other side. These divergences have to be identified and understood before they can be transformed into a common approach.

The implementation of the European Territorial Cooperation objective is divided into three different strands. With its cross-strand perspective, INTERACT II keeps contributing to the internal coherence of this new objective as a whole and enhances the use of synergies. This also means respecting the differences and subsequently the different needs which should be served individually.

INTERACT II shall therefore substantially contribute to enhance the efficiency and quality of programme implementation within European Territorial Cooperation.

3.2.4 SPREADING GOOD GOVERNANCE APPROACHES

INTERACT II spreads instructive examples of excellent practices to programme management bodies operating under the Convergence and Competitiveness and Employment objectives specifically as far as Territorial Cooperation within the mainstream programmes is concerned.

INTERACT II establishes links to institutional networks aiming to improve knowledge and practice in territorial policies in Europe (ESPON, URBACT, Rural Observatory of the EAFRD); these links may be operationalised mainly through

- mutual information, regular round tables and exchanges at strategic and operational level;
- web links and mutual references to events, publications etc.;
- dissemination of noteworthy outcomes of innovative and future-oriented strategies;
- providing platforms for exchange between programme makers, project owners etc. on issues related to good governance and strategic orientations;
- contributions to or joint elaboration of studies (ESPON);
- joint conferences, workshops and seminars on common issues (URBACT, ESPON, Rural Observatory, "Convergence" and "Competitiveness and Employment");
- mutual use of expert pools for advisory services and the development of tools.

In addition, INTERACT II reserves networking space for integrating actors and stakeholders involved in neighbourhood policies at the external borders (ENPI).

3.3 GLOBAL OBJECTIVES

The mission of INTERACT II is to support European Territorial Cooperation co-funded by the European Regional Development Fund in the programming period 2007-2013 in providing services to the target groups aiming at

- securing and increasing the efficiency¹⁵ and effectiveness¹⁶ of Territorial Cooperation programmes and projects relating to specific geographic spaces or thematic fields and
- contributing to the quality¹⁷ of and know-how in cross-border, trans-national and interregional cooperation in the EU Member States and the associated countries Norway and Switzerland.

3.4 GROUPS OF INTERVENTIONS

3.4.1 INFORMATION RESOURCES

Resources are intended to be access to information and knowledge, as well as added value tools and reference materials which will be made available to the INTERACT II target groups. Preparing a resource involves an investment in terms of obtaining, collating, organizing, analyzing and/or communicating information relevant to all stakeholders of European Territorial Cooperation. The outputs include studies, surveys, handbooks, published training materials and conference reports as well as web resources such as e-fora or searchable databases. Activities are related to the following operational objectives:

- **Knowledge base**
- **Tools**

3.4.2 COOPERATION

Interactions between target groups and other stakeholders in Territorial Cooperation will be organised in many different ways, including conferences, trainings, events, supply of advisory services and the creation of networks. Concrete activities in this group are related to the following operational objectives:

- **Network coordination**
- **Exchange and transfer**

3.4.3 DISSEMINATION AND PUBLICITY

Activities to promote and to communicate about INTERACT and its services are essential to generating understanding of INTERACT as a programme, and to raise interest and commitment to its activities. The outputs are among others the website, disseminating documents generated as added-value tools and reference materials, and promotional activities such as press conferences, exhibitions etc.

3.4.4 QUALITY MANAGEMENT

Rigorous quality management ensures the coherence, usefulness and viability of all kind of services and products provided under INTERACT II as well as of communication flows, the structural arrangements and the enabling processes.

Quality Management has an internal and an external dimension. First it relates to all processes within and between units composing the INTERACT Managing System (internal quality management), secondly to the content, which means all products and services offered to the target groups and the "programme environment" (external quality management).

¹⁵ Efficiency signifies the ratio of an activity to the resources input.

¹⁶ The extent to which a programme has made desired changes or met its goals and objectives through the delivery of services.

¹⁷ Quality means conformance to requirements. Quality assurance can be defined as a refined process in which products are assessed, improved, ensured, and confirmed.

4 PROGRAMME PRIORITIES AND KEY ELEMENTS OF WORK PROGRAMME

The prime source and ultimate purpose of INTERACT II is the people involved in European territorial cooperation. The work programme of INTERACT II therefore has to follow a demand-oriented approach. This is not a one-time process, but should rather be embedded in the regular management system as an ongoing assessment of needs and reflection of services provided.

4.1 PRIORITIES

The INTERACT II programme is structured along two priorities:

- Priority 1: Service development and delivery
- Priority 2: Technical assistance

PRIORITY 1: SERVICE DEVELOPMENT AND DELIVERY

Priority 1 deals with the content generation, delivery and dissemination of services and products, based on best practices and enhanced knowledge and experiences of actors in territorial co-operation. It comprises enabling activities, tool development, quality management as well as enhancing a growing network of target groups and other stakeholders in territorial cooperation, who actively contribute to knowledge generation and sharing. In order to structure this priority, the following concrete activities relevant in INTERACT II are summarised in four groups of interventions, subdivided into operational objectives:

Group of Intervention 1: INFORMATION RESOURCES	
<p><u>Operational objective: Knowledge base</u></p> <p>To set up and to maintain a sound, comprehensive and commonly and easily accessible knowledge base for territorial cooperation and related issues.</p>	<p><u>Operational objective: Tools</u></p> <p>To provide user-friendly handbooks and material sets, as well as examples of successful procedures for the realisation of territorial cooperation</p>
<p>Activities:</p> <ul style="list-style-type: none"> - to identify examples of good governance in territorial cooperation in order to make this knowledge transferable and ready for dissemination; - to organise databases and ICT tools (e.g. <i>livelink</i>) for supporting knowledge management, learning and dissemination of INTERACT II products at all levels; - to generate and keep up to date information on European Territorial Cooperation trends and activities; - to carry out applied and accompanying studies and analyses with the aim to create a common understanding of the patterns of success and to constantly improve practice. 	<p>Activities:</p> <ul style="list-style-type: none"> - to adapt and to upgrade tools for territorial cooperation developed during INTERACT I; - to develop and to test new tools and procedures and to foster the emergence of useful approaches by inviting target groups and stakeholders to actively contribute to tool development.

Group of Intervention 2: COOPERATION

Operational Objective: Network Coordination

To set up, manage and animate the network of INTERACT target groups/contributors and to intensify networking links to external partners and institutions involved or interested in European Territorial Cooperation.

Activities:

- to manage the network of INTERACT target groups in two tiers: the whole INTERACT network, and the regional networks, defined in terms of their attribution to specific INTERACT Points designed to service them;
- to provide access to the networking facility for ENPI partners and to maintain privileged partnerships with the networking programmes ESPON, URBACT, INTERREG IV C, as well as to intensify networking links to other partners beyond the immediate target public, especially with European institutional networks.

Operational Objective: Exchange and Transfer

To enhance the physical exchanges, mutual learning and transfer of know-how between institutions, bodies and persons directly involved in the realisation of territorial cooperation programmes and projects under European Territorial Cooperation objective and IPA.

Activities:

- to organise and to facilitate seminars and workshops¹⁸;
- to organise virtual learning and exchange platforms (e-workshops);
- to offer need-based training courses;
- to offer advisory services on demand;
- to enhance laboratory groups in order to support the emergence of new ideas, solutions and tools, as well as to support pilot networks focused on specific fields of competence e.g. financial management, evaluation etc.

Group of Intervention 3: DISSEMINATION AND PUBLICITY

Operational Objective: Dissemination and Publicity

To ensure the large dissemination of INTERACT products and services among target groups and an overall broad recognition of the programme achievements to all interested stakeholders.

Activities:

- to make the INTERACT Programme website a useful portal for European territorial cooperation issues and to strengthen its information value for all INTERACT target groups, other interested stakeholders and external visitors;
- to produce and to publish the INTERACT products and tools;
- to provide quick, precise and targeted information through the INTERACT newsletter;
- to complement the web-based offers and events with publicity materials (folders, posters etc.) and to carry out according publicity activities.

Group of intervention 4: QUALITY MANAGEMENT

Operational Objective: Quality Management

To set up and enforce rigorous quality management ensuring the coherence, usefulness and viability of all kind of products and services provided under INTERACT II as well as of communication flows, competence nodes and the enabling process itself.

Activities:

- to set and to divulge high quality standards for all INTERACT products and services and for actions being carried out on behalf of INTERACT on the basis of contracts;
- to set up mechanisms for self-evaluation and continuous improvement together with the target groups;
- to maintain a high level of individual and team competence of the INTERACT staff through appropriate training offers;
- to invest in high quality content control.

¹⁸ Participants will have to bear their own travel costs.

PRIORITY 2: TECHNICAL ASSISTANCE

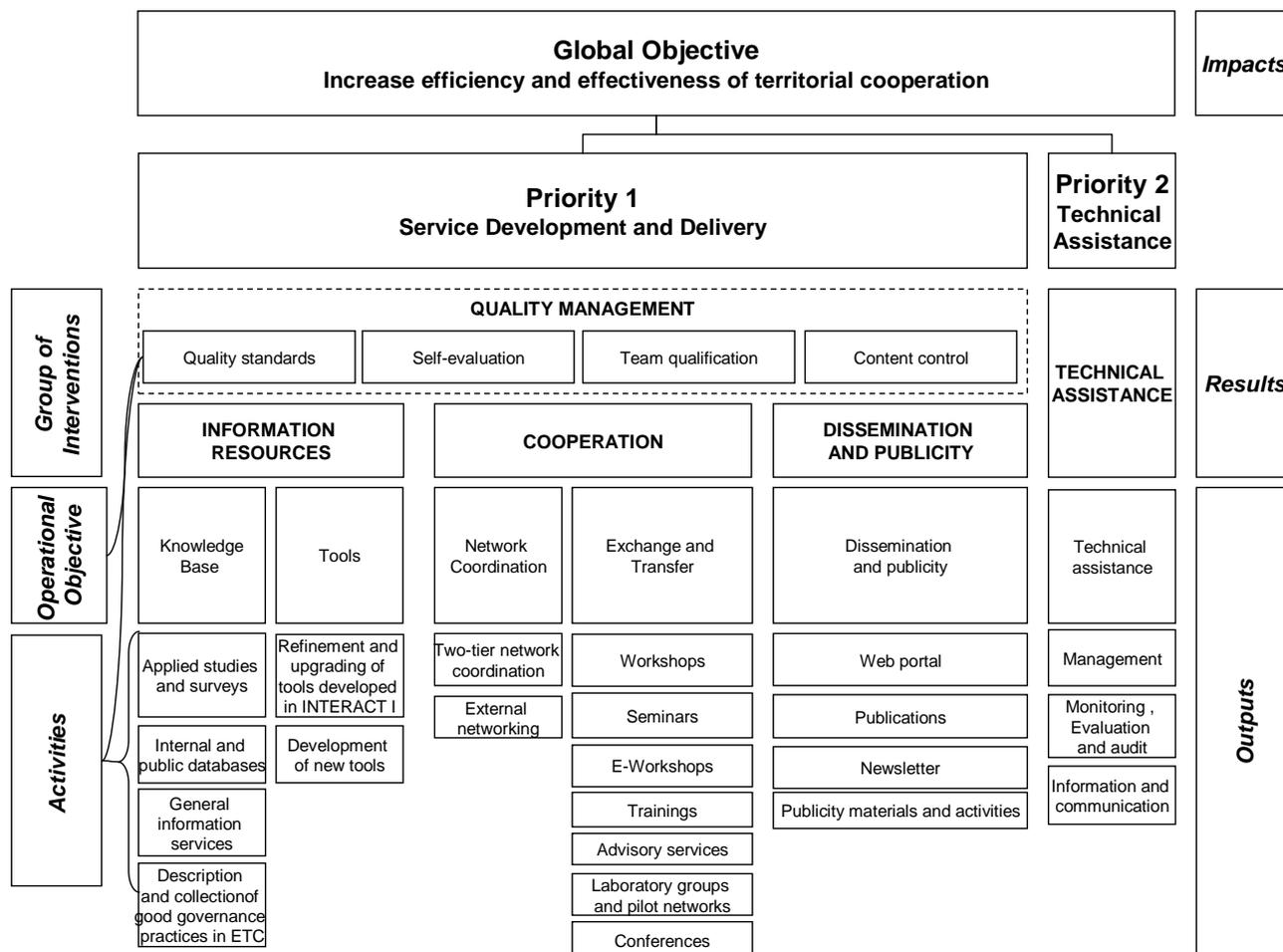
Operational Objective: Technical Assistance

According to Article 46 of EC Regulation 1083/06, technical assistance shall accomplish preparatory, management, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the funds. The budget available is limited to 6% of the total ERDF allocation.

Technical Assistance is mainly entrusted to the INTERACT Secretariat by the Managing Authority. The following activities are to be carried out within the scope of Technical Assistance in order to ensure the efficient administration of the programme:

- **Management Activities:**
 - o Activities relating to the preparation, appraisal and financial implementation of the assistance;
 - o Activities involving meetings of the Monitoring Committee and sub-committees in connection with interventions;
- **Monitoring, Evaluation and Audit Activities:**
 - o The operation of a computerised system for the monitoring, administration, support and evaluation of the programmes (ongoing systematic recording of the material implementation of the programme using financial and other implementation indicators);
 - o Preparation and carrying out of evaluations;
 - o Audits and on the spot checks of operations to be organised separately from programme management.;
- **Information and Communication Activities:**
 - o Activities pursuant to Title II (Information and Communication) of the Implementation Regulation.

Overview 3: The Objective Tree of INTERACT II



In order to enable an ongoing assessment of needs and a frame to continuously develop and adapt the services provided by INTERACT II, the programme priorities of INTERACT II shall provide a frame identifying groups of interventions as well as concrete activities which INTERACT II intends to provide. These activities will be translated in more detail into a **Multi-Annual Work Programme (MWP)** which shall be elaborated up to six months after approval of the INTERACT II Programme by the European Commission. This Multi-annual Work Programme is broken down to **Annual Work Plans (AWP)** at the beginning of each calendar year in order to best adapt to the target groups' needs. Also these Annual Work Plans are elaborated as single documents for the whole management system of INTERACT II.

4.2 JUSTIFICATION FOR INTERACT II AND GROUPS OF INTERVENTIONS CHOSEN

Good governance is a prerequisite to reach the aim of “*stronger integration of the Territory of the Union in all its dimensions*”, as stipulated in the European Community Strategic Guidelines on Cohesion.¹⁹

Cooperation of institutions from several Member States among themselves and also with Neighbouring Countries is a very complex task creating specific challenges for good governance.

INTERACT II is an instrument designed to raise the effectiveness and to improve the impact of the European Territorial Cooperation objective. As this objective is now upgraded in terms of importance and budgetary endowment, the good implementation of the programmes under this objective becomes a core task for which INTERACT II is the main instrument. Additional benefits will include the embedding of sustainable competence among public officials, regional stakeholders from the private and non-profit sector, as well as European institutions designed to strengthen social and economic cohesion and competitiveness..

In order to make the refocusing of the Lisbon strategy effective, the European Council called for “*improved governance at European Union and national level on the basis of*

- *a new partnership with Member States: in order to increase the ownership by Member States, clarify the responsibilities and confirm the role of the Commission as facilitator, supporting policy developments in Member States;*
- *for reaching simplification: both in terms of policy priority setting, with the integrated guidelines and in terms of streamlining of procedures and reporting, with a single integrated national reform programme.”²⁰*

The priorities chosen represent a flexible and simple way to realise the mission of INTERACT II.

4.3 COMPLEMENTARITY AND COMPLIANCE WITH COMMUNITY POLICIES AND STATE AID RULES

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

INTERACT II also establishes specific cooperation mechanisms with the following EU funded programmes, initiatives and related operations:

- with regard to communication and information in general: all relevant activities of DG Regional Policy, in particular concerning Territorial Cooperation;
- with regard to Rural Development: The European Network for Rural Development funded by EAFRD;
- with regard to enlargement: IPA funded by DG ENLARGEMENT;
- in relation to RTD and Information and Communication Technologies (ICT), INTERACT II aims to cooperate with DG Communication and DG Information Society and seeks coherence with some of their initiatives (e.g. “i2010”²¹ or eEurope 2005).

In addition, specific co-operations will be developed with regard to neighbouring countries: ENPI funded by DG External Relations.

¹⁹ Chapter 3.4 of the document: Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines 2007 – 2013. Communication from the Commission, 5.7.2005, COM (2005) 0299, Brussels.

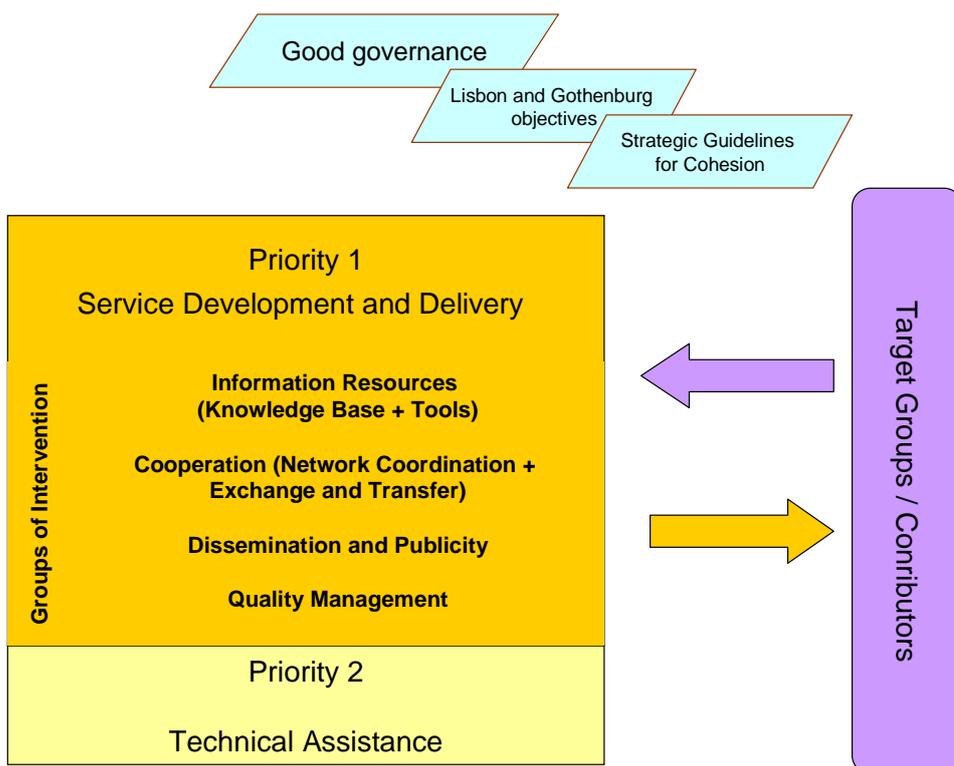
²⁰ “Working together for growth and jobs. Next steps in implementing the revised Lisbon strategy.” Commission Staff Working Paper, Bruxelles, 29.4.2005, SEC (2005) 622/2.

²¹ “i2010” (European Information society in 2010), an initiative providing an integrated approach to information society and audio-visual policies in the EU, covering regulation, research, and deployment and promoting cultural diversity

Within the limit of its scope the programme will strive to support the principles of sustainability as stipulated in article 17 of Council regulation 1083/2006 and equal opportunities as stipulated in article 16 of Council regulation 1083/2006. This is an area where it could be beneficial to focus on, especially identifying and publishing concrete examples of projects which have successfully integrated the major horizontal themes and providing an accessible way of understanding why these themes are relevant in the context of European Territorial Cooperation.

No State aid in accordance with Article 87.1 of the Treaty will be given by this programme.

Overview 4: INTERACT II, a learning device for good governance in Europe



5 PROGRAMME DELIVERY

5.1 LEGAL BASIS

The legal base for programme management, monitoring and control is defined in Regulation 1080/06.

According to Article 14 pt. 1 of Regulation 1080/06, Member States participating in an operational programme “shall appoint a single **managing authority**, a single **certifying authority**, and a single **audit authority**, the latter being situated in the Member State of the managing authority. The certifying authority shall receive the payments made by the Commission and, as a general rule, shall make the payments to the lead beneficiary.

*The managing authority, after consultation with the Member States represented in the programme area, shall set up a **joint technical secretariat**. The latter shall assist the managing authority and the monitoring committee, and, where appropriate, the audit authority, in carrying out their respective duties.”*

According to Article 63 of Council Regulation 1083/06 “the Member State shall set up a **monitoring committee** for each operational programme in agreement with the managing authority.”

As for “first-level”-financial control, Article 16 of Regulation 1080/06 states that “each Member State shall designate the **controllers** responsible for verifying the legality and regularity of the expenditure declared by each beneficiary” whereas Article 14 pt. 2 of Regulation 1080/06 relates to the “second-level”-control under the responsibility of the audit authority and specifies that “the audit authority for the operational programme shall be assisted by a **group of auditors** comprising a representative of each Member State participating in the operational programme”. As for INTERACT II, financial control requirements according to Regulation 1080/06 only refer to Member States which host the beneficiary institutions, the Managing Authority, the INTERACT Secretariat and the INTERACT Points.

5.2 IMPLEMENTING STRATEGY OF INTERACT II

Taking into consideration the experiences from INTERACT I and the results of the mid-term-evaluation (Chapter 2), the main challenges in managing the transition between INTERACT I and INTERACT II are

- to strengthen the organisational core and to streamline the management and implementation bodies under a Multi-annual Work Programme;
- to structure the client systems in a network-type environment;
- to ensure more direct and faster communication links between the management and implementation bodies and the target groups all over Europe and across all strands.

These challenges are taken into account in the design of the implementing structure for INTERACT II, which gets streamlined and developed towards a coherent organisation for service delivery throughout the EU Member States at the same quality level of services wherever they will be delivered.

Therefore, a clearer definition and separation of the roles and functions of the different elements of the implementation structure will be needed based on the following principles:

- The Monitoring Committee as the common supervising and steering mechanism;
- Strengthening and focusing the core managing and coordinating functions in the INTERACT Secretariat;
- Limiting the number of decentralised INTERACT Points and strengthening their role as an integral part of a joint service organisation with a regional focus and a common service portfolio.

During the implementation of INTERACT I close interaction between the programme management and the programme's customers and stakeholders turned out to be specifically relevant for the success of the programme. Therefore INTERACT II shall

- continue to be demand driven and responsive to end user needs: measure level programming should therefore be made on an annual basis;
- be implemented in close cooperation with the national coordinators of European Territorial Cooperation objective and the European Commission.

Synergies between the three network programmes INTERACT, ESPON and URBACT as well as the interregional cooperation programme ("INTERREG IVC") shall be looked for through a strong coordination in elaborating the Annual Work Plans (network programmes) and through regularly providing information on the activities of and results achieved in the other programmes to the Monitoring Committees. Furthermore, a close cooperation is intended as regards all technical programme implementation matters.

5.3 OVERVIEW OF THE MANAGEMENT STRUCTURE

5.3.1 THE TASKS OF THE BODIES DESIGNATED FOR MANAGING AND IMPLEMENTING INTERACT II

In accordance with the legal requirements, the main entities and bodies responsible for the programme management are the

- **Monitoring Committee,**
- **Managing Authority,**
- **Certifying Authority,**
- **Audit Authority.**

The Managing Authority, after consultation with the Monitoring Committee,

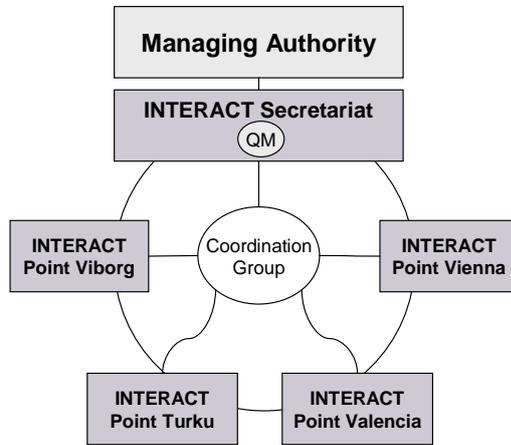
- sets up a **Joint Technical Secretariat**, henceforth called the **INTERACT Secretariat (IS)** with a prominent role in programme management and content generation;
- contracts the **decentralised implementing bodies**, henceforth called the **INTERACT Points (IP)**, actually delivering the programme to the target groups (Regional Networks, trans-national cooperation network).

There will be strong organisational ties between the Managing Authority, the INTERACT Secretariat and the INTERACT Points concerning the joint elaboration and the implementation of a Multi-annual Work Programme and the Annual Work Plans.

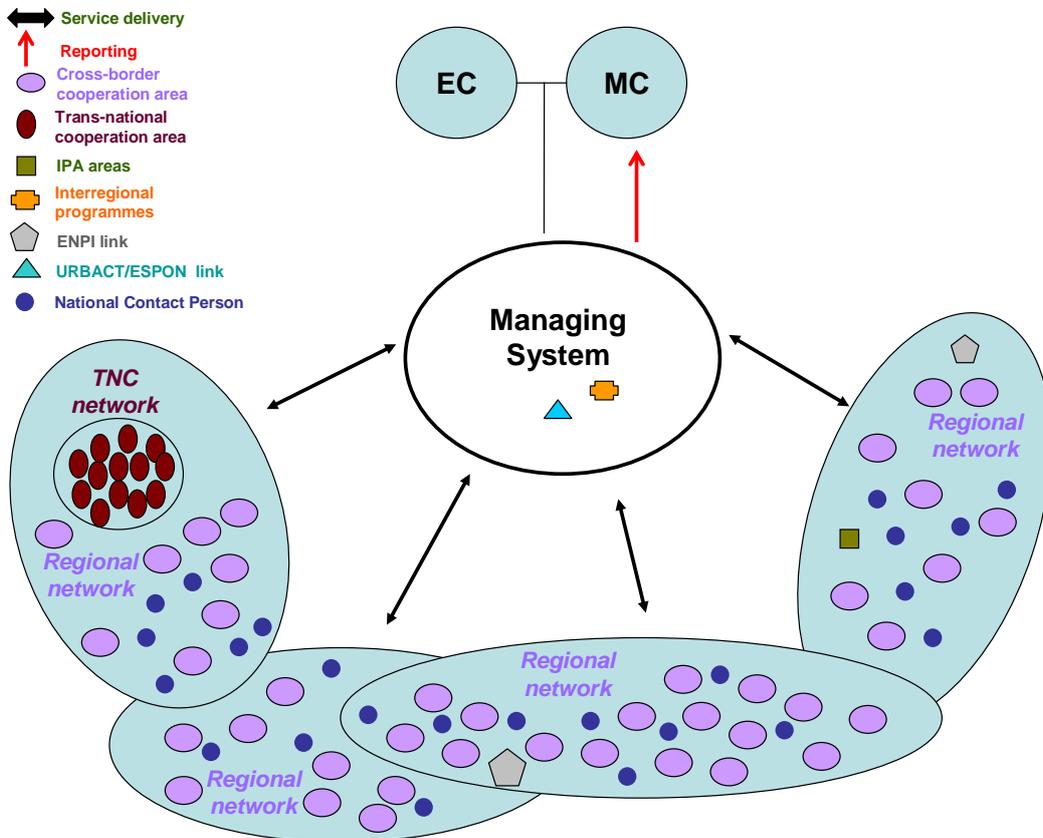
The bodies listed so far jointly constitute the Managing System of INTERACT II.

In addition, Member States are invited to nominate National Contact Persons.

Overview 5a: INTERACT II management structure and implementation structure



Overview 5b: INTERACT II implementation structure



With reference to Article 71 of Council Regulation 1083/06 a detailed description of the management and control systems covering in particular the organisation and procedures of the managing and certifying authorities and intermediate bodies as well as the audit authority and any other bodies carrying out audits under its responsibility will be elaborated and sent to the Commission within 12 months of the approval of the programme at the latest.

Monitoring Committee

According to Article 63 of Council Regulation 1083/06 and Article 14 pt. 3 of Regulation 1080/06, the Monitoring Committee is to be set up for each operational programme within three months from the date of the notification of the approval of the OP and – as in the case of trans-national programmes – Member States shall appoint representatives to sit on the Monitoring Committee.

The overall task of the Monitoring Committee will be to supervise the quality and effectiveness of implementation of the programme. In addition the Monitoring Committee shall continue to assume steering functions for the selection of operations, although in INTERACT II there will be no more open calls for INTERACT projects. However, as for INTERACT II, “operations” will mean the Multi-annual Work Programme and the Annual Work Plans of the INTERACT II implementing bodies.

The Monitoring Committee (**MC**) will consist of representatives of each Member State and the associated non-member countries Norway and Switzerland. They shall be nominated by each Member State according to its constitutional and organisational requirements. It is recommended to nominate the national coordinators for European Territorial Cooperation objective to the Monitoring Committee. According to Article 64 pt. 2 of Council Regulation 1083/06 the Commission shall participate in the work of the Monitoring Committee in an advisory capacity. Furthermore, representatives of the Managing Authority, the INTERACT II Secretariat and the INTERACT Points will be advisory members. Representatives of neighbouring countries benefiting from IPA support will be invited as observers. They may become full members if they contribute financially to the programme. Furthermore the Monitoring Committee has the possibility to invite other bodies or persons (experts or study teams working on studies launched by INTERACT II) to its meetings.

According to Article 65 of Council Regulation 1083/06 the Monitoring Committee bears responsibility for the following tasks:

- Programme implementation

- It shall consider and approve the Multi-annual Work Programme and the Annual Work Plans of the INTERACT Secretariat and the INTERACT Points;
- It may propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Structural Funds' objectives referred to in Article 3 of Regulation 1080/06 or to improve its management, including its financial management;
- It shall approve the steps to be taken, if any, or the response to the Commission following the annual review of the programme between the Managing Authority and the European Commission;
- It shall approve the use of technical assistance funds;
- It shall approve the communication plan for the programme to be implemented by the INTERACT Secretariat.

- Monitoring, evaluation, reporting

- It shall annually review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority;
- It shall examine the results of implementation, particularly the achievement of the targets set for each priority axis, for the INTERACT Secretariat and for the INTERACT Points, as well as the evaluations referred to in Article 48 pt. 3 of Council Regulation 1083/06;
- It shall be informed of the annual control report, and of any relevant comments the Commission may make after examining that report;

- It shall consider and approve the annual and final reports on implementation acc. to Article 67 of Council Regulation 1083/06 prior to submission to the European Commission;
 - It shall monitor the INTERACT II Programme implementation, based on the financial reports of the Managing System (Managing Authority, INTERACT Secretariat and INTERACT Points).
- **Allocation of funds**
- It shall decide on the allocation of funds to operations specified in the Multi-annual Work Programme and in the Annual Work Plans.
 - It shall consider and approve any proposal to amend the content of the Commission decision on the contribution from Funds.
- **Organisational arrangements**
- The Monitoring Committee shall meet at least once a year. Decision-making in the Monitoring Committee will be – unless otherwise decided in its rules of procedure – by consensus among its members, where each delegation shall speak with one voice. When required, decisions may be taken via written procedure. At its first meeting the Monitoring Committee shall establish its own Rules of Procedure including any appropriate organisational arrangements whereas due attention should be given to efficient working structures.
 - The members of the Monitoring Committee shall be appointed by the respective authorities or institutions within 3 months of the approval of the operational programme. In case of the Non Member States, participation in the Monitoring Committee should be based upon a letter of intent.
 - Before the first meeting of the Monitoring Committee the Member States shall appoint by consensus the chair of the Monitoring Committee for a period to be defined in the Rules of Procedure.
 - Generally, travel costs of Member States representatives of the Monitoring Committee shall not be eligible for co-finance. Exceptionally travel costs for representatives from neighbouring countries may be reimbursed (upon prior notification to and decision of the chair).
 - The working language in the INTERACT II Programme is English. As for any written results/outputs achieved by INTERACT, the Monitoring Committee may decide on translation according to the financial resources given and taking into consideration the time needed for translation.
 - The Monitoring Committee may decide to set up other advisory groups or decide on other organisational arrangements in order to support an efficient implementation of the programme.

Managing Authority

The Member States participating in the INTERACT II Programme have appointed the

Bratislava Self-governing Region

**Sabinovska 16
820 05 Bratislava 25
Slovak Republic**

Phone: 00421 2 48264151, 48264225

Fax: 00421 2 48264397

E-Mail: interact@region-bsk.sk

to act on their behalf as Managing Authority according to Article 59 of Council Regulation 1083/06.

Within the meaning of Article 60 lit. a-k of Regulation 1083/06 and Article 15 of Council Regulation 1080/06, the Managing Authority is ultimately responsible for the efficiency and correctness of management and for implementation of the operational programme in accordance with the principle of sound financial management. This includes the responsibility for the overall coherence and coordination of the programme.

In order to enable the Managing Authority to assume this responsibility in a context where national jurisdiction cannot be applied, legal arrangements with all participating Member States will be signed. These will specify the division of work between the trans-national and the national level and include the division of tasks and responsi-

bilities of the Managing Authority, the Member States and – where applicable – the beneficiaries concerning payment procedures, monitoring, financial control and contractual obligations.

The Managing Authority shall be responsible in particular for:

- **Implementation, compliance, coherence of the INTERACT II Programme**
 - o Safeguard the overall coherence and fulfilment of the programme;
 - o Provide coherence and co-ordination of the actions taken in the programme;
 - o Guide the work of the Monitoring Committee and prepare and implement strategic decisions of the Monitoring Committee;
 - o Adjust the programme at the request of the Monitoring Committee ;
 - o Set up a system for handling and distributing information on the overall programme to the relevant institutions and bodies involved in Territorial Cooperation (in close cooperation with the Monitoring Committee);
 - o Actively promote the involvement of pre-accession countries and other countries eligible for the Instrument for Pre-Accession (IPA).

- **Contracting and provisions for financial control**
 - o Ensure that an adequate control system is set up in accordance with Article 16 of Regulation 1080/06 and that an adequate audit trail is kept;
 - o Ensure that the Managing System makes adequate provisions for financial reporting (monitoring) and sound financial management (control) and for the forwarding of these data to the Monitoring Committee;
 - o Ensure an efficient system of internal financial control;
 - o Contract and supervise the INTERACT Secretariat;
 - o Contract and supervise the INTERACT Points.

- **Reporting, evaluation**
 - o Organise the evaluation process for the programme;
 - o Draw up and, after obtaining approval of the Monitoring Committee, submit the annual and final implementation report to the Commission.

Certifying Authority

The function of the Certifying Authority according to Article 61 of Council Regulation 1083/2006 and Article 14 pt. 1 of Regulation 1080/2006 will be carried out by the

Ministerstvo financií Slovenskej republiky (Ministry of Finance of the Slovak Republic)
Sekcia európskych a medzinárodných záležitostí
Štefanovičova 5
P.O. Box 82
817 82 Bratislava
Slovak Republic

Tel.: 00421 2 59583332
Fax: 00421 2 59583353
E-Mail: marcela.zubriczka@mfsr.sk

The certification of statements of interim and final expenditure referred to in Article 61 pt. b of Council Regulation 1083/06 will be drawn up by a person within the Certifying Authority that is functionally and in personnel independent from any services that approves payment claims.

The Certifying Authority is responsible for:

- Management of ERDF-Funds and national contributions;
- Drawing up and submitting to the European Commission certified statements of expenditure and payment applications;
- Receipt of payments from the Commission;
- Receipt of the ex-ante national contributions;
- Monitoring of commitments and payments at the programme level;
- Monitoring of the financial programme implementation;
- Execution of Payments of ERDF-Funds and national co-finance to the beneficiaries in accordance with Article 80 of Council Regulation 1083/06;
- Ensuring that any amount unduly paid as a result of an irregularity is recovered from the beneficiary in accordance with Article 17 of Regulation 1080/06.

The ERDF contribution as well as the national ex-ante co-finance will be paid to a single account in the name of the Certifying Authority.

Audit Authority

The function of the Audit Authority according to Article 62 of Council Regulation 1083/06 will be carried out by the

Ministerstvo financií Slovenskej republiky (Ministry of Finance of the Slovak Republic)
Sekcia auditu a kontroly medzinárodných finančných zdrojov
Štefanovičova 5
P.O. Box 82
817 82 Bratislava
Slovak Republic

Phone: 00421 2 59582145
Fax: 00421 2 59583146
E-Mail: iveta.turcanova@mfsr.sk

The **Audit Authority** is responsible for ensuring the audits to verify the effective functioning of the management and control system of the operational programme. As for INTERACT II, the Audit Authority shall be assisted by a **group of auditors** according to Article 14 pt. 2 of Regulation 1080/06 comprising a representative from each Member State hosting a beneficiary of the INTERACT Programme.

The Audit Authority assisted by the Group of Auditors is responsible for:

- deciding on the audit strategy for the operational programme
- ensure that audits are carried out taking account of internationally accepted audit standards
- submitting to the European Commission an annual control report setting out the findings of the audits carried out and forwarding
- issuing an opinion as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct.

In accordance with Article 71 pt. 3 of Council Regulation 1083/06 the Audit Authority shall draw up in consultation with the group of auditors the report and the opinion referred to in Article 71 pt. 2 of Council Regulation 1083/06.

INTERACT Secretariat

Without prejudice to the global responsibility of the Managing Authority according to Article 60 of Council Regulation 1083/06, the Managing Authority will be supported by a Joint Technical Secretariat, called INTERACT Secretariat, in the implementation of its tasks within the meaning of Article 14 pt. 1 of Regulation 1080/06. The INTERACT Secretariat is located in Vienna and will be moved to Bratislava during the programming period. It will be contracted and supervised by the Managing Authority.

The tasks of the INTERACT Secretariat exceed the functions of technical secretariats in programmes funded by the European Regional Development Fund: due to the specific nature of INTERACT II, the INTERACT Secretariat will – in addition to technical support functions – also act as implementing body. The INTERACT Secretariat will act as coordinator of the Managing System, and by virtue of this function inform, facilitate, enable and co-ordinate the implementing structures of INTERACT II.

The tasks of the INTERACT Secretariat comprise

- Technical Management Functions (Priority 2)

- o to support the Managing Authority and, where appropriate, the Audit Authority respectively the Group of Auditors in the implementation of their tasks;
- o to support the Monitoring Committee in the implementation of its tasks (organisation of meetings, drafting of minutes etc.);
- o to prepare and implement operational decisions of the Monitoring Committee;
- o to co-ordinate, co-operate and monitor progress made by INTERACT Points through collecting and checking thematic reports, monitoring outputs and financial implementation;
- o to elaborate the annual and final implementation reports;
- o to provide information and publicity on the programme and its operations.

- Operative functions for programme implementation (Priority 1)

- o To coordinate and contribute to the drafting of the Multi-annual Work Programme and the Annual Work Plans;
- o to coordinate the development of operations for Priority 1, together with the INTERACT Points;
- o to act as an implementing body, especially for internal service functions of the programme and horizontal issues such as information and knowledge management, communication strategy and public relations etc.;
- o to lead the strategic coordination within the Communication Group and the quality management within the Quality Group;
- o to manage the development and implementation of the INTERACT Communication System;
- o to liaise with the implementing authorities, the European Commission and other Territorial Co-operation programmes acc. to Article 6 pt. 1-3 of Regulation 1080/06;
- o to co-operate with organisations, institutions and networks relevant for the objectives of the programme.

With reference to chapter 5.6, the INTERACT Secretariat might as well provide services to ENPI-support structures on the basis of specific contractual relationships with the European Commission (DG External Relations/ DG Europe Aid). Further details will be specified in the Multi-annual Work Programme.

INTERACT Points

The challenge for INTERACT II is to streamline the delivery system at the one hand and, at the other hand, to pursue continuity and effectiveness in service delivery and communication. Based on the experiences from INTERACT I, there will be altogether four INTERACT Points. Whereas the INTERACT Points in Valencia (ES), Viborg (DK) and Vienna (AT) will be maintained, an additional INTERACT Point will be established in Turku (FI), already having operated as branch office of the INTERACT Point in Vienna during INTERACT I.

The INTERACT Points will continue to be embedded in public institutions as this is the case in INTERACT I. The INTERACT II Managing Authority will conclude new contractual agreements with the legal body of the hosting institution which act as **beneficiary** in the meaning of Article 2 pt. 4 of Council Regulation 1083/06.

As beneficiaries they will

- sign the agreement with the INTERACT Management Authority;
- charge the respective INTERACT Point with the implementation of operations – in cases where they do not carry out this function themselves;
- receive ERDF and national co-finance (raised on an ex-ante basis) from the Certifying Authority
- safeguard the correct use of ERDF and national contributions and assure correct payment procedures in the implementation phase;
- take the necessary measures for financial control according to the Article 16 of Regulation 7851/06;
- select and contract the Staff of the INTERACT Point in close consultation with the Managing Authority and the INTERACT Secretariat. The number of staff and the staff profile will be duly considered and defined in the Multi-annual Work Programme (see below);
- inform to the INTERACT Managing Authority and the INTERACT Secretariat about relevant issues.

The decentralised INTERACT Points will actually deliver the INTERACT II services described in Chapter 4.1 to the target groups. Therefore the INTERACT Points will be endowed with their own annual budgets and be consistently staffed both in terms of number of employees and professional/academic profiles required. They will contribute to the development of the Multi-annual Work Programme and be drafting their part of the Annual Work Plans in cooperation with the INTERACT Secretariat.

They shall be directly attributed to a **Regional Network encompassing the cross-border programmes in a delimited geographical space**. Regional Networks are subsets of the overall network of target groups/contributors. Each INTERACT Point will focus its service delivery on the target group within “its” geographical area/Regional Network and will be responsible for assessing their needs on a regular basis (e.g. see National Contact Persons-network) and – in strong and efficient coordination with all INTERACT Points and the INTERACT Secretariat – decide on how to meet their needs. The Regional Networks are the key accounts for the respective INTERACT Point and their first address if they want to benefit from or to contribute to the network. A well defined and facilitated feedback system shall involve target groups and ensure the relevance of the services offered. The INTERACT Point will also be responsible for the quality, balance and consistency of the INTERACT services provided in its area. The attribution of Regional Networks to the INTERACT Points will be defined in the Multi-Annual Work Programme.

Considering their specific character, **the trans-national programmes, the interregional programme and IPA will be attributed to the one INTERACT Point which the Monitoring Committee** deems to be the most suitable one.

This means that the INTERACT Points play a dual role in the meaning of a matrix organisation:

- All INTERACT Points deliver all products and services generated in the Managing System, at the same level of quality, and customised to the geographical area of “their” Regional Network.
- At the same time, single INTERACT Points may be entrusted individual tasks relating to a specific type of programme (trans-national, interregional, IPA).

The definite attribution of responsibilities to the INTERACT Points will be laid down in the Multi-Annual Work Programme.

Vice versa, the INTERACT Point will be the first contact for the stakeholders located in its geographical area or belonging to a specific type of programme (trans-national programmes, interregional cooperation, IPA). This attribution does not exclude that services will be provided by INTERACT Points outside their focus area or focus theme according to the needs and making best use of particular expertise of an INTERACT Point. This flexibility will be arranged case by case, in order to ensure a better knowledge exchange and wider networking occasions between all actors involved. In any case each service provided by INTERACT II is anyhow meant to be for the benefit of all immediate addressees and all Member States.

National Contact Persons

Each Member State, associated non-member country and IPA country is invited to appoint one key person as a National Contact Person (**NCP**). The National Contact Person shall play an important role as information broker between the respective State and the INTERACT Managing System and vice-versa. It shall as well seek strong links with National Contact Points possibly existing for other Structural Funds Programmes in the respective State. The network of National Contact Persons provides feedback and helps to identify and to localise needs. National Contact Persons supposedly reach a larger range of addressees in his/her country than the INTERACT Point could on its own.

The selection of National Contact Persons will be the responsibility of each Member State. According to national procedures and requirements they are asked to select one institution and a key person responsible for and dealing with territorial cooperation in a Member State. In order to ensure short communication links, it is recommended to nominate the National Contact Person from the same institution or organisational unit as the Monitoring Committee representative. The National Contact Person should assume this task for a longer period, in order to secure continuity. The Monitoring Committee will formally confirm the entire list of National Contact Persons based on the Member States selection. As the costs for National Contact Persons would have to be covered by the Member States, they will assign to them those tasks among the following list of examples, which they deem to be most important and useful for them:

- National dissemination of information:
 - general programme information;
 - announcement of events, tenders etc.

- Support to content generation and development:
 - identification of topics through the prism of national interests;
 - inputs to the elaboration of the Multi-annual Work Programme and the Annual Work Plans;
 - feedback on INTERACT Point activities, studies and conferences;
 - reflection on specific theme- or area-based issues in a trans-national context (possibly in groupings of NCPs);
 - assisting the INTERACT Points and the INTERACT Secretariat in their search for national contacts or country-specific information;
 - supporting quality control by screening draft products for mistakes or possible misinterpretations from a national point of view;
 - providing suggestions for improving the quality of products developed etc.

- Support to content dissemination and localisation:
 - inputs to the elaboration of the information and communication strategy;
 - translating materials and outcomes achieved – not only in linguistic terms but also in terms of readability and applicability for national, regional and local users;
 - transferring results achieved under INTERACT I to a wider range of institutions and players at national level and supporting their localisation into different geographical areas and languages.

5.3.2 OPERATIONAL COORDINATION

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

The Multi-annual Work Programme

The INTERACT Secretariat in cooperation with the designated INTERACT Points shall draw up a single and Multi-Annual Work Programme, including a financial plan, for the whole implementation period (2007–2013) within 6 months after approval of the operational programme by the European Commission, The Multi-Annual Work Plan shall be approved by the Monitoring Committee.

Annual Work Plans

The Multi-Annual Work Programme will be specified in Annual Work Plans and encompass the activities of the whole Managing System. The content, tasks and budget are annually specified for the INTERACT Secretariat and each INTERACT Point. Each Annual Work Plan shall be approved by the Monitoring Committee.

Coordination Group

The strategic coherence in programme implementation is ensured by the Coordination Group. It is composed of the responsible team leaders of the Managing Authority, the INTERACT Secretariat and the INTERACT Points. The Communication Group will fulfil strategic functions with respect to the coordinated programme development and delivery. The European Commission may be contacted by the Coordination Group for contributing with suggestions to specific issues. The Monitoring Committee will be informed about the meetings of the Coordination group and their outcomes.

Quality Management

The Coordination Group, other permanent or temporary Work Groups comprising staff members of the INTERACT Secretariat and from all INTERACT Points, as well as a Quality Assurance Manager seated in the INTERACT Secretariat, will reinforce the rigorous quality management in internal coordination and external service delivery. Quality Management will focus on ensuring and improving joint quality standards within the Managing System, but as well for the relationships with target groups. It is evident that quality management will be a horizontal task for each staff member in the units mentioned, however it is advisable to nominate one person in each unit to take the lead for such a task. Quality Management will be carried out in close contact with the European Commission.

5.4 COOPERATION WITH NEIGHBOURING NON-MEMBER COUNTRIES

It is a key interest of INTERACT to promote the active participation of neighbouring countries Norway and Switzerland. INTERACT II is to become one of the tools to present and transfer the complete range of Territorial Cooperation know-how to interested countries as well.

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

- will be invited to participate as observers in the meetings of the Monitoring Committee (upon invitation of the chairman);

- will be kept informed of work progress, i.e. they receive all documents drafted and circulated to the Monitoring and Steering Committee.

Norway and Switzerland become associated countries and full members of the Monitoring Committee when they contribute financially to the programme.

5.5 COOPERATION WITH IPA COUNTRIES

Since the pre-accession assistance for the cooperation between potential candidate countries and EU Member States will be more towards the modalities of the European Territorial Cooperation objective, INTERACT II will provide full services for all Member States participating in IPA programmes. Non-Member State Partners in IPA programmes are invited to participate in INTERACT as outlined in chapter 5.4.

5.6 INTERFACES WITH ENPI

As for ENPI, DG Europe Aid is responsible for the ENPI cross-border cooperation programmes. These programmes will be implemented following the rules set out in the ENPI regulation and in the relevant Commission CBC implementing regulation. Aiming at the best possible use of resources and a harmonization of operational and structural features for managing territorial cooperation between INTERREG and ENPI, DG External Relations and DG Europe Aid will provide funding for INTERACT II for services to be delivered to ENPI partners. This will be ensured by a mutual agreement between DG External Relations/DG Europe Aid and the Managing Authority of INTERACT II. The resources will allow for establishing ENPI structures which shall be linked up to the INTERACT structures and communication flows.

5.7 FINANCIAL MANAGEMENT AND CONTROL

Control activities according to Article 16 of Regulation 1080/06 shall be fulfilled at national level, including control of national and EU funds, within the national frameworks and therefore lie in the responsibility of each Member State. As for INTERACT II, these kinds of national financial management and control responsibilities only apply to Member States hosting beneficiaries of the INTERACT II Programme. For this purpose, the relevant Member States shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation. The Member States concerned shall guarantee that the expenditure can be validated by the controllers within a period of three months.

These provisions shall ensure that the Managing and Certifying Authority is able to fulfil the implementation of the programme and to ensure that Community Funds and national co-financing funds are used efficiently and correctly and that assistance is managed in accordance with all the applicable Community rules and in accordance with the principle of sound financial management. The Member States hosting beneficiaries will provide the Managing Authority with a detailed description of the financial control systems they have installed.

Further details will be set out in the description of the management and control systems according to Article 71 of Council Regulation 1083/06.

5.8 MONITORING, REPORTING AND EVALUATION

5.8.1 MONITORING

The Managing Authority and the Monitoring Committee shall ensure the quality of the implementation of the INTERACT II Programme. The Managing Authority and the Monitoring Committee shall carry out monitoring by

reference to financial indicators and the indicator framework outlined in Chapter 7. Due to the nature and focus of INTERACT II it is necessary to develop a limited set of aggregate indicators which reflect the general objectives of the programme (e.g. broad dissemination of know-how, motivation of potential players, improvement and development of trans-national management tools, etc.). The INTERACT Secretariat collects the relevant data with the support of the INTERACT Points. The information forms the basis of regular inputs on the strategic discussion at programme level.

The monitoring system will fulfil the requirements according to Article 65 to 68 of Council Regulation 1083/06 as far as they are applicable to this special programme. The monitoring information forms an important basis for the interim evaluation.

5.8.2 ANNUAL AND FINAL IMPLEMENTATION REPORTS AND ANNUAL CONTROL REPORT

The Managing Authority submits annual reports and a final report on implementation to the Monitoring Committee for consideration and approval before sending it to the Commission according to Article 67 of Council Regulation 1083/06. In addition, the Monitoring Committee will as well receive information on the annual control report provided by the Audit Authority according to Article 62 pt. 1 lit. d para (i).

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

5.8.3 EVALUATION

The **ex ante evaluation** according to Article 48 pt. 2 of Council Regulation 1083/06 was carried out accompanying the drafting process of the operational programme (see chapter 0).

An **ongoing and formative evaluation** accompanying the implementation can be commissioned by the Managing Authority on decision of the Monitoring Committee. It would focus particularly on qualitative categories in order to contribute to the assessment of the impacts of INTERACT II. Important categories in terms of evaluation are:

- consistency of the quality management, including the acceptance and use of recommended procedures and tools;
- geographical balance of operations and customer relationships;
- degree of involvement of all relevant stakeholders;
- capacity and viability of the regional networks and degree of active involvement of target groups/contributors;
- the level of cross-strand awareness: transfer and use of the know-how gained under the three strands of Territorial Cooperation;
- dissemination of useful and effective management techniques among Territorial Cooperation managing bodies;
- quality of collaboration with IPA and involvement of relevant stakeholders of candidate countries;
- outreach and impact of networking activities on neighbouring countries, other programmes, multilateral organisations and the scientific community dealing with territorial development issues.

A **mid-term evaluation** of the programme shall be carried out in 2010.

The **ex post evaluation** will be carried out in accordance with the provisions of Article 49 pt. 3 of Council Regulation 1083/06.

5.9 DESCRIPTION OF THE AGREEMENT ON DATA EXCHANGE

According to Article 66 pt. 3 and 76 pt. 4 of Council Regulation 1083/06 data exchange between the Commission and the INTERACT Managing System shall be carried out by electronic means. Therefore, the computer system for exchange of data established by the European Commission according to Section 7 of Commission

Regulation 1828/06 shall be used provided its compatibility with the special character of the INTERACT Programme. In case of *force majeure*, and in particular of malfunctioning of the computer system for data exchange or a lack of a lasting connection, the bodies designated for managing and implementing INTERACT II will forward to the Commission the documents required in hard copy. As soon as the cause of *force majeure* ceases, the corresponding documents shall be recorded into the computer system for data exchange without delay.

6 COMMUNICATIONS STRATEGY

6.1 PURPOSE OF THE COMMUNICATIONS STRATEGY

As a specific support programme, the core of the INTERACT Programme is to set up knowledge and communications networks, to proactively disseminate information and to provide platforms that stimulate exchanges of experience.

The Managing Authority is responsible for the development of the Communications Strategy, as an integral part of the implementation of the programme. The INTERACT Secretariat will carry out this function on its behalf in cooperation with the European Commission and the INTERACT Points. Thanks to the unique structure and focus of the INTERACT II Programme and the fact that communication lies at the heart of INTERACT Programme activities, the Communications Strategy is likely to be more complex in nature compared to other Structural Funds programmes which, subsequently, makes raising awareness with the general public more challenging.

The Communications Strategy will encompass information and publicity requirements²² as well as the implementation of the communication-focussed structures in the managing system described above (e.g. Communications Group and Quality Group) and the elaboration of various action plans for internal and external communications throughout the programming period. It will reflect the need for a responsible and flexible approach with pragmatic implementation models.

6.2 COMMUNICATION PLAN

The Communications Strategy of INTERACT II will consist of the communication plan which will in turn be supported by various action plans (e.g. developed in the Annual Work Plans or through meetings of the Communications Group). The initial communication plan will primarily, but not exclusively, be developed to meet the requirements of Article 69 of Council Regulation 1083/06.

The INTERACT Secretariat will, on behalf of the Managing Authority, develop the communication plan within four months²³ of the adoption of the INTERACT II Programme and also be responsible for its implementation together with the INTERACT Points.

The communication plan will cover the elements described in Article 2 pt. 2 of Commission Regulation (EC) N°1828/2006²⁴, give an overview of the main tools and strategies developed for INTERACT I and their integration into the Communications Strategy for INTERACT II and give a preliminary indication of specific tools, measures and strategies to be developed specifically for INTERACT II with an increased focus on quality control and feedback mechanisms as described above/below.

As the communication plan will be submitted to the European Commission within four months of the adoption of the INTERACT Programme it is worth highlighting aspects of the communication plan which will be implemented shortly after adoption of the operational programme and prior to the examination of compatibility by the European Commission. These are:

- Promoting a common corporate identity for European Territorial Cooperation: INTERACT has contributed to a common corporate identity, but it needs to be further developed so as to

²² Set out in Council Regulation (EC) No 1083/2006 and Regulation (EC) No 1080/2006.

²³ See Article 3 of Commission Regulation (EC) N° 1828/2006

²⁴ Article 2: The communication plan shall include at least the following: (a) the aims and target groups; (b) the strategy and content of the information and publicity measures to be taken by the Member State or the managing authority, aimed at potential beneficiaries, beneficiaries and the public, having regard to the added value of Community assistance at national, regional and local level; (c) the indicative budget for implementation of the plan; (d) the administrative departments or bodies responsible for implementation information and publicity measures; (e) an indication of how the information and publicity measures are to be evaluated in terms of visibility and awareness of operational programmes and of the role played by the Community.

consider regulatory requirements on the one hand and reflect the revised managing system on the other hand.

- Development of the INTERACT Website:
The existing INTERACT Website has become a gateway to information on INTERREG. The website will be further developed both on a quantitative and qualitative level.
- Information activity publicising the launch of the operational programme:
A major information activity will be organised by the INTERACT Secretariat, on behalf of the Managing Authority, in cooperation with the European Commission and the INTERACT Points.

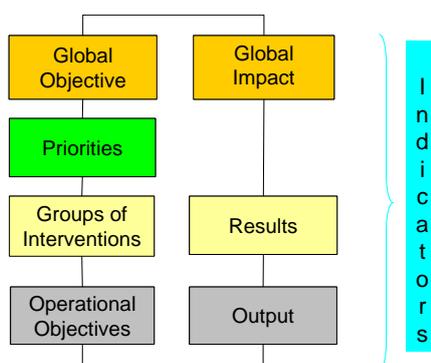
7 INDICATORS FOR MONITORING AND EVALUATION OF THE PROGRAMME

7.1 THE INDICATOR FRAMEWORK FOR INTERACT II

Monitoring and evaluation of INTERACT II will be carried out on the basis of an indicator framework set out from the beginning, but open to adaptations in the course of the programme in order to match the information flows with the real requirements in terms of quality control, impact monitoring and strategic management of the programme.

Concerning the relationship between the indicator framework and the objective tree of INTERACT II, the following overview 6 shows that the impact indicators correspond to the level of global objectives, the result indicators correspond to the five groups of interventions: Resources, Cooperation, Dissemination and Publicity, Quality Management and Technical Assistance, whereas the output indicators refer to the level of groups of interventions and the activities under these headings.

Overview 6: The logical relations between Objectives, Targets, Output, Results and Impacts



Some operations implemented in INTERACT II will lend themselves to quantification (e.g. numbers of visits to web sites, number of participant days in trainings, seminars and workshops, numbers of direct contacts generated, visits for project development, etc). In accordance with art. 12.4 of Commission regulation (EC) No 1080/2006 a detailed description of outputs and results indicators is provided in the following sections of this chapter. Furthermore in section 7.3.3 a quantification of outputs and results indicators for the whole programme implementing period is presented. However this quantification will not provide a sufficient picture of the overall achievements of INTERACT II. It will primarily give a representation of the programme potential in terms of variety of products and services as well as target groups reached.

This implies that monitoring and evaluation activities have to place emphasis upon qualitative aspects, mainly referring to the question “to what extent and in what way the output of the programme is effectively used by the target groups”. Furthermore, the impact indicators have exclusively qualitative character. They will be explored by periodic surveys, focus groups or in form of a programme Mid Term Evaluation.

In the course of the mid-term evaluation of INTERACT I, the team of evaluators, together with the Managing Authority, the INTERACT Secretariat and an additional expert, elaborated an enhanced indicator framework²⁵, which is now successfully implemented in INTERACT I. With the Groups of Intervention, INTERACT II takes on the logical structure of this framework and construes the indicator framework for INTERACT II on its basis. However, not all definitions have been taken over unchanged. Several definitions had to be adapted and are

²⁵ EPRC: Mid-Term Evaluation of the INTERACT 2002-06 Community Initiative Programme. Part II: Preparation of an Enhanced Indicator Framework. July 2005.

therefore new, such as the distinction between “knowledge base” and “tools” under the operational objective “Resources”.

The framework distinguishes between **static and dynamic indicators**:

- **Static indicators** describe stable features of an INTERACT entity such as the geographical scope of its activities. These are collected once.
- **Dynamic indicators** quantify anything delivered progressively across the course of the entity’s activities. Targets are collected at the start and achievements at the end of the initiative. These indicators must be updated regularly during implementation.

The indicator framework sets out a list of indicators according to the groups of intervention foreseen in this programme. However, a more detailed definition of output indicators will be done during the elaboration of the Multi-annual Work Programme.

The Quality Group is expected to regularly review the validity and relevance of the indicators and to adapt them to the requirements of effective programme management.

7.2 SPECIFIC OUTPUTS AND EXPECTED RESULTS PER GROUP OF INTERVENTION

As a first stage for indicator building, the following overview 9 determines the relationships between the activities carried out in the five groups of intervention, their specific outputs and related results expected. The assumptions that and in which way the output would generate the expected results are presented in the impact monitoring charts further below (overview 9a-e).

Overview 7: Priority 1 with its specific results and specific outputs

Operational Objectives	Expected results	Specific Output
RESOURCES		
<p><u>Knowledge base</u></p> <p>To set up and to maintain a sound, comprehensive and commonly accessible knowledge base for territorial cooperation and related issues.</p> <p><u>Tools</u></p> <p>To provide user-friendly handbooks and e-tools as well as standard procedures for the implementation of territorial cooperation.</p>	<p>Applied studies and surveys and the web-based database provide broad and context-specific knowledge about territorial cooperation programmes, areas, key stakeholders and their needs in capacity and institution building, and the whole array of INTERACT products and services.</p> <p>Development and maintenance of web-based database easily accessible for programme management bodies and containing a variety of model and reference documents relating to questions of territorial Co-operation programme management</p> <p>Exemplified models of good governance in territorial cooperation, concerning different thematic aspects, as well as socio-economic, political, institutional and geographical contexts, are elaborated, exemplified by good practice case studies, acknowledged and discussed by concerned stakeholders.</p> <p>Programme and project management tools and standard procedures are constantly updated, customised, tested and made available to stakeholders in territorial cooperation.</p>	<p>Studies and surveys</p> <p>Material sets (published training courses, conference proceedings and a collections of useful materials from territorial cooperation programmes)</p> <p>Web resources (such as data bases, electronic archives and web portals but no single documents)</p> <p>General information service (hotline)</p> <p>Technical dossiers on diverse aspects of good governance in territorial cooperation, exemplified through good practice case studies</p> <p>Refined and updated tools developed under INTERACT 2000 – 2006 (e.g. handbooks)</p> <p>New tools developed (User-friendly and standardised tools and procedures for cross-border, transnational and interregional programme management and project development)</p>

COOPERATION		
<p><u>Network Coordination</u></p> <p>To set up, manage and animate the network of INTERACT target groups/contributors and to intensify networking links to external partners and institutions involved or interested in European Territorial Cooperation.</p> <p><u>Exchange and Transfer</u></p> <p>To enhance the physical exchanges, mutual learning and transfer of know-how between institutions, bodies and persons directly involved in the realisation of territorial cooperation programmes and projects under the European Territorial Cooperation objective, with associated non-member countries and IPA countries.</p>	<p>All INTERACT Points offer and deliver the whole range of products and services, according to the needs of the target groups in their respective areas, and to their high satisfaction. The Programme serves the European wide community with a cross strand and cross programme approach</p> <p>Relevant external institutional partners and networks are encouraged to link up and to participate in the INTERACT Managing System</p> <p>The target groups of INTERACT II are enabled and encouraged to participate and actively contribute in the two-tier network</p>	<p>Two tier network set-up and coordination</p> <p>Enhancement and maintenance of external networking</p> <p>Workshops and seminars</p> <p>E-workshops</p> <p>Advisory services</p> <p>Creation and maintenance of thematic networks and networks of professionals</p> <p>Framework for facilitating active participation in laboratory groups and pilot networks</p> <p>Conferences</p>
DISSEMINATION AND PUBLICITY		
<p><u>Dissemination and Publicity</u></p> <p>To ensure the large dissemination of INTERACT products and services among target groups and an overall broad recognition of the programme achievements to all interested stakeholders.</p>	<p>The activities undertaken to promote and to communicate about European Territorial Cooperation programmes and INTERACT leads to broad dissemination of web-based and written products of INTERACT II in all objective 3, associated non-member countries and IPA areas.</p> <p>INTERACT is well known among stakeholders involved in territorial cooperation and the public interested in European affairs.</p>	<p>Web Portal</p> <p>Distribution of written publications</p> <p>Publication of a regular newsletter</p> <p>Distribution of publicity materials (announcements, posters, flyers)</p> <p>Promotional activities</p> <p>Proactive communication from INTERACT points to programme management bodies informing about availability of new INTERACT products</p>

QUALITY MANAGEMENT		
<p><u>Quality Management</u></p> <p>To set up and enforce rigorous quality management ensuring the coherence, usefulness and viability of all kind of products and services provided under INTERACT II as well as of communication flows, competence nodes and the enabling process itself.</p>	<p>The quality management ensuring harmonized internal procedures and clear requirements for certifying any action taken by beneficiaries/contributors on behalf of the INTERACT network, is well established and consistently implemented.</p> <p>The products and services offered by INTERACT II are validated and adapted according to the various institutional contexts of target groups.</p>	<p>Coordination Group and other permanent work groups established and meeting regularly</p> <p>Quality Assurance Manager is employed and fully operational</p> <p>Manuals describing standardised core processes</p> <p>INTERACT products providing accurate guidance to Target group</p> <p>A certification scheme for contributors (thematic or pilot networks)</p> <p>Internal staff trainings</p> <p>A functioning network of National Contact Persons</p> <p>Focus groups with stakeholders of territorial cooperation programmes</p> <p>Systematically collected feedback on all INTERACT services and products</p>

Overview 8: Priority 2 with its specific results and specific outputs

Specific Target	Expected results	Specific Output
TECHNICAL ASSISTANCE		
<p><u>Technical Assistance</u></p> <p>To implement efficiently and effectively preparatory, management, monitoring, evaluation, information and control activities and activities to reinforce the administrative capacity for implementing the funds.</p>	<p>The INTERACT II Programme is implemented in a smooth, regular manner, without endogenous financial, administrative constraints and without major objections from the Monitoring Committee or the European Commission, and the programme management is able to cope with unanticipated exogenous disturbances.</p>	<p>All components of the managing system set up</p> <p>Monitoring Committee and other key committees meeting regularly</p> <p>Required programme documents (multi-annual work programmes, annual work plans, annual implementation reports), as well as financial and technical reports delivered in time</p> <p>Strategies agreed and reports approved by the Monitoring Committee</p>

7.3 INDICATORS FOR MONITORING AND EVALUATION

This section provides output, result and global impact indicators, which shall be developed and elaborated further at later stages, when the operations are defined and prepared in the Multi-annual Work Programme and in the Annual Work Plans of the Managing System. The present framework is to be regarded as a starting point in this process.

7.3.1 STATIC INDICATORS

The list of static indicators has originally been taken from the “Enhanced Indicator Framework”²⁶ and is adapted to the INTERACT II Programme. The list represents indicators which do not change over time and which are recorded only once. They are gauged at the level of the INTERACT Managing System:

- Number of INTERACT Points and INTERACT Secretariat
- Countries benefiting directly
- Languages used actively
- Strands (cross-border, trans-national, interregional)
- Scope (focused at the INTERREG programme or project or both)
- Impact on the environment (neutral, positive, environment-focussed)
- Impact on gender mainstreaming (neutral, positive, gender-focussed)

7.3.2 DYNAMIC INDICATORS

The list of dynamic indicators has originally been taken from the “Enhanced Indicator Framework”, but some changes have been introduced due to the new logical framework of the programme’s objectives and activities, categorized under five groups of intervention.

The following impact monitoring charts (overviews 10a-e) depict (from left to right):

- The presumed output
- The output indicator
- The assumption how the output would be used in order to produce the expected results
- The expected result
- The result indicator
- The expected impact

Each group of intervention is displayed on one chart, and there is one chart per page. The impact corresponds to the level of the global objective and is constant over all groups of intervention.

The assumptions, how the results should contribute to the expected impact are not shown here. Some of them have been laid down in the “theory of action of the INTERACT Community Initiative”²⁷.

According to the methodology called “Process Monitoring of Impacts”²⁸, the assumptions connecting outputs with results, and results with impact, should be continuously reflected (within the Managing System, and in the focus groups built in the quality management device) and improved, if deemed necessary.

Overview 9a: Indicators for RESOURCES

Overview 9b: Indicators for COOPERATION

Overview 9c: Indicators for DISSEMINATION AND PUBLICITY

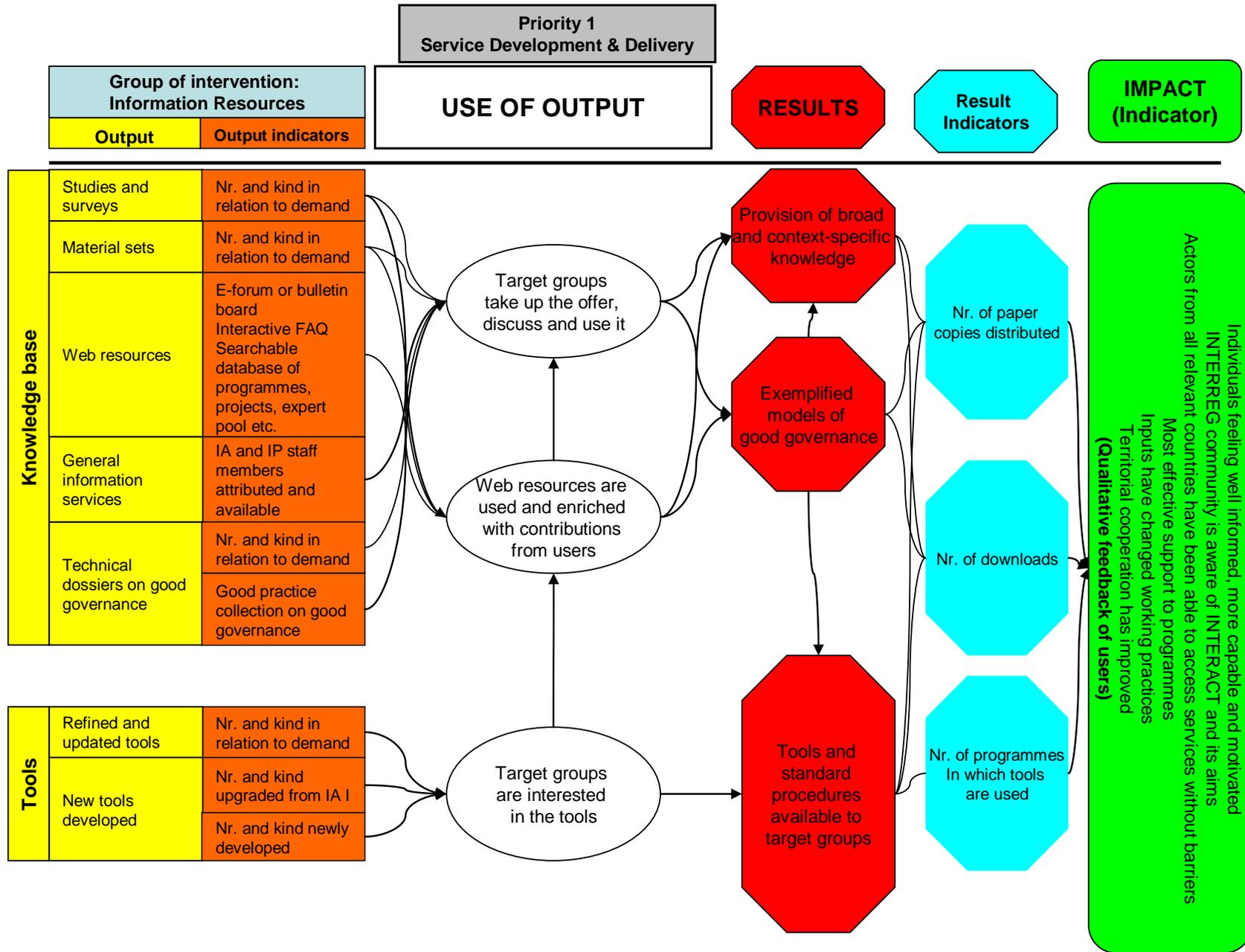
Overview 9d: Indicators for QUALITY MANAGEMENT

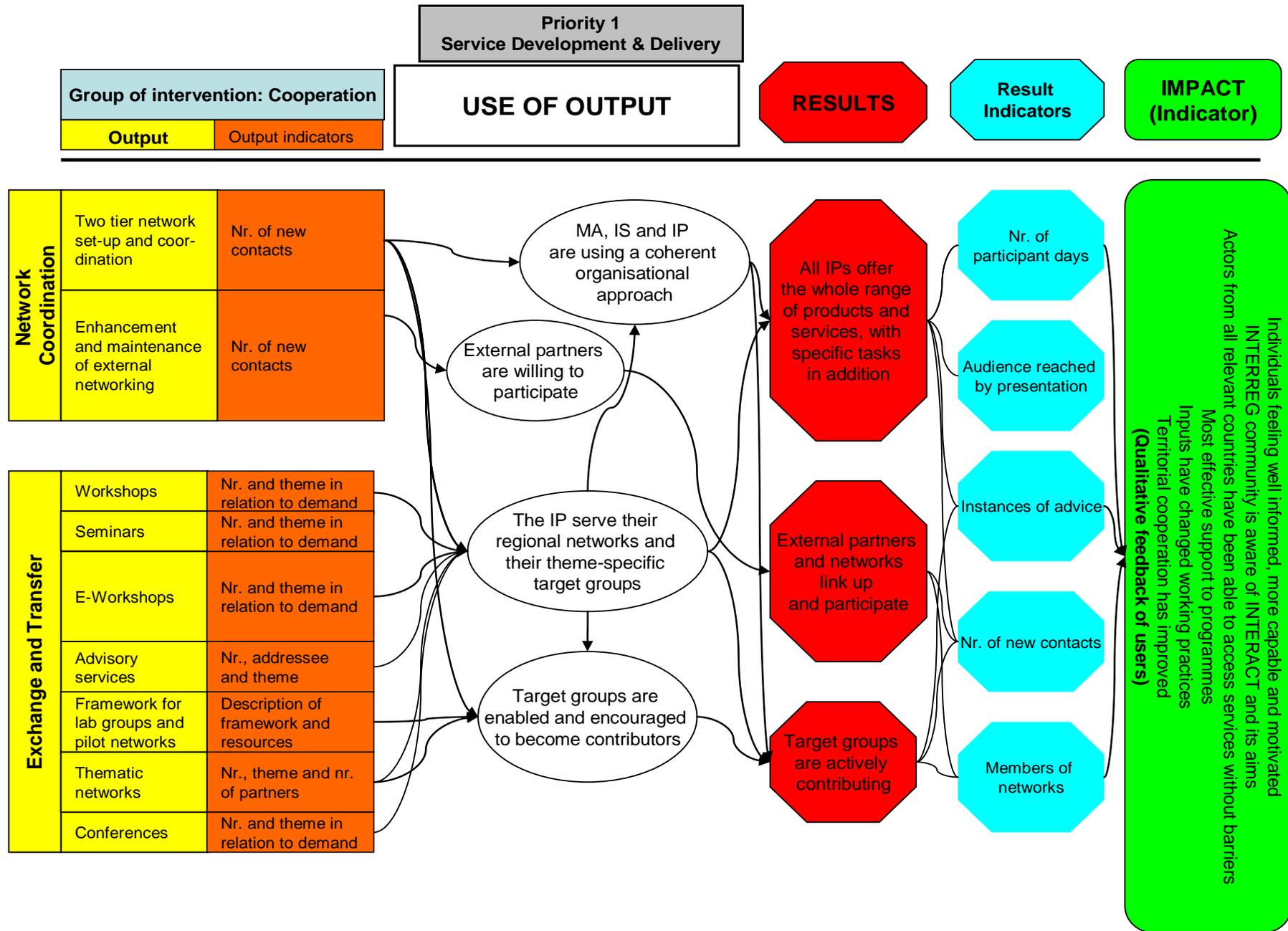
²⁶ EPRC: Mid-Term Evaluation of the INTERACT 2002-06 Community Initiative Programme. Part II: Preparation of an Enhanced Indicator Framework. July 2005.

²⁷ Ibidem, p.11.

²⁸ Hummelbrunner R., with the support of Huber W., and Arbter, R. 2005: Process Monitoring of Impacts. Towards a New Approach to Monitor the Implementation of Structural Fund Programmes. ÖAR Regionalberatung, Vienna.

Overview 9e: Indicators for TECHNICAL ASSISTANCE





Overview 9c

Priority 1
Service Development & Delivery

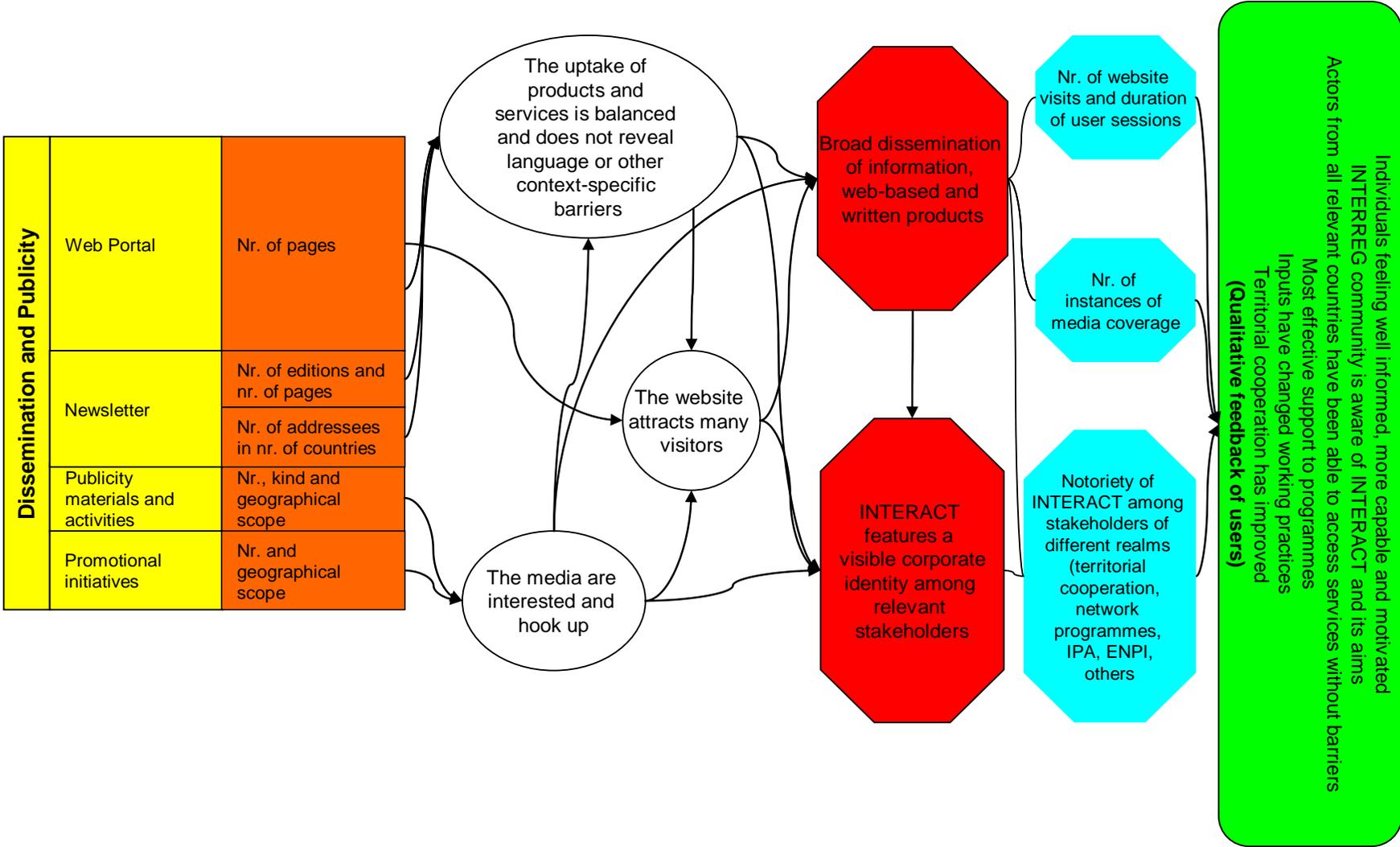
Group of intervention: Dissemination and Publicity	
Output	Output indicators

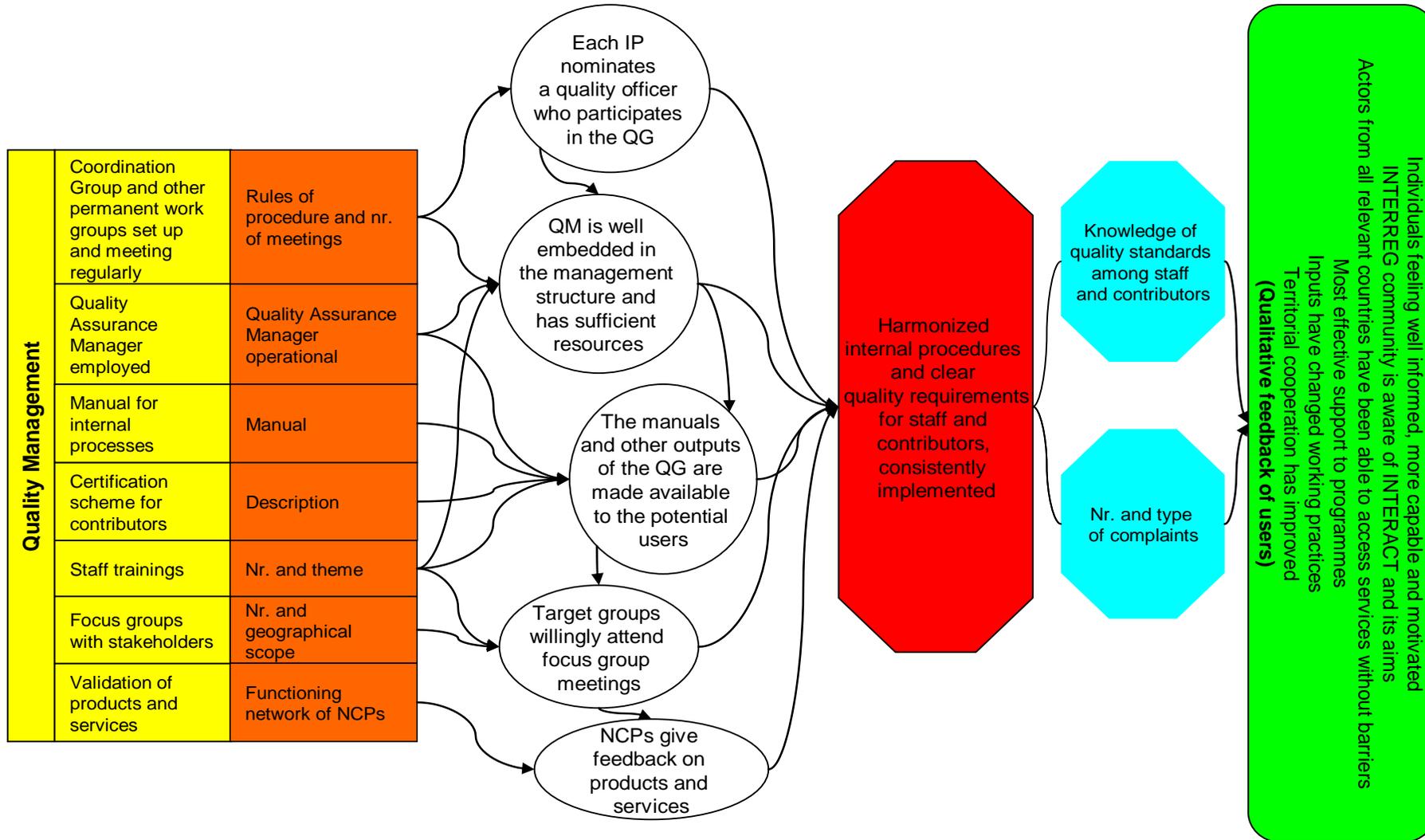
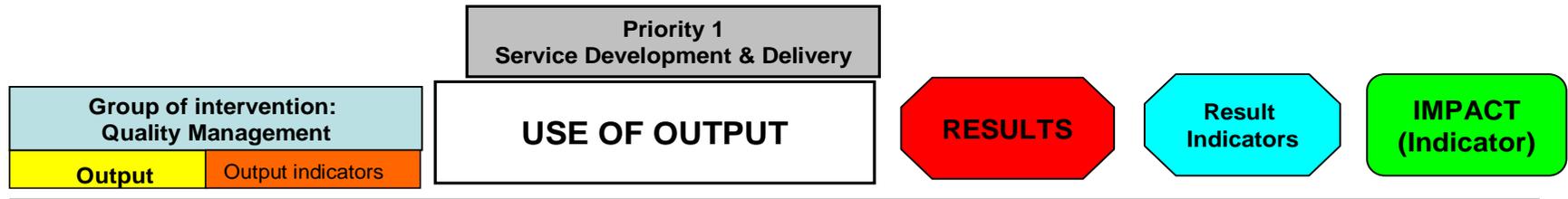
USE OF OUTPUT

RESULTS

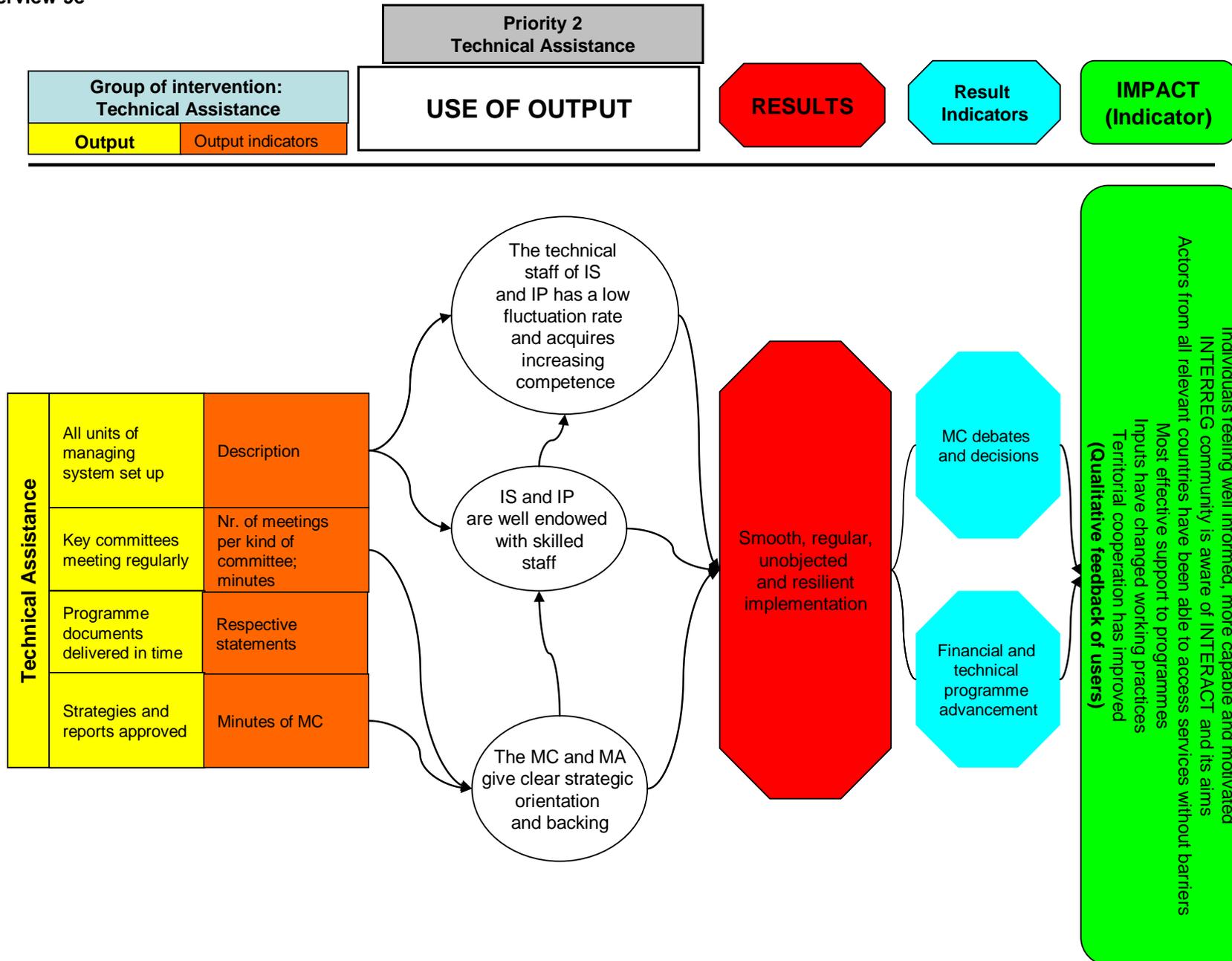
Result Indicators

IMPACT (Indicator)





Overview 9e



7.3.3 TARGETS OF OUTPUT AND RESULTS INDICATORS

As largely explained through this document, INTERACT is intended to be a programme serving the European Territorial Cooperation programmes with a flexible approach. This implies an ongoing adaptation to emerging needs in terms of tools developed and services delivered. It is therefore challenging to closely quantify targets for the whole period until December 2013. However, the table below intends to give an overview of targets that INTERACT could achieve from January 2007 until the end of the programme. As the indicators framework has been developed on the INTERACT I experience, the quantification of outputs and results is based on the actions performed by INTERACT actors in one year of full activity.

PRIORITY 1 – Service Development and Delivery RESOURCES – Total for whole programming period

Operational Objectives	Output indicator	Target	Result indicator	Target
<i>Knowledge base</i>	Studies	24	N° of paper copies distributed	0
			N° of downloads	N/m ²⁹
			N° of programmes in which tools are used	69
	Surveys	16	N° of paper copies distributed	0
			N° of downloads	N/m
			N° of programmes in which tools are used	69
	Material sets	360	N° of paper copies distributed	5 200
			N° of downloads	N/m
			N° of programmes in which tools are used	69
	Web resources comprising programme management tools and reference documents for programme implementation ³⁰	9	N° of programmes in which tools are used	69
	General Information services	900	N° of programmes in which tools are used	69
	Technical dossiers on good governance	60	N° of paper copies distributed	0
		N° of downloads	N/m	
		N° of programmes in which tools are used	69	

Operational Objectives	Output indicator	Target	Result indicator	Target
<i>Tools</i>	Refined and updated tools	23	N° of paper copies distributed	0
			N° of downloads	N/m
			N° of programmes in which tools are used	69
	New tools developed	30	N° of programmes in which tools are used	69

²⁹ Not measurable

³⁰ This also includes outputs such as studies, surveys and material sets

COOPERATION – Total for whole programming period

Operational Objectives	Output indicator	Target	Result indicator	Target
<i>Network Coordination</i>	Two tier network set-up and coordination	2	N° of new contacts	130
	Enhancement and maintenance of external networking	180	N° of new contacts	1000

Operational Objectives	Output indicator	Target	Result indicator	Target
<i>Exchange and Transfer</i>	Seminars and workshops	240	N° of participant days	7 200
			Audience reached by presentation	4 800
	E-Workshops	6	N° of participant days	120
	Advisory services	180	N° of participant days	360
			Instances of advice	180
	Thematic networks	120	N° of participant days	1 200
			Members of Networks	360
	Framework for laboratory groups and pilot networks	90	N° of programmes in which tools are used	69
	Conferences	16	N° of participant days	1 350
		Audience reached by presentation	900	

DISSEMINATION AND PUBLICITY – Total for whole programming period

Operational Objectives	Output indicator	Target	Result indicator	Target
<i>Dissemination and Publicity</i>	Web Portal	1	N° of website visits	80 000
	Newsletter	24	N° of paper copies distributed	18 000
			N° of downloads	N/m
			N° of programmes in which tools are used	69
	Promotional activities	500	N° of instances of media coverage	N/m

QUALITY MANAGEMENT – Total for whole programming period

Operational Objectives	Output indicator	Target
<i>Quality management</i>	CooG and other permanent work groups set up and meeting regularly	86
	Quality Assurance Manager employed	1
	Manuals describing standardised core processes	4
	A certification scheme for contributors (thematic or pilot networks)	1
	Staff trainings	6
	Focus groups with stakeholders	6

PRIORITY 2 – Technical Assistance

TECHNICAL ASSISTANCE – Total for whole programming period

Operational Objectives	Output indicator	Target
<i>Technical Assistance</i>	All units of the managing system set up	5
	Key committees meeting regularly	18
	Programme documents delivered in time	8
	Strategies and reports approved	7

8 FINANCIAL PLAN AND CODIFICATION

Due to the specific character of INTERACT II – no projects will be financed, but the costs for the INTERACT Managing System and the services provided by it – a national ex-ante co-financing is required by the Member States for the total of the ERDF allocation. The share of each Member State for INTERACT is calculated on the basis of the respective national ERDF allocation for cross-border, trans-national and IPA programmes. In addition, Norway and Switzerland have confirmed their willingness to financially contribute to the INTERACT programme. The national ex-ante payments shall be transferred on a regular basis to the account of the Certifying Authority.

The overall financial allocation for INTERACT II is 30 million € of ERDF contribution at 2004 prices. The national co-financing rate for INTERACT II was agreed to be 15%. Possible additional funding from Non-Member States will be included in the financial planning for INTERACT II when elaborating the Multi-annual Work Programme and the Annual Work Plans.

These funds – ERDF and national – will be used to manage and implement INTERACT II in correspondence with the Multi-annual Work Programme and the Annual Work Plans to be approved by the Monitoring Committee. Financial flows from the Certifying Authority to the bodies designated for managing and implementing INTERACT II will be based on legal agreements between the Managing Authority and the other bodies with reference to the financial management and control requirements as set out in chapter 5.7.

8.1 FINANCIAL PLAN

Overview 11: INTERACT II (2007-2013) Financial Table acc. to Article 12 pt. 6 lit. a of Regulation 1080/06 (A table breaking down for each year the amount of the total financial appropriation envisaged for the contribution from the ERDF)

Year	ERDF in current prices
2007	3 550 259,00
2008	3 786 941,00
2009	4 200 662,00
2010	4 801 786,00
2011	5 425 275,00
2012	5 892 449,00
2013	2 496 905,00
Grand Total ERDF 2007-2013	30 154 277,00

Overview 12: INTERACT II (2007-2013) Financial Table acc. to Article 12 pt. 6 lit. b of Regulation 1080/06 (A table specifying, for the whole programming period, for the OP and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts, and the rate of ERDF contribution.)

	Community Funding (a)	National counterpart (b) = (c)+(d)	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate ³¹ (f) = (a)/(e)	For information	
			National Public funding (c)	National private funding (d)			EIB contribution	Other funding
Priority Axis 1: Service Development and Delivery; ERDF, public funding	28 345 020	5 002 063	5 002 063	0	33 347 083	85%	0	0
Priority Axis 2: Technical Assistance; ERDF, public funding	1 809 257	319 281	319 281	0	2 128 537	85%	0	0
Total	30 154 277	5 321 344	5 321 344	0	35 475 621	85%	0	0

8.2 CODIFICATION

According to Article 12 pt. 5 of Regulation 1080/06 and for information purpose only, an indicative breakdown by category of the programmed use of the contribution from the ERDF to the operational programme shall be given. Due to the nature and focus of INTERACT II, this codification is rather simple.

Dimension 1 Priority theme	
Code	Amount in €
81	28 345 020
85	1 809 257
Total	30 154 277

Dimension 2 Form of finance	
Code	Amount in €
01	30 154 277
Total	30 154 277

Dimension 3 Territory	
Code	Amount in €
00	30 154 277
Total	30 154 277

³¹ This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

9 MOBILISATION AND CIRCULATION OF FINANCIAL FLOWS

9.1 THE CONTRIBUTION OF THE VARIOUS PARTNERS TO THE FINANCING OF THE PROGRAMME

The Programme is jointly financed by the EU 27 Member States and the ERDF. A national ex-ante co-financing is required by the Member States for the total of the ERDF allocation. The national co-financing rate for INTERACT II will be 15% (ERDF co-financing rate 85%). The overall financial allocation for INTERACT II is EUR 35 475 621 (EUR 30 154 277 ERDF), see table Overview 12 in Chapter 8. According to Article 46 (1) of EC Regulation 1083/06, the budget for Technical Assistance (Priority 2) is limited to 6% of the total ERDF allocation. The remainder of the ERDF is planned for Service development and delivery (Priority 1).

The share of each Member State for INTERACT is calculated on the basis of the respective national ERDF allocation for cross-border, trans-national and IPA programmes. The national ex-ante payments shall be transferred on a regular basis to the account of the Certifying Authority.

Financial flows from the Certifying Authority to the bodies designated for managing and implementing INTERACT II will be based on legal agreements between the Managing Authority and the legal bodies of the hosting institutions of the implementing bodies. These bodies act as beneficiary in the meaning of Article 2 pt. 4 of Council regulation 1083/2006. The agreements will be made in accordance with the financial management and control requirements as set out in chapter II, Section 3 of the Commission Regulation (EC) No 1828/2006.

9.2 MAIN STAGES OF COMMUNITY FUNDING FROM THE CERTIFYING AUTHORITY TO THE IMPLEMENTING BODIES

If necessary for liquidity reasons, the implementing bodies will receive an advance payment. All expenditures have to be pre-financed by the implementing bodies. The implementing bodies make claims for reimbursement to the Certifying Authority. The whole claim will be reimbursed by the Certifying Authority (the ERDF plus national co-finance, which ex-ante was paid by all member States to the account of the Certifying Authority).

10 EX-ANTE EVALUATION

10.1 EX ANTE EVALUATION

The ex-ante evaluation for the INTERACT Programme 2007-2013 was carried out by LRDP KANTOR Ltd. accompanying the drafting process of the Operational Programme. The ex-ante evaluators have participated in the drafting group meetings and contributed to the development of this Operational Programme through their constant feed-back.

The main comments and recommendations from the ex-ante evaluators can be summarised as follows:

The successful implementation of ITERACT II will require particular attention to be paid to the following:

- The large extent to which the OP depends on the Multi-Annual Work Programme and Annual Work Plans.
- The need for well thought and well resourced operation of the INTERACT Points.
- The need to invest substantial efforts in making operative links with other programmes and networks, especially ENPI.

More specifically, potential risks may arise from the following, unless they are addressed and developed further in the Multi-Annual Work Programme and the Annual Work Plans:

- Insufficient recognition of/attention to the needs of different groups of beneficiaries.
- A potential over-emphasis on technical aspects of programme management without sufficient links to the content of territorial cooperation.
- Weak links or absence of links with other programmes, notably inter-regional cooperation and ENPI.
- An inadequately developed new mode of operation of INTERACT Points (and possibly also inadequately resourced, for their new role, IPs).
- Inconsistent and weak NCP network due to their non-mandatory status.

As to the comments and recommendations from the ex-ante evaluators, chapter 4.1 above refers to the elaboration of the Multi-Annual Work Programme and Annual Work Plans which will include a more detailed description of the activities which will be provided by INTERACT II as well as a detailed description of the Managing System and the internal mechanisms to ensure an efficient programme delivery. The latter is also to be described in the description of the management and control systems according to Article 71 of Council Regulation 1083/2006. The Multi-Annual Work Programme as well as the Annual Work Plans are subject to the approval of the Monitoring Committee.

10.2 STRATEGIC ENVIRONMENTAL ASSESSMENT

As part of the Ex-ante evaluation process, a Strategic Environmental Assessment (SEA) screening report has been undertaken, to determine whether or not the INTERACT II Programme required a SEA, in accordance to the EC Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment, known as the SEA Directive.

As a programme focusing - via the elaboration and dissemination of standardised information, studies, tools and the organisation of related events – on the development of appropriate governance solutions for policy implementation under the Territorial Cooperation objective, the INTERACT II Programme is indeed a programme in the sense of the Article 2 of the SEA Directive, and therefore subject to its provisions. However, the conclusions of the screening report state that the INTERACT II Programme does not require a SEA according to Article 3 of the SEA Directive. The programme does not set the framework for future development of projects neither for annex I and II projects of the SEA Directive (Article 3 pt. 2) nor for other types of projects and does not have any significant environmental effects (Article 3 pt. 4). Furthermore does the Programme not require an assessment according to Article 6-7 of Directive 92/43 EEC.

The Austrian Ministry for Agriculture, Forestry Environment and Water Management was consulted as environmental authority according Article 6 pt. 3 and did not raise any objections against the results of the screening report. Following a consultation process involving designated authorities of EU Member States responsible for SEA issues for Structural Funds Programmes, the above decision has been endorsed. A SEA has therefore not been conducted.