



**Ex-Post Evaluation of the INTERREG III  
Community Initiative (funded by the ERDF)**

TASK 5: IN-DEPTH ANALYSIS OF A REPRESENTATIVE SAMPLE OF PROGRAMMES

**PROGRAMME: INTERREG IIIA Austria – Slovakia**

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## Executive summary

This report provides the ex-post evaluation of the INTERREG IIIA/PHARE CBC Austria -Slovakia 2000-2006 Programme (A – SK Programme). This cross-border initiative was the first effort to develop cooperation across the Austrian/ Slovak border where common historical ties was interrupted for a long time and thus had to be re-established bottom up from levels of cooperation. The programme was planned as a joint effort with a very general focus and wide scope of different activities, and its realisation was complicated by different implementation mechanisms. The Slovak Republic became an EU member only during the second half of the implementation period of the programme, which enabled the abolishment of existing legal and financial obstacles to run the programme following the original strategy.

The A-SK Programme had a clearly experimental character. The programme strategy was intentional, covering a wide range of sectors, and was focused on the establishment of cooperation networks. Taking into account substantial disparities in the regional economic situation and the historic lack of cooperation of the concerned regions, this focus of regional policy can be considered as appropriate. The establishment of the cooperation network was rather slow, due to the newly created Slovak regional governments and numerous personnel changes at all levels of the administration. This caused frequent change in policies and priorities. Nevertheless, cross border institutional cooperation was eventually set up and the programme fulfilled the role of network initiator.

The establishment of the structures for cross-border cooperation was initiated by the programme at both governmental and non-governmental levels. Some of the institutions involved proved to be very active. In general, the overall coordination is more structured and coordinated on the Austrian side. The public perception of the INTERREG initiative is positive, mainly due to the number of projects with tangible and visible outputs improving transport accessibility. The perception of the applicants is however, sometimes adversely influenced by overly bureaucratic administrative procedures, excessive control systems and delays in payments. Moreover, the Slovak partners often complained about the frequent changes of project managers which led to different ways of understanding the rules.

Based on the financial analyses the programme is an average performer in terms of absorption rate, stability and sustainability although it performed very low (less than half of the average) with regard to effectiveness. The programme succeeded in covering a wide scope of sectors and activities, but the data enabling a qualified estimate of the success are not available. Equally it is hardly possible to assess the efficiency of the interventions.

Formal monitoring of the programme operated correctly but the indicators that were applied were only of limited use to monitor actual performance. The given indicators provide a good overview of the types of projects but do not provide any indication of the real effects achieved by these projects. Considering the very broad nature of the programme, determination of such indicators was practically impossible.

Overall, the added value generated by the programme comprises mainly of the support for the process creating a regional identity on the Slovak side, mobilisation of financial resources for stimulating socio-economic impacts that would be much less observable without external funding, and the extent and quality of networking for more effective cooperation across the border.

Based on the above findings the following is recommended: to support the establishment of project partnerships, which remain vital for the efficient and effective use of funds; to concentrate on the quality of joint projects with network effects but also on small project funds and people-to-people actions, which were the most successful part of the INTERREG IIIA programme; and to make sure that the projects on both sides of the border are not only implemented but also prepared and selected under the same conditions.

With respect to the longer-term perspective, more attention should be paid to the review of indicators by taking into account the very specific nature of INTERREG interventions; and to the financial control mechanisms in order to reduce the administrative load and costs.

# 1 Introduction

The objective set out in the Joint Programming Document (JPD) for INTERREG IIIA/PHARE CBC A-SK 2000-2006, was to develop an economically, socially and spiritually integrated border region.

The main focus of this period was “to prepare the common border regions for the most effective utilisation of new opportunities brought about by the accession of Slovakia to the European Union” Therefore the programme was directed towards those cross-border cooperation issues and potentials, which could either most effectively support Slovakia’s integration into EU, or were the most affected by these challenges. Preparation of the JPD INTERREG IIIA and PHARE CBC A-SK was carried out jointly by the responsible Austrian and Slovak authorities starting in 1999<sup>1</sup>.

Until the accession of Slovakia to the European Union in 2004 - INTERREG funds could only be used on the Austrian side. On the Slovak side projects were financed through the PHARE CBC programme. The cross-border cooperation programme covered Austrian and Slovak border regions: namely Austrian NUTS III regions (Weinviertel, Wiener Umland Nord, Wiener Umland Süd) Nordburgenland and the capital of Vienna, in Lower Austria the NUTS III regions Niederösterreich Süd, Waldviertel and Sankt Pölten; in Burgenland the NUTS III region Mittelburgenland, and Slovak regions Bratislava (including districts Malacky, Pezinok and Senec) and Trnava region.

The Austrian-Slovak border region is divided into three distinct spatial-functional areas:

- The northern part of the region (northern Wiener Umland, Weinviertel, and Trnava) is predominantly agricultural and lacks cross-border transportation links due to the natural barrier of the river March/Morava.
- The agglomeration axis Vienna-Bratislava is the core of the entire border region. Vienna and Bratislava together have a population of over 2 million inhabitants and are the major centres of the region with respect to the number of inhabitants, jobs and infrastructure.
- The southern parts of the region (Wiener Umland Süd, Nordburgenland and parts of the region of Bratislava) belong to the development triangle Vienna-Bratislava-Győr and have a well-developed cross-border transportation infrastructure and are attractive as business locations. This is the most dynamic region along the Austrian external border. In 1998 approximately 3.5 million inhabitants lived in the Austrian-Slovakian border region. This is a region in which the population is concentrated as follows: one-third of Austrians and nearly one-fifth of Slovaks live in only about 10% (Austria) and 11% (Slovakia) of the respective country’s territory. The Austrian-Slovakian border region is characterised by large urban-rural disparities. Both capital regions, Vienna and Bratislava, are close to areas at extreme peripheral locations (e.g. Weinviertel, northern parts of the districts of Bratislava and Trnava).

The programme under evaluation consists of six priority axes comprising a total number of 14 measures, 13 of which are assigned to individual priorities. Technical Assistance, the fourteenth measure, is deployed in all six priority axes.

<sup>1</sup> Austria-Slovakia INTERREG III A, Community Initiative Programme 2000-2006, rev. 19 December 2005

An additional priority "Special Support for Border Regions" was introduced into the programme on the basis of a decision from the European Commission dated 26th July 2002. As a consequence, the financial allocation of the programme was increased by a total amount of € 1,678.000 (€ 839,000 ERDF and € 839,000 national co-financing) resulting in the financing plan valid by the time of mid term evaluation. The funds for this additional priority were allocated entirely for expenditure during the year 2002.

The Community Initiative Programme (CIP) Austria-Slovakia 2004 - 2006, prepared by a joint Task Force and approved by the Joint Monitoring Committee (JMC) builds on the former Joint Programming Document (JPD). The Commission's proposal (contained in the Practical Guide) to minimize the need for amendment was taken into account as the programme structure was considered still valid and was not changed. A special focus was devoted to amendments in structures and procedures for programme management and implementation.

Priority	Measure	Overall allocation	ERDF allocation
1. Cross-border Economic Cooperation		15,885,000	8,702,000
	1.1 Development and Support of Business Sites and Business Service Infrastructure in Border Areas	7,139,489	3,822,364
	1.2 Cross-border Cooperation of Enterprises (SMEs) and Counselling and Support for Cross-border Business Activities	4,881,625	2,694,500
	1.3 Tourism and Leisure	3,803,886	2,185,136
2. Accessibility		16,396,000	8,957,000
	2.1 Improvement of Cross-border Transport and Telecommunication Infrastructure	10,018,000	5,451,000
	2.2 Transport Organisation, Planning and Logistics	6,378,000	3,506,000
3. Cross-border Org. Structures and Network		7,166,380	4,058,190
	3.1 Support of Cross-border Organisational Structures and Development of Networks	3,938,380	2,159,190
	3.2 Micro-projects including People-to-People Actions and Small Pilots	3,228,000	1,899,000
4. Human Resources		8,355,106	4,495,553
	4.1 Development of Regional Labour Markets within the Context of EU Enlargement	3,025,000	1,608,000
	4.2 Development of Cooperation and Infrastructure in the Fields of Education, Training and Science	5,330,160	2,887,553
5. Sustainable Spatial and Env. Development		14,979,556	8,122,778
	5.1 Resource Management, Technical Infrastructure and Renewable Energy Supply	5,299,000	2,904,000
	5.2 Measures for Nature and Environmental Protection including National and Nature Parks	6,212,556	3,327,778
	5.3 Cross-border Spatial Development in Rural and Urban Areas	3,468,000	1,891,000
6. Special Support for Border Regions	6.1 Special Support for Border Regions	1,678,000	839,000
7. Technical Assistance	7.1 Technical assistance in general		
	7.2 Technical assistance, further measures	3,512,000	1,978,000
<b>Total</b>		<b>67,972,042</b>	<b>37,152,521</b>

## 2 Research Interest and Methodology

The scope of research has been closely determined by the terms of reference for the Ex-post Evaluation for INTERREG III and the method proposed in the Inception Report<sup>2</sup>. In this pilot evaluation we strictly follow the terms of reference and the corresponding methodology.

<sup>2</sup> Panteia (and partner institutes) 2009, Ex-post Evaluation of INTERREG 2000-2006 – Inception report to the European Commission DG Regio, p. 82.

## 3 In-depth Analysis of the Results and Impacts in Terms of Effectiveness and the Socio-Economic Effects

### 3.1 The financial implementation of the programme

#### 3.1.1 Financial analysis across the intervention codes

The common planning and SWOT analysis helped to determine the priority areas for individual measures but the overall focus of the programme was intentionally very general to cover the wide scope of the various activities. More precise specification of the objectives at the programme level did not take place as the programme was the first effort to establish the INTERREG cooperation between Austrian and Slovakian bordering regions. One of the major changes in the programme history was the accession of the Slovak Republic to the EU. However, this change had no substantial influence on the programme strategy. The originally existing legal and financial obstacles for running the programme were abolished and the standard rules for the cooperation programme were established. Nevertheless, the intention to initiate proper cooperation remained and therefore there was no need to change the strategy. Moreover, the initial establishment of the networks took place during the period when the new Slovak regional administration had just been created, which also required some time to settle these new structures, their tasks and responsibilities.

One of the basic characteristics of the programme is determined by the budgets and expenditures at the three-digit code level, explaining how individual sectors of the programme differ from the average patterns at the level of the whole INTERREG intervention. It indicates whether the financial targets were achieved or not, and how. We will also compare the expenditure for interventions associated with "Lisbon" and examine the dynamics of expenditure at the level of the measures.

To enable in-depth financial analysis, the entire database was prepared at the three-digit code level for the whole INTERREG. The distribution at the level of individual codes is compared with INTERREG in general and the expenditure rate provides insight into the financial performance of the programme. The analysis compares the respective fields of intervention with the average of the cluster to which the programme belongs. If expenditure for an INTERREG-relevant field of intervention is relatively small, it could reveal problems or weaknesses in the programme with respect to the declared strategies of the respective INTERREG strand. Finally, we will summarise the absorption rates for different fields of intervention.

In addition to the analysis of the areas of intervention, the dynamics of financial implementation will also be examined (different trend patterns in implementation). This analysis, which can only be based on the trends at measure level, should reveal the financial performance over time and should also provide insight into the distribution of funds among the different intervention areas. The codes of intervention should enable the comparison of expenditures in the context of policy intervention per individual sector. The analysis concerns the financial character of the programmes, i.e. how far the programme follows the sectoral distribution patterns of INTERREG.

The coding of the areas of intervention proved to be slightly confusing and did not contribute to the sound and comprehensive budgeting and financial monitoring at the programme level. Therefore the financial programming along the codes is highly indicative and the codes are not understood as clear-cut definitions. Therefore, the analysis of the budget and expenditure according the individual codes is to be interpreted under these limits.

### The analysis at the three-digit code level

The analysis at the three-digit code level of the entire INTERREG III intervention was thematically broad and covered 94 codes with a frequency between one and 64 for the programmes. The most frequent codes under the INTERREG initiative were those of technical assistance (e.g. monitoring / implementation, evaluation, studies and information, all belonging to the code family 41) furthermore rural development (130) and non-physical investment in tourism (172) education (230) human resources (220) and basic infrastructure (31-35).

The codes with a high frequency for INTERREG are present in the A-SK programme but with lower proportion. Similar figures were achieved for the code 312 (roads). The less frequent codes are also represented in the programme but the frequency does not follow INTERREG figures and the sectoral structure of codes of the A-SK programme is not strongly associated with the sectoral structure of the initiative (see Table 1).

**Table 1** Expenditure per codes of interventions

Fields of intervention with the lowest/ highest share	A-SK: Code exp./ Programme exp. %	INTERREG: Code exp./ CI exp. %	Strand "A" : Code exp./ Strand exp. %	Cluster : Code exp./ Cluster exp. %
413. Studies	0,05	6,05	4,00	0,08
414. Innovative actions	0,05	7,61	1,08	0,02
151. Investment in physical capital (plant and equipment, co-financing of state aids)	0,07	0,06	0,05	0,35
152. Environment-friendly technologies, clean and economical energy technologies	0,07	0,19	0,15	0,51
113. Agriculture-specific vocational training	0,11	0,07	0,04	0,03
128. Forestry-specific vocational training	0,11	0,05	0,03	0,03
360. Social infrastructure and public health	0,12	1,75	2,08	0,74
342. Noise	0,14	0,14	0,11	0,01
343. Urban and industrial waste (including hospital and dangerous waste)	0,14	1,41	1,93	0,17
344. Drinking water (collection, storage, treatment and distribution)	0,14	1,41	1,72	0,16
162. Environment-friendly technologies, clean and economical energy technologies	3,18	1,22	1,33	0,58
411. Preparation, implementation, monitoring, publicity	3,42	2,04	1,82	1,29
324. Services and applications for SMEs (electronic commerce and transactions)	3,50	1,63	2,07	2,65
131. Tourism activities	3,71	3,47	3,75	5,43
173. Shared services for the tourism industry (including PR activities)	3,98	1,74	1,96	1,06
174. Vocational training	4,90	0,81	0,72	1,16
163. Business advisory services (information, business planning, ...)	5,39	2,09	2,61	1,31
353. Protection, improvement and regeneration of the natural environment	8,49	2,21	2,20	4,55
312. Roads	10,10	5,54	7,64	11,58
164. Shared business services (business estates, incubator units, ...)	20,50	1,85	2,20	4,50

The A-SK programme uses numerous fields of intervention and includes allocation for 55 codes. The programme falls under the INTERREG interventions with the broadest scope of sectors, confirming that it lacks concentration - a major criterion under EU cohesion policy. As explained, the Managing Authority did not try to be very specific and designed the programme with the aim to cover a broad range of ideas rather than a limited number of strictly selected areas. The intention for the INTERREG programme that is under review in this report was to pilot the first attempt to develop cooperation and initiate historically missing ties across the borders. Therefore, a general and broad sectoral range of interventions (dispersion) was deliberately chosen. Taking into account the huge disparities in the regional economic situation and the historic lack of cooperation of the concerned regions this focus of regional policy can be considered appropriate.

The more precise financial character of the programme provides the overview in table (Table Annex 1.2) specifying the budget, the certified expenditure, the achievement rate, shares of expenditure and the comparison with the average expenditure shares and achievement rates of INTERREG (Intensity Measure – IM and Gap Measure - GM).

The intervention fields with the highest allocation were: Shared business services (164) Roads (312) and Protection, improvement and regeneration of the environment (353). The preparation, implementation, monitoring, publicity, as well as evaluation, studies, and information to the public, which were the most significant in size for the whole INTERREG initiative, were negligible in the A-SK programme.

When comparing the ten most and ten least financially important codes in INTERREG, the strand and the cluster with the A-SK programme codes, the most significant differences at the INTERREG level – programmes become much smaller when comparing cluster – programme level. However, it should be noted that the differences can usually be caused by one or two large investment projects. Although the programme reports a much higher proportion of big projects than was intended, the Grant Schemes, which fall under the category of the big projects, provide misleading information because they in fact represent numerous small projects.

The relative weight of the codes was calculated by comparing the budgetary share of a code in the programme to the share the code within INTERREG. The results - IMs are given in the overview table (annex 1.2). Values > 1 show codes that have a more important significance for the programme. As already indicated in the above analysis, the IM is low for the studies and innovative actions and higher for: Shared business services, Vocational training and Planting of non-farm land.

Of the financially most important codes we see that namely Shared business services (code 164) and Protection of the natural environment (code 353) show the strongest relative representation for INTERREG and the strand (with IM values > 11 for INTERREG, and 9 for strand for code 164 resp., and around 4 for code 353) which proves the importance of those codes for the programme. This is valid to a lesser extent for the comparison with the cluster (4.5). The same conclusion cannot be made in respect to the Roads code with one of the biggest allocations where the IM values fluctuate at around 1.8 for INTERREG, 1.3 for strand and 0.9 for cluster level, while Planting of non-farm land (code 126) with a rather small allocation shows strong representation with the IM values 6.7 for INTERREG, 9.6 for strand and 5.1 for cluster level (the A-SK programme had no project implemented under this intervention code).

Comparing the areas of intervention with the higher budgetary shares under INTERREG (codes 130, 131, 172, 413, 414) with the same area of the programme we found out that the IM values are comparable or do not substantially differ at the level of INTERREG, strand and cluster, with the exception of one case. The Innovative actions (code 414) show a much higher representation in the programme when compared with the average of INTERREG (IM 2.73 to 0.01). However, the code had rather small allocation and therefore can provide misleading information.

In the cluster 5.8% has been allocated for code 131. codes 351 and 352 (Upgrading and Rehabilitation of industrial and military sites, and Rehabilitation of urban areas) have the lowest absorption rate with 47% and with this rather low allocation they were not considered as important. The coding itself enables various options as to where to assign individual projects and therefore, the presented data have a limited reliability and should be interpreted within these limits.

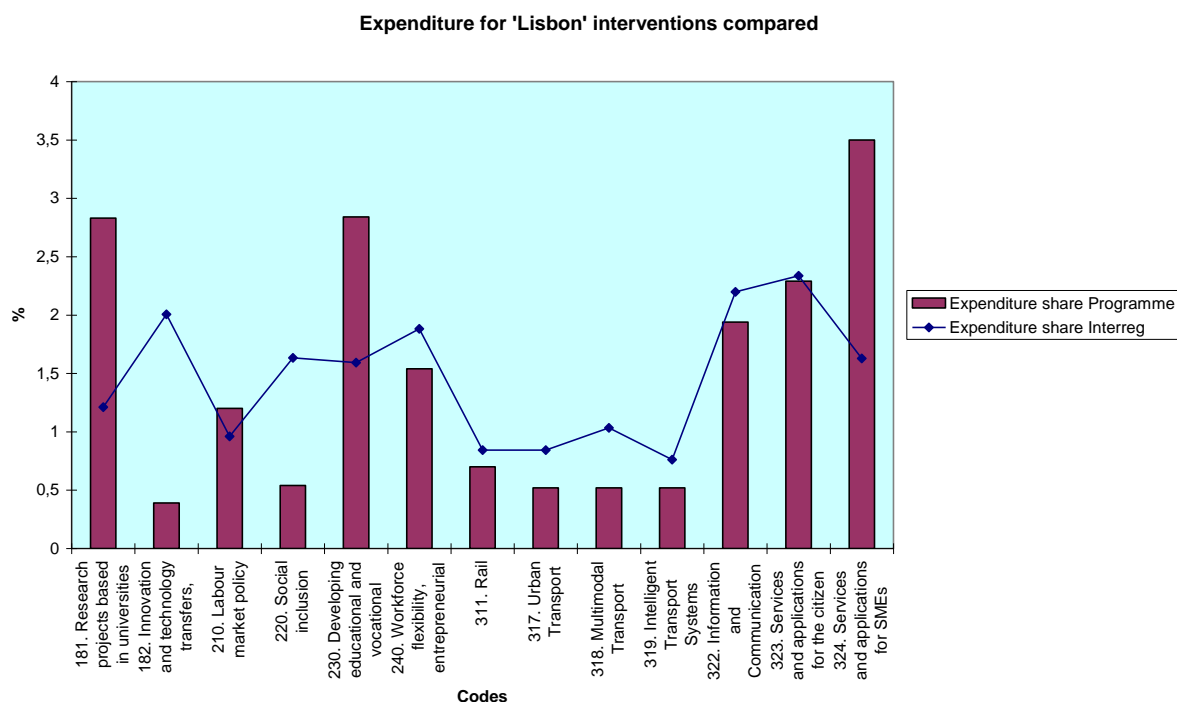
Having analysed the frequency of codes and compared their budgetary weight, the absorption patterns were also analysed. Comparing the absorption rate of a code within the programme to the absorption rate of the same code under INTERREG we calculated a relative absorption rate. If the absorption rate of a code under the programme exceeds the absorption within INTERREG in general, the value of the Gap Measure (GM) is  $>1$ . The calculated GM values in the table (annex 1.2) show that absorption rates were in most cases of approximately the same value as the rates at the INTERREG level. In general the GM for the whole strand "A" does not show any deviations either and its value is around 1 for all codes. The average absorption rate of the programme 84.3% is slightly lower than the average of the cluster, which is at 86.7%, and the average of the strand achieving 85.5%, but overall the programme belongs to "good performers".

The absorption rate should not be only seen as a positive indication of a dynamic programme. The tendency to spend allocated funds without taking into account the necessity, quality and effectiveness of the projects should be considered.

The n+2 rule has not influenced project selection but due to the lack of the staff at the Slovak Ministry of Construction and Regional Development it has not been fully respected. The programme management for the Austrian part did not encounter any difficulties in relation to n+2. Although the Austrian part reported some occasional problems, these could be compensated by well-performing projects and thus the overall disbursement followed the plans. Different co-financing rates were applied for the two Slovak regions involved (50% for Bratislava and 75% for Trnava region) and this caused financial problems since the original expectation of an equal share of projects in both regions did not materialise. In fact 90% of the Slovak projects were submitted from the Bratislava region with lower co-financing, which consequently led to lower commitment rates.

The assessment of programme codes suggests that the A-SK programme also pays attention to the fields related to Lisbon. The Lisbon-targets were mainly covered through the interventions with the codes 162, 164, 181, 182, 230, 240, 311, 322, 323, 324. The calculated values show that only three of the fields related to Lisbon strategy in the programme are strongly represented (181, 230, and 324). Innovation, Social inclusion and Multi-modal transport (codes 182, 210, 318) are substantially weaker in the programme. The major weight within the whole INTERREG intervention was given to urban transport, and Information and Communication. However, these areas have been underrepresented in the A-SK programme. This can most likely be attributed to the very complicated and long-term (planning, design and approval) process, as well as the need to seek consensus not only within the local administrations but also between the two countries.

**Graph 1** Expenditure for "Lisbon" Interventions, Compared



### 3.1.2 Dynamic financial analysis

Before the Slovak Republic's accession to the EU in 2004, cross-border cooperation on the Slovak and Austrian side was implemented through two different mechanisms – the pre-accession instrument PHARE in Slovakia and INTERREG in Austria. Due to legal and financial restrictions, INTERREG could not be implemented as usual. Nevertheless the programme strategy was prepared in 1999 jointly by representatives of the Slovak and Austrian partners. It covered a wide range of priorities and therefore remained valid throughout the period. Overall, the following 5 changes can be mentioned, which were accompanied with the additional amount or shifts of allocations among priorities:

1. in 2002 a separate priority "Special Support for Regions bordering on accession countries" based on the "Community action for border Regions" was included. Its aim was set out as to ensure a smooth transition in the border regions and sustainable acceptance of the enlargement of the European Union and to improve the competitive strength of the border region. The additional allocation amounted to a total of € 839,000 from ERDF sources (which rendered the total ERDF contribution to € 1,678,000);
2. in 2004 after the accession of Slovakia to the EU a revision of Community Initiative Programme (CIP) took place, and an additional amount reached € 10,1 million from ERDF (total: €13,7 million);
3. in 2005 some financial shifts were carried out. As one strategic investment project in the priority Accessibility could not be implemented in the programme implementation period, € 870,000 (ERDF) were reallocated to other priorities;

4. in 2006 the priorities Cross-border economic cooperation and Cross-border-networks proved to have more projects in the pipeline therefore reallocation of funds from the priorities Accessibility, Human resources and Sustainable spatial and environmental development, took place (€ 470,000 from ERDF);
5. overall decommitment of € 1,87 million from ERDF funds took place in all priorities but mainly in the priority Accessibility (approx. € 500,000).

Overall the allocations for all measures have been (to different extents) raised, in total, from the initial € 54 million to € 67, 9 million.<sup>3</sup>

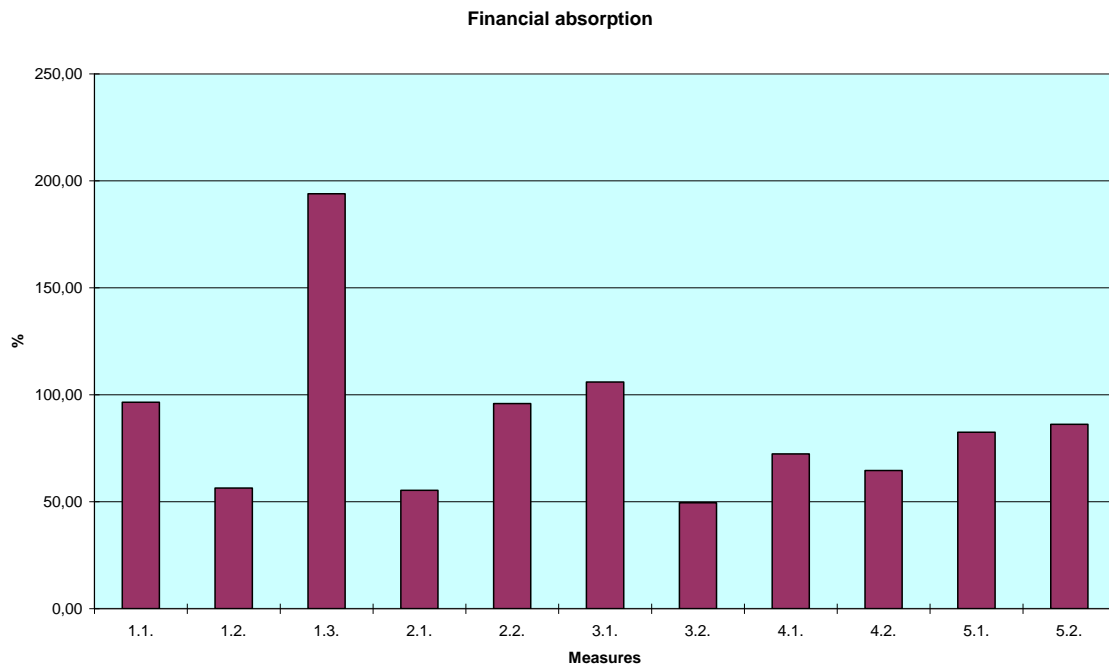
Although there were some changes in the financial allocation of sources, the programme priorities were rather general and there was no need to change the programme strategy. Changes that took place concerned the definition on indicators.

As stated in the updated mid-term evaluation report, only a minor part of the recommendations mentioned in the mid-term evaluation report were immediately implemented. The main explanation for this was so as not to change the implementation set up in the middle of the programme, which would have proven to be very confusing, mainly for the project beneficiaries. The recommendations were thus mostly applied only when the new programming cycle was starting.

The disbursement ratios at the measure level differed quite substantially (see Graph 2). Some of the measures could hardly spend half of the allocation 5.3., 3.2. (Cross-border Spatial Development in Rural and Urban Areas, Micro-projects including People-to-People Actions and Small Pilots) the others were able to spend twice as much as originally allocated (1.3 Tourism and Leisure). While some of the priorities showed linear trends with higher or lower percentage of expenditure, some others spent most of the budget at the beginning of the programme implementation or the expenditures appeared only shortly before the end of the programme. As the data are not reported according to the codes but follow the programme structure, we were not able to follow time trends for the individual codes of the Programme. The financial implementation trends were also followed and in general copied the overall disbursement trend.

<sup>3</sup> Panteia (and partner institutes) 2009, *Programme factsheet produced in the context of the ex post evaluation of INTERREG III 2000-2006*, 1.3.

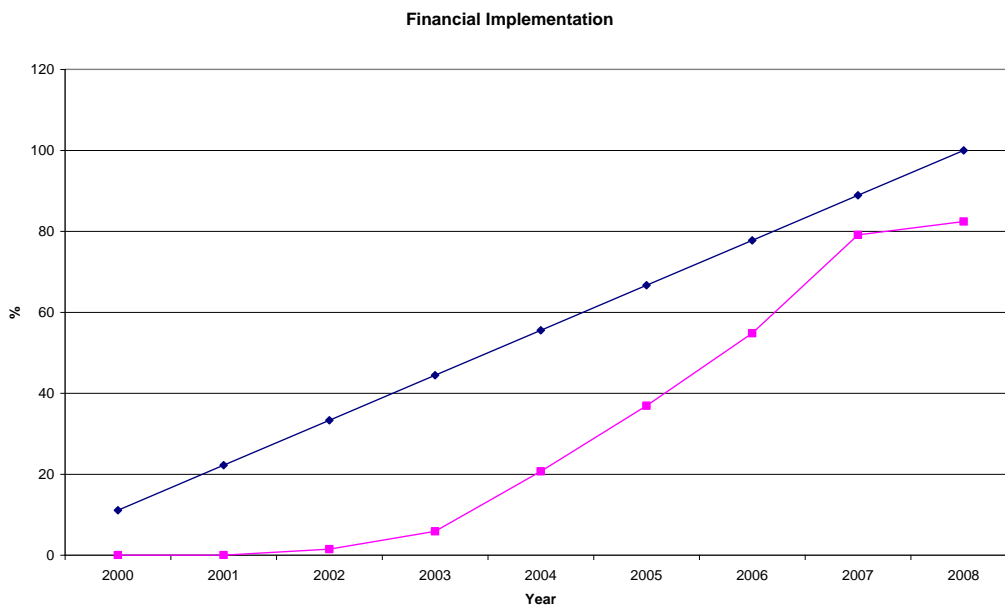
**Graph 2** *Financial Absorption*



The overall disbursement was slightly convex (see graph 3). The private share of the ex-ante budgeting on the Slovakian side was 5% of the total budget. The Austrian projects had a higher proportion of private co-financing, the percentage differed per individual project and their value was assessed as part of the assessment of the application, based on the local knowledge of the applicant’s financial background.

Although there was no need to re-programme the A-SK intervention, there were several changes in the original allocation of the budget and the final amount was increased. The certified expenditure has achieved about 82% of the original budget.

**Graph 3** *Financial Implementation*



### 3.1.3 Intermediate conclusions

With regard to the Code-level analysis the intervention codes with the greatest budgetary importance were the following: 164 (Shared business services); 312 (Roads); 353 (Protection, improvement and regeneration of the natural environment); 163 (Business advisory services) and 174 (Vocational training). A comparison of the programme and the overall INTERREG ranking of the codes show quite substantial differences. The IM confirms the over-representation of the codes with the highest budgetary importance, while GM confirms the highest absorption rates for the codes 172, 173 and 174 (Non-physical investments, Shared services for the tourism industry and Vocational training). The codes 413 and 414 (Studies and Innovative actions) appear, in this case, strongly under-represented. With respect to the strongest deviations between budget and expenditure we find at the lower end of the scale: Maintenance and restoration of the cultural heritage, Rehabilitation of urban areas, Upgrading and Rehabilitation of industrial and military sites and at the upper end of the scale: Non-physical investments, Shared services for the tourism industry and Vocational training. In comparison with the overall INTERREG intervention, the expenditures of Social inclusion and Labour market policy codes in the programme deviate negatively. For the rest, the achievement of the programme codes is about the same or higher.

Concerning the measure level analysis some reallocations of the budget have taken place but this had no influence on the programme priorities, which remained the same for the entire implementation period. The majority of measures show linear trends. Non-linear / convex trends with the low implementation in the first half and rapid improvement at the end of the programme can be reported for Development and Support of Business Sites and Business Service Infrastructure in Border Areas, Tourism and Leisure, Transport Organisation, Planning and Logistics, Resource Management, Technical Infrastructure and Renewable Energy Supply, and Nature and Environmental Protection measures. The only concave trend was observed for the Special Support for Border Regions. The main reason for convex trends was administration. Mainly the Slovakian side applied strict rules and projects were selected after the Calls for Proposals, which took some time to prepare and was less flexible to facilitate adjusting financial allocations. A separate priority "Special Support for Regions bordering on accession countries" was included to ensure a smooth transition in the border regions after the enlargement of the EU. The rest of the financial shifts were related to the low absorption rate.

## 3.2 The effectiveness of the programme

### 3.2.1 Planned results, achievement rates at measure level and trend patterns

The effectiveness should provide a brief overview of the achievement of the planned goals in comparison with the actual achievements. The base of such a comparison is provided through the indicators. As explained by one of the Intermediary bodies, the indicators set out at the programme level were not suitable for the monitoring of individual projects and therefore not easy to apply and measure. The programme as such had a rather general and experimental / learning focus therefore the indicators were hard to define and to quantify. Its implementation can be considered as a pilot testing phase and establishment of non-existing contacts that are vital for

the cooperation. Therefore most of the initial projects were more focused on network building rather than any specific and measurable targets.

The overall objective of the programme was set as to *develop an economically, socially and environmentally integrated border region*. On the basis of the SWOT analysis the development strategy was intended to:

- be focused on the joint vision of an integrated regional economy, social cohesion and good neighbourly relations;
- allow a stable growth path on both sides of the border, with a clear emphasis on the catching-up process of Slovakia;
- provide a set of infrastructure and regulatory solutions which is oriented towards spatial integration of the border regions;
- take into account the protection of environment, natural resources and the needs of the local resident population and;
- help building cross-border institutions and capacities for regional development and cultural exchange.

It was expected that the programme would be an important instrument toward meeting these objectives and the implementation of the projects would deepen and enrich cross-border cooperation structures. Experiences from the previous period 1995-1999 were considered to have a positive impact on general socio-economic development and on the policy development in the area of economic integration. The Slovak EU accession was expected to enable the implementation of jointly financed projects, developed in close cross-border partnership and implemented at the same time in both partner states. Another possibility was to go for a mirror project, i.e. a project which implements complementary activities to already existing projects in the other partner state. Every project was intended to achieve visible cross-border impacts.

Very broad objectives were set and determining the indicators was therefore practically impossible. The objectives for individual priorities and measures did not focus but brought more wide and often inconsistent, duplicated and overlapping aims (see Annex 2.2). The overall number of the objectives at the measure level thus exceeded 50 but hardly any of them provided a logical link to the 84 determined indicators. Moreover as reported in the 2007 Annual report<sup>4</sup>, 53 of these indicators were eventually measured.

The indicators for objectives at the programme level and their suitability for project selection, were questioned in the mid-term evaluation, because criteria for achieving an AA rating had apparently been reached quite easily (i.e. only two of the five cooperation indicators had to be met). A very high percentage of large projects was explained by a larger number of so-called umbrella projects that comprise different modules. On the contrary the indicator of (very) small projects gives a more realistic picture. As stated in the 2007 Annual report more detailed analysis of the cooperation indicators revealed joint financing was the least frequent indicator (10%) while

<sup>4</sup> Annual Implementation Report INTERREG IIIA/PHARE CBC Programme Austria – Slovak Republic, programming period 2000 – 2006, reporting period: 01/01/2007 – 31/12/2007.

the percentage of projects with joint application, planning, implementation and use was about 78-80%.

<b>Indicator on programme level</b>	<b>Planned figure according to CIP</b>	<b>Achieved 2007</b>
Percentage of AA-projects	25 to 30% of projects approved	259 projects (76%)
Size of projects	5% large projects (total of public financial contribution above € 300,000) 30 to 40%-share of (very) small projects (total of public financial contribution below € 50,000) thereof 109 projects out of Small Projects Fund	236 projects (52%)  55 projects (12%)

The programming documents contain a complex set of indicators for each measure and priority. The quantification of benchmarks is available only at the priority level. Due to limited guidelines from the Commission on indicators for the INTERREG programmes the programme partners in 2001 decided to set up the indicators system on the basis of - and in connection to - the indicators system used for objective 1 and 2 programmes in Austria. Analysis across different programme types is therefore possible (for Austria). The number of indicators was followed and reported but most of them have not served any purpose and can not be considered relevant. In fact, the indicators were mostly reduced to reporting the number of different types of the projects (in some cases the number of trainees and cooperating institutions) at both priority and measure levels. The output and results indicators are not distinguished and can hardly prove the achievement of the objectives.

We can assume that the indicators have been collected to fulfil the administrative compliance rather than serving concrete monitoring purposes and following the programme's progress. The management information system does not enable flexible access to the indicators therefore their selection for the reporting purposes is rather time-consuming. The figures reported in the latest available Annual Report (up to 31.12.2007) also provide a so called estimate of the share of impact etc. but no specific impact indicators are mentioned. The originally planned values of the indicators are set out for the priority level indicators. All available reported indicators including the benchmarks are included in Annex 2.1. Based on the missing benchmarks and baseline data we are not able to provide the achievement rates at the measure level.

### 3.2.2 Reviewing the programming quality and the programme relevance on the basis of the results achieved

Regarding the quality of the SWOT analysis, the mid-term evaluation mentioned that:

- there have been noticeable positive effects on the economic structure and the regional labour market caused by the investments in the automobile production (VW) in Bratislava. So the pressure on the border-crossing labour market to Austria is estimated to be much lower than previously expected. The planned supplier plant in Marchegg can lead to an increased economic intertwining. A certain risk is the strong dependence of the entire region on the industry plant. The realisation of the planned Peugeot plant in Trnava will create a new "Automotive Cluster" of European relevance near the Austrian border. This could lead also to a new view of the economic and labour market inter-linkages.

- the cross-border transport connections Austria – Slovakia were quite weak as stated in the SWOT-analysis, both the road and the public transport infrastructure. In comparison to the situation the implementation of the planned infrastructure projects (i.e. bridges Hohenau, Marchegg) aiming at the improvement of the permeability at the border is taking a long time. There are also ongoing talks for a joint use of the airports Vienna- Bratislava to improve the economic situation of the cross-border region. But these efforts have not shown a remarkable effect so far.
- the change of the population was very small<sup>5</sup>.

The change of institutions for cross-border cooperation took place in Slovakia. The new level of local administration was created - self-governing regions (VUC). Regional development agencies (RDAs) were established, with the aim to promote an overall socio-economic development in border regions, develop networks of local / regional actors in the area of tourism, economic development, energy, environment, etc.

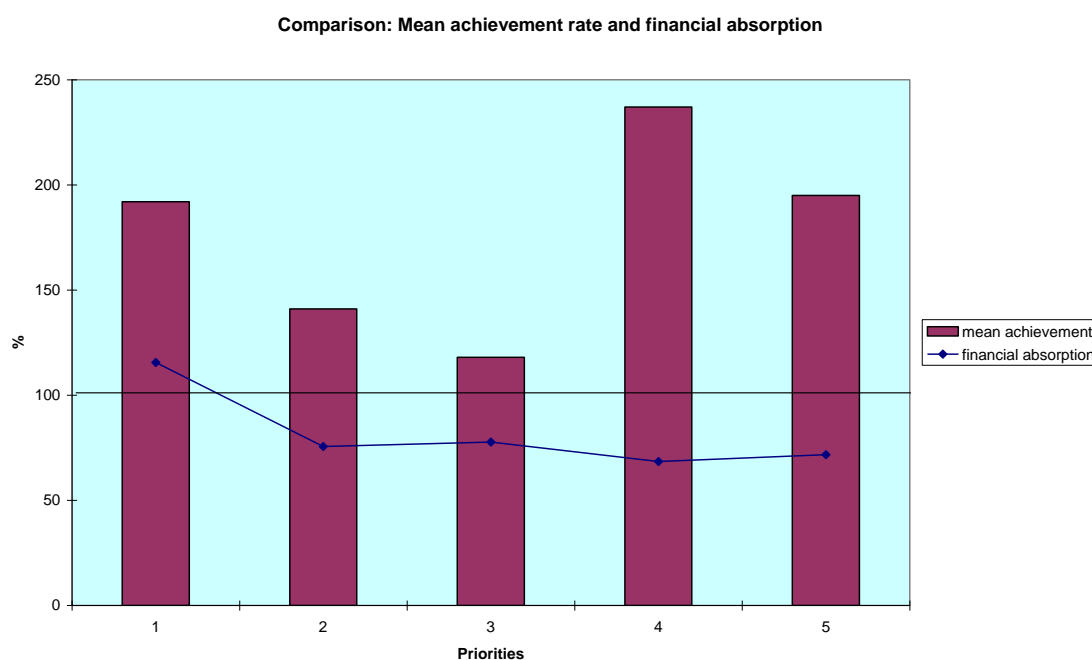
Most of the priorities exceed the originally planned indicators, only the Priority 3 indicators referring to the number of micro-projects and cooperating regional bodies have not been achieved. Although this was reported two years before the closure of the programme, the figures can be considered as final because the commitment deadline had already passed and thus it is unlikely that there will be an increase in the number of projects nor is the number of cooperating bodies expected to increase either. Despite the positive achievements, in terms of the quantity of indicators, the number of projects and studies is not sufficient to assess the actual achievements and benefits of the interventions.

### **Relevance of achieved results**

The relevance of the achieved results is linked to the programme logic and the real needs and problems, covered by the programme. The programme objectives discussed above were too numerous and too vague, with the same type of indicators, which does not enable to judge the benefits. We can say that the programme succeeded in covering a broad scope of sectors and activities, but the data enabling a qualified estimate of success are not available. Equally it is not possible to assess the efficiency of the interventions.

<sup>5</sup> Reiner, K., ÖAR-Regionalberatung, Mid Term Evaluation Community Initiative INTERREG III "A" Austria – Slovakia

**Graph 4** Comparison: Mean Achievement Rate and Financial Absorption



In general, the programme was structured in line with the SWOT analyses but no ranking of the priorities was agreed upon. Subsequent reallocation of resources was demand-driven, reflecting the actual needs and potential of regions to prepare the projects. The actual expenditure shows high overspending, mainly in the area of Tourism. The transport infrastructure was able support small projects, which are considered very helpful, but their design and approval is a long-term process on both sides of the border. Moreover, although the projects are considered large in the CBC programme and spent a considerable amount of the overall allocation, really significant transport projects would appear to be too large to be supported by CBC funds.

The indicators at the priority level were reported in the Annual report and their baselines were provided in the planning documents. As can be seen from the diagram (Graph 4) in terms of the indicators, the planned figures were expected at the lower level despite the low expenditure, exceeding the allocation only for priority 1, the achievement of indicators was much higher for all priorities.

<b>Criterion / scoring</b>	<b>excellent</b>	<b>sufficient</b>	<b>poor</b>
Data use and analysis		The SWOT analysis covered all relevant fields and was based on mainly on the qualitative information	
Focus		Although the analysis was focused on the areas selected as programme priorities it still remained very wide	
Clear conclusions		The analysis was not very complex but conclusions are reasonably	
Quality and logic of the SWOT analysis		All areas analysed in the SWOT analysis, are addressed but remain very general	
Consistency of the programme strategy			The determination of the priorities and measures is consistent but the objectives at the measure level are too numerous and overlapping
Determination of programme measures		The strategy was prepared and supported as a common effort of the partners from both regions.	

### 3.2.3 The level of complexity and experimentation achieved by cooperation

The A-SK programme had a clearly experimental character. The programme strategy intentionally covered a broad range of sectors and was focused on the establishment of cooperation networks. Despite this, some of the projects were able to specify the desired tangible results and were clearly focused on their achievement. Minimal attention within the programme was paid to Studies and Innovative actions (code 414 and 415) although numerous studies were implemented but they appeared under different coding.

The selection of projects followed two different patterns: On the Slovakian side calls for proposals were launched (3-4). Eligibility assessments were carried out by the staff of the Ministry of Construction and Regional Development (Joint Technical Secretariat). The regional advisory committee consisting of the representatives of the Slovak regional institutions (unions, agencies, regional administration, environmental/transport institutions) formed the short list of the recommended projects based on the score gained according to the set of criteria. Final the selection of the projects was approved by the Steering Committee and not all of the recommended projects were approved despite the fact that they sometimes scored higher. The reported success rate was 40-50%.

Whilst on the Slovakian side the communication during the preparatory stage of the applications was rather limited and project applications had to be delivered within precisely set deadlines, on the Austrian side no strict time limits were introduced and advice / assistance were provided to the Austrian applicants during the design and implementation period. The selection itself did not follow any strict criteria either but was directed towards the needs / problems to be addressed by the project activities, its objectives, value for money, likely sustainability, partnerships and they took into consideration the background, financial situation and reliability of the applicants. The Austrian consultancy and selection process was delegated to the regions. The project proposals were discussed and pre-selected in some Länder by regional advisory boards (e.g. Niederösterreichbeirat) and pre-selected by the Steering Committee. The list of selected projects was submitted to the Steering Committee for final approval. The success rate of the applications was 60-70%. Compared to the Slovakian approach the Austrian side could benefit from their approach for selection and preparation in a way that they could more directly influence the compliance of projects with regional and local strategies and political priorities.

Until 2004, A-SK projects were implemented mostly as independent projects and on the Slovakian side clear preference was given to infrastructure projects. In most cases, although official partnerships were created, in reality they did not work and/or the project benefits were provided to the main applicant only. Obviously, for the overwhelming majority of infrastructure projects genuine partnership relations were mostly absent. Such effects were more typical for the small people-to-people projects. Knowing the complexity and length of the preparatory stages for the big infrastructure projects, moreover requiring two different state administrations to agree, as well as the size of the grant, which can hardly be sufficient to cover "real" infrastructure projects, it is not surprising to see the implementation of independent projects with no or very limited cross-border effect. Most of the projects implemented their planned activities and achieved the results but failed in the area of continuing cooperation. On some occasions the project enabled the identification of the correct partner for the cooperation. Some positive projects, however, managed to trigger follow-up activities / new projects.

The mid-term evaluations proposed several measures to improve the management of the programme. These were not applied immediately as the Managing Authority found it very difficult to change implementation rules in the middle of the programme cycle. Therefore the implementation of the recommended measures was taken into account when the new programme cycle was designed.

As already mentioned, the formal monitoring of the programme was operating correctly but the applied indicators were only of a limited use for monitoring the performance of the programme. The technical solution to transfer the data from the Slovakian monitoring system to the Austrian Managing Authority had to be developed but validity and reliability of the monitoring data is still not fully ensured. The system also includes the indicators at the measure level, however their baseline data were not set, and therefore the achievement rate is not calculated (see Table 2, Annex 2.1).

**Table 2** Achievement of indicators

Priority	Outcome indicators on priority level	Planned	Achieved	Achieved in %
<b>1</b>	Share of SMEs affected by projects of total of SMEs in the project area	5 to 10%	n/a	-
	Share of SMEs of participating enterprises	>90%	n/a	-
	Number of projects	30-45	72	192
	Share of impact:			
	- leading to market integration and/or integration of products	60%	46%	
	- leading to transfer of knowledge and/or technologies	20%	26%	
	- partner search and creation of networks	20%	28%	
<b>2</b>	Number of projects	12-20	25	156
	projects (studies) for strategic support	10-15	17	106
	investment projects	2-5	8	160
	Share of impact:			
	- links to international transport routes, improved CBC transportation	40%	50%	
	- links improving CB-mobility, accessibility and intelligent traffic solutions and integrated use of information technology and communication infrastructure	60%	50%	
<b>3</b>	Number of projects	30-45	88	234
	supported Euregios/CB-development organisations, (GEO)/regional managements	10-14	7	58
	projects supported within Micro Project Funds	180	109	61
	Share of impact:			
	- development of implementation structures for CBC cooperation	50%	40%	
	- generating and expanding networks	30%	24%	
	- pilot projects and testing of new forms of collaboration	20%	36%	
<b>4</b>	Number of projects	30-45	47	125
	participating institutions in the fields of labour market and training	40 to 60	174	348
	Share of impact:			
	- projects preparing the integration of labour markets	25%	19%	
	- projects providing qualifications /knowledge with specific relevance to the neighbouring region	75%	81%	
<b>5</b>	Number of projects	30-45	65	160
	investment projects	5-10	22	293
	and studies	30	40	133
	Share of impact:			
	- development of the region and the environmental conditions	33%	46%	
	- applying environmentally friendly technologies or representing technical infrastructure projects	33%	34%	
	- improving natural resources and environmental conditions including national and nature parks	33%	20%	

### **Comparison with horizontal results across INTERREG III**

Based on the analysis of the strand "A" programmes the overall average percentage of target values achieved is generally high. Equally, the A-SK programme indicators show a relatively high percentage of the achievement rate, although the relevance of indicators could be questioned. The indicators provide a good overview of the types of projects but do not provide any indication of the real effects of the projects. In this context it should be also mentioned that due to the experimental and very broad nature of the programme, determination of such indicators was practically impossible.

In general the A-SK projects were implemented and achieved what was originally planned. In some cases follow up activities are already on-going or are being planned, in others it is rather difficult to identify any sustainable benefits. In most of the cases the partnership relations have developed into real partnerships and/or initiated new partnership relations, although these linkages are very much influenced by political development and high turnover of personnel mainly in the administration bodies on the Slovakian side. Nevertheless, the basis for future cooperation was created and should enable more effective networking. The most visible outputs were produced in the area of transport – namely with regard to cross-border connection over the March / Morava river (bridge, ferry) connecting roads and cycle-paths on both sides. It is evident that the project outputs have contributed to some extent to the socio-economic development of the region and have beneficial effects for businesses. Slovakian citizens are moving to the bordering regions and for the first time have started to live in the small Austrian villages at the outskirts of Bratislava, which confirms the predisposition of the region to become a real "common" cross-border region.

#### **3.2.4 Intermediate conclusions**

In general the single types of measures have been in accordance with the underlying hypothesis and have confirmed the existing ability / capacity of the area to create a common prosperous region. The intervention logic of the programme is very general; therefore the achieved results can be easily justified. The given indicators do not correspond to the achieved results and are too numerous. Some of the measures were not performing well, which required a reallocation of budgeted sources. There were no implementation delays reported. So far, namely on the Slovakian side, more attention was paid to the less experimental projects with tangible results. The different projects contributed to the more suitable cooperation conditions and an initial framework for the network was set. The informal networks and umbrella institutions that were created in the form of micro-regions, Euregio and others are in the position to facilitate the future development of cross-border cooperation

### 3.3 Project-level cooperation under the programme

#### 3.3.1 Selection of the project sample

Based on the set of criteria the Joint Technical Secretariat staff was asked to assist with the selection of the individual projects for further in-depth evaluation. The selection of projects followed priority topics, which were set out for INTERREG III strand A. The appraisal of the projects was carried out in strict compliance to the approach defined in the Inception Report. The list of selected projects was composed as follows:

<b>INTERREG-A Priority Topics (Communication)</b>	<b>Pre-selection of projects</b>
Improving transport, information and communication networks and services and water and energy systems	1 Bridge Hohenau – the temporary bridge for the road transport – border connection 2. Mobil Parking – info and payment system for parking in both Bratislava and Vienna city 3. TWINCITY – the quickest connection of the two capital centres via boat on the Danube river
Encouraging local entrepreneurship and the development of small firms and local employment initiatives	4. ECONET Platform 5. Needs assessment for an Automotive MBA Centrepe
Encouraging the protection of the environment (local, global) increase energy efficiency and promote renewable sources of energy	6. Bilaterales Gesamtprojekt March / BGM II / BPM 7. Bratislava – Rača protection against floods
Promoting urban, local and coastal development	8. KOBRA 2010 – urban development
Increasing human and institutional potential for cross-border cooperation to promote economic development and social cohesion	9. Centrepe – institutionalisation of cooperation and strengthening of the cooperation mechanism at the Slovak side of the multilateral initiative
Sharing human resources and facilities for research, technological development, education, culture, communications and health to increase productivity and help create sustainable jobs	10. Information magazine Bratislava - Vienna

#### **The distribution of projects and the degree of networking**

The original allocation of funds was planned as follows: 11% of total allocation to Burgenland, 30% to Lower Austria, 33% to Vienna and 26% to both Slovakian regions. The data for the distribution of the projects in individual regions were not updated therefore we can provide only the latest figures from the update of the mid-term evaluation. The regional distribution in terms of the number of contracted projects and the respective commitment of funds in the middle of 2005 was as follows:

<b>Region (NUTS III)</b>	<b>Nr. of projects</b>	<b>% of total no. of projects</b>	<b>% of total commitment</b>
Österreich	5	1,4	1,9
Ostösterreich	12	3,4	11,0
Burgenland	12	3,4	2,5
Nordburgenland	10	2,8	5,8
Niederösterreich	71	20,0	31,0
Weinviertel	4	1,1	0,8
Wiener Umland Nordteil	1	0,3	4,9
Wiener Umland Südteil	1	0,3	0,1
Wien	45	12,6	13,8
Bratislava region	118	33,2	17,2
Trnava region	71	20,0	9,2
INTERREG programme	5	1,4	1,8
<b>Total</b>	<b>355</b>	<b>100,0</b>	<b>100,0</b>

Source: MA, data up to 5.11.2009

The majority of projects were implemented in small partnerships. As already mentioned long-lasting historical ties were missing and the partnerships were often created just for formal compliance with the project conditions. The knowledge of existing structures and their competences was sometimes lacking. Nevertheless, some partnership relations between municipalities have slowly been established and the number of cooperating businesses and their umbrella structures (Chambers of Commerce etc.) also increased. The average partnership had about 3 partners and larger partnerships were quite rare.

### **The selection of projects**

The selection of the projects was carried out with active involvement of the JTS on both sides and followed the criteria determined for the selection, namely the relationship with the priority topics of the INTERREG Communication. The final selection of the projects was confirmed and the delivered project documents have been studied in order to provide information necessary for the project case studies. The final list included the following projects:

- 1) Bratislava – Rača protection against floods,
- 2) Information magazine Bratislava -Vienna,
- 3) ECONET Platform,
- 4) Bridge Hohenau / Moravsky Svaty Jan,
- 5) KOBRA 2010.

The project analysis comprised mainly of a desk review of the relevant documents and of face-to-face interviews. Based on this analysis the project KOBRA 2010 is can be considered as one of the sixteen micro case studies to be elaborated for publication on the DG REGIO Regions for Economic Change database of good practices.

### **3.3.2 In-depth evaluation of projects realised under the priority topics of the Community Initiative**

The following chapter contains the reports of the five project case studies, based on document analysis and interviews with the project applicants. The findings are incorporated in the programme analysis of the A-SK programme. Technical background information about the individual projects is attached in Annex 3.

### **3.3.3 Projects with particularly strong territorial cooperation demonstrating the Community added value of INTERREG programmes**

#### **Selection process**

Both the Austrian and the Slovaks, introduced different project selection procedures. While in Slovakia projects were selected through a call for proposals, the applications were complex and applied the assessment grid, in Austria, this was done through a less formal open procedure.

Each complete project application was subject to a technical and financial pre-assessment by the responsible Intermediate Body. The assessment was based on the economic and managerial capacity of the project applicant, appropriateness of costs, secured and feasible financing plan and

a balance between own resources and public co-financing taking all possible public co-financing sources into account: i.e. from ERDF as well as from national public funds, and compliance with and support of priorities in regional policy frameworks. The next step was the assessment of the eligibility for INTERREG IIIA which focused on the intensity of cross-border cooperation in project development and implementation. This comprised a check whether one of the following five stages of project development and implementation were carried out jointly with a partner from the neighbouring country: project design and application, planning of implementation, implementation, financing and use and/or operation of the project's outcomes. If two or more project development stages were carried out jointly the application was ranked as "A". The projects which had not undertaken any of the five steps jointly were not eligible for INTERREG IIIA.

Following the EU accession of Slovakia the opportunity arose that mirror projects could be developed in close cross-border partnership and implemented at concurrently in both partner states. There was also the option to develop a project which implemented activities complementary to already existing projects in the other partner state. Every project had to achieve visible cross-border impacts.

**The assessment of the expected positive outcomes of the project on cross-border regional development was based on a set of impact indicators.** These assessed whether or not the projects would trigger positive developments in both partner states, contribute to the development of a socio-economically integrated cross-border region, combine regional resources, partners or target groups and / or make use of and strengthen existing networks. The project was ranked "A" if two or more positive impacts could be stated. The Intermediate Bodies also checked whether the project might be classified as "key project" or if it had the potential to provide synergies for other projects or additional positive impacts in other fields. After the Intermediate Bodies' examination, the project application – together with a statement of the Intermediate Body - was released for submission to the JSC, which prepared project applications for the decision-making process in the Bilateral Committee. Members of the JSC were all Slovakian and Austrian partners at national and regional levels: these are representatives of the IBs, ministries at national level and regional managements. Each project was presented and discussed at the JSC, which decided on the provision of grants to the projects.

After approval, the project was handed back to the Intermediate Body for technical and financial implementation procedures. The Intermediary Bodies concluded a grant contract funded from the ERDF funds and the national public co-financing from their budgets. In case of co-financing from other national public sources (e.g. Austrian Federal Ministries, Länder budgets) a separate contract for these funds was drafted.

## **Project study 1: Study for the protection of the suburb Bratislava Rača against floods**

### **I. General Project information**

The aim of the project was to analyse the current situation regarding the protection of Bratislava Rača against floods caused by storms and melting snow. Based on the analysis of the current situation and the urban development plan of the suburb, possible solutions should be proposed to reduce flood threats and their effectiveness should be verified. It was expected that based on these results, the investment for these projects could be prepared and implemented with the financial support of the EU Structural Funds sources.

### **II. Selection process**

The project was selected through the call for proposals. The administration of the selection process was rather lengthy. It took nearly one year from the submission of the application until the final contract signature. The Austrian partner was the Municipality of Gols, which has been a cooperating partner of Bratislava Rača since 2001. The cooperation was focused on the areas of local administration, education, culture, sport and viniculture but covered also several other areas e.g. the project design of the Small Carpathian cycle path – a cycle-tourism project initiated in 2006 including also the local governments of Vajnory, Sv. Jur and Pezinok.

A new topic for the exchange of experience was the project study on the protection of the suburb Rača against floods. The technical experience of the Austrian partner in this area was beneficial for the creation of the protection strategy, which utilised the knowledge and experience of the partner adapted to the local conditions. The study was prepared by the Slovak Technical University Bratislava in cooperation with private consultants. The project was officially managed by the consultancy company because the municipal office was not able to ensure personal sources and lacked experience with project management.

### **III. Partnership and sustainability**

The project was an independent project implemented by the Slovak Municipality Bratislava-Rača with the Austrian partner Municipality Gols. It was planned to have a duration of one year and started in June 2007 but eventually it was extended by one month. The overall planned budget was € 50,660 (of which 50% ERDF, 45% state budget and 5% municipality). The disbursement rate reached 85% and the final reimbursement of the financial sources to the project account of the beneficiary took place 5 months before the project completion.

The project activities consisted mainly of the collection of the data necessary for the study and the exchange of experiences took place during the visits of the project staff and consultants to Gols. The study was also prepared and consulted / commented on by the water management companies that are responsible for the operation and maintenance of the sewerage systems as well as the management of water and river basins.

The long-term cooperation with Gols still continues although its intensity varies due to the personnel changes in the local governments. Nevertheless, there is no specific cooperation on further developing the results of the study or related to the subject of the project. The Austrian partner was approached with the project idea and due to their long-term relations and some experience in the preparation of the strategies for the flood protection, agreed to cooperate. Its

role was to provide know-how and / or present the local partner with the preparation of the similar study and its practical implementation. After the preparation of the study, the partner was made familiar with its results.

#### **IV. Learning and indirect effects**

The purpose of the project was achieved and the prepared study identified weaknesses such as insufficient capacity of the sewerage system, ownership and maintenance problems of the old existing systems for water collection. The study recommended the measures to be introduced and proposed several alternatives according to the urgency and financial requirements. The original intention to design a follow up project for the implementation of the study could not take place. The municipality is not the owner of the facilities therefore could not apply for such a project but initiated discussions with the water management companies to prepare it. The municipal office had its first experience with the implementation of the SF project. Unfortunately, most of the project team had changed their working positions. The Municipal office had eventually established a separate unit dealing with the EU funds' projects.

With regard to the cross-border effects, there were no effects identified. The project was implemented as an independent project by the Slovakian partners but besides some required solutions proposed for the flood protection in the Slovak municipality, it did not bring any direct or indirect benefits for the Austrian part. The mutual cooperation was most likely formalised a few years ago, and a cooperation agreement was signed. Current cooperation is less intensive, nevertheless, mainly due to common viticulture history, it is still sustained.

The project had a very specific aim and the expected study was prepared. The EU resources enabled the implementation of the project. If it had to be implemented however, without the EU sources; it would most likely take much longer.

### **Project study 2: Information Magazine Bratislava - Vienna**

#### **I. General Project information**

The idea of the project was born in 2005 and its purpose was to establish a new informative periodical magazine connecting the two capitals, with a cultural review of the programmes in Bratislava and Vienna, apart from that, the magazine would also ensure cultural information exchange between the Slovakian and Austrian capital cities, mutual convergence and learning about Slovakian / Austrian cultural life, and about Slovak / Austrian cultural institutions and artists. Issuing the first 5 volumes with the financial assistance from the INTERREG Small Projects Funds, the intention was to continue from the sources of Bratislava Cultural and Information Centre with the support of partners, hotels and other companies. The initial edition was 4,500 issues, which reflected the financial possibilities of the applicant to cover the co-financing rather than the actual needs.

#### **II. Selection process**

This project was also funded from the Small Project Funds and selected through a call for proposals. The applicant – Bratislava Cultural and Information Centre - was established in 2003 by joining together three city cultural institutions. At that time a magazine informing people about

cultural events in Bratislava was issued monthly. The new management came up with the idea of bringing some added value together with the information and it was considered involving Vienna, Prague and Budapest. Eventually the project started in cooperation with Vienna. During the preparatory meetings the most convenient partner was sought and in cooperation with the Austrian local administration and Tourist Bureau, the private company dealing with advertisements and PR was identified (Mandl Texte).

The project was designed in 2004 / 2005. The application was accepted and the contract signed in September 2005. The project activities started in October and finished in 5 months time. The overall allocation of the project was € 19,978 (50% ERDF, 45% state budget, 5% beneficiary) however the disbursement reached only 66% as part of the expenses was not considered eligible due to the different number of issues (4,500 in reality and 4,950 mentioned by mistake in the application form). The payment was obtained more than 2 years after the project was finished.

### **III. Partnership and sustainability**

The project was mainly the activity of the Slovak Bratislava Culture and Information Centre. The role of the Austrian partner was to ensure necessary information and the processing and subsequent distribution of the magazine. Although this was a business partnership and did not last too long, the project itself has sped up the cooperation between a number of other relevant institutions. During the last two years these were namely Vienna Information Offices, whose employees paid a visit to Bratislava to become familiar with the city. Telephone communication is quite sufficient to satisfy the needs of clients on both sides of the border. The local government offices also cooperate much closer in different specific areas. It is expected that cooperation would have been developed also without the project but it would have taken longer. The cooperation was extended by some Austrian journalists, press department of the City Hall Vienna and municipality in Hainburg.

Following project completion the journal continues to be issued thanks to financial support by the Bratislava City Hall. Since April 2006 Bratislava continued publishing the magazine and renamed it "Twin City Journal" a full colour, 84 page magazine in three languages (Slovakian, German and English) providing a number of interviews, articles and information on common projects, social and cultural events and / or tourist attractions. Its free distribution was further extended to some other cities in Niederösterreich and its edition increased to 10,000 issues. The magazine is being sold since 2008, and is regularly issued every quarter with the edition of some 3,000 – 5,000 pieces. The magazine is now prepared in Bratislava, including processing of information provided by the new Austrian partner and distribution in Austria is ensured through the local company. The Twin City Journal was provided in both countries mostly to the institutions operating in the tourism area, hotels, cultural, information centres, etc.

### **IV. Learning and indirect effects**

The main purpose of the project to provide information about the two capitals, mainly in the area of culture, was achieved. The Journal was even awarded two prizes in the local competition amongst similar magazines. In terms of the results, the project has fully achieved its intended aim and very likely contributed toward diminishing prejudices and raising the number of tourists in both capitals. Although these figures are not specifically monitored, namely with regard to the

number of one day tourists, just the number of those who visited Bratislava by ship last year, was about 300,000 (excluding very frequent and accessible train and bus connections).

### **Project study 3: ECONET Platform – Economic Cooperation for Austrian-Slovakian SMEs along the axis Vienna-Bratislava-Trnava**

#### **I. General Project Information**

The ECONET project aimed at intensifying the economic cooperation between Austrian, Slovakian and Czech SMEs located in the geographic triangle Vienna-Bratislava-Brno. The project started originally as an Austrian-Slovakian project and was later expanded to a trilateral intervention. The Austrian Federal Chamber of Commerce / Wirtschaftsförderungs-institut (WIFI) International implemented the project as the lead project beneficiary, together with Slovakian and Czech partners respectively.

The project is remarkable in the sense that at the same time mirror projects were realised both in Slovakia and in the Czech Republic. The ECONET Platform, also through its trilateral context has effectively managed greater Interregional cooperation between SMEs at both (or actually three) sides of the border.

#### **II. Selection process**

The project was selected following a rolling application procedure. The idea for the project was based on concepts developed at the time by the Austrian project leader (Austrian Federal Chamber of Economy / WIFI) and its subordinated institution in Lower Austria and Vienna. The project idea was considered as innovative and experimental and WIFI's proven track of success in business promotion made selection easy.

#### **III. Partnership and sustainability**

The idea and concept of the project were mostly developed by the project leader from Austria and the participating Austrian partners, thus cross-border partnership during the design phase was limited to partner presentations and principal discussions. Acceptance of the prevailing needs and chosen approach by the Slovakian and Czech institutions ensured that it was a well agreed common action among all partners. Collaboration among the project partners became much stronger after the commencement of project activities in all three border regions and cooperation during the implementation was good.

Partnerships were established mostly on the basis of already existing contacts between the various Chambers of Commerce involved. This basic structure was adequately accompanied by the selection of further institutional or, in the case of Austria, private partners. However due to the late approval of the programme planning in Slovakia changes in the partnership compensation were necessary since some of the originally selected Slovakian partners (SMEs) were not eligible for funding anymore.

The Austrian project had a duration of three years. Due to the already advanced time schedule when the Slovak INTERREG programme finally became operational, the Slovakian mirror project was approved for only two years of implementation; compared to the Austrian project the Slovakian mirror project started a year later and finished slightly earlier. Nevertheless all the

activities that were set were delivered in line with the timetables. Most project activities in principle mirrored the Austrian ones except in cases where funding where not approved by the respective authorities. For instance the original idea to develop the database through Slovak funds was not approved and this activity was later arranged through the Austrian project. However, given all these preconditions, the exact mirroring of implementation was not possible anymore and only in some areas could really joint cooperative activities take place at the same time.

After one year of implementation it turned out that the Danube University Krems could not participate anymore due to organisational reasons. Without compromising the project implementation WIFI Lower Austria immediately replaced this partner.

It is apparent that without INTERREG co-financing this project would not have been able to produce an impact across three border regions. Whilst the Austrian activities are likely to have been taken from national funding only the same cannot be said for the ECONET activities delivered in the Slovak and the Czech Republic. ERDF funding was crucial here, otherwise the Slovak and Czech mirror projects would not have happened at all or only modestly.

The project produced an impressive number of outputs across all three target geographical areas including: more than 2,000 members who were and still are registered in the ECONET cooperation database, more than 4,800 participants in business clubs, seminars, consultation days and cooperation meetings were achieved. There were inter alia 20 business clubs held in Vienna and Lower Austria related to ECONET Slovakia and 10 business clubs related to ECONET Czech Republic; two studies on export possibilities and business and technology parks in relation to Slovakia were produced and presented; 28 Austrian companies benefited from the company mentoring offered by the project; 3 e-learning courses on Austrian and EU support programmes and Slovak tax benefits were arranged for consultants and economic advisors; all these were accompanied by voluminous counselling, advising and promotional measures.

However, sustainability of the ECONET achievements and cooperation infrastructure remains uneven following the end of project activities. An immediate successor project has not been initiated by any partner yet.

The Austrian project leader explained that the wish to continue with INTERREG funding was significantly diminished in their institution due to the various administrative burdens and payment delays experienced during the ECONET project. The relationship with the Intermediary Body (IB) – City of Vienna/MA 27 – was considered as difficult due to staff fluctuation prevailing at the IB and the very high administrative and control requirements imposed by the IB. The most significant problem was seen in the payment documents requested by the IB and its timely acceptance as the Federal Chamber of Commerce with its special organisational and institutional structure had difficulties coping with it. Moreover, there were also different expectations for payment documents expressed by the City of Vienna and the co-financing by the Federal Ministry of Economic Affairs and initial vagueness about the responsibility for First Level Control raised confusion. This negative experience prevailing at Federal Chamber of Commerce / WIFI International is reflected in their current low interest in taking further INTERREG projects on board.

Following completion, the Austrian project leader has shifted the project results to the section in the Austrian Federal Chamber of Commerce dealing with economic cooperation for the Czech and Slovak Republic but continuation there remains low. The existence of the ECONET website and cooperation database has been extended by another year and it is still used by the registered members but further maintenance remains unclear.

There remains widespread optimism that ECONET's final target group – entrepreneurs and managers of SMEs in Austria, the Czech and Slovak Republic, start-up entrepreneurs etc. – have significantly benefited from the project and that economic cooperation was well stimulated. Precise information on the quality and quantity of the economic impacts achieved, notably in terms of effectively developed businesses, however is not available.

#### **IV. Learning and indirect effects**

The ECONET platform project managed to improve the situation of SMEs in the border regions by providing or increasing the levels of information, consulting, training measures, cross-border networking and cooperation. Thus in the longer term, innovation and competitiveness in the intervention area was fostered through more intensive business cooperation.

Institutional learning was evident on the sides of the Slovak and Czech partners and they managed to improve their professionalism in managing economic cooperation among SMEs. Thus the key institutions have managed to provide valuable services to their member enterprises which in turn have also helped to demonstrate the usefulness of such institutional advisory services. Cross-border institutional cooperation in the area of business creation and development was significantly cultivated.

The project partners are all satisfied with the results achieved. All the project partners contributed actively to the success of the project. The ECONET project has also been included in a good practise overview issued in 2008 by DG Enterprise and Innovation (*Supporting the Internalisation of SMEs – Good Practice Selection*). However, as expressed by the Austrian project leader, administrative and financial demands together with late receipt of payments have clearly diminished their interest in future projects co-financed by INTERREG, despite some on-going preparations.

### **Project study 4: Bridge Hohenau/ Moravsky Svaty Jan – accompanying nature protection measures**

#### **I. General Project Information**

The project is located in the district of Moravský Svätý Ján in the Trnava Region. This region has an intensive cooperation with the Austrian and Czech border regions. The municipality is located close to the highway linking the Slovak capital Bratislava with the Czech capital Prague and the city of Brno in Southern Moravia, the latter city being well known for the organisation of business activities and fairs.

The construction of a temporary bridge solved major problems connected with the utilisation of the border crossing point. The Austrian INTERREG project has complemented the bridge investment previously made by Slovakia.

## **II. Selection process**

The project was selected following a rolling application procedure. The accompanying construction and adaptation measures for environmental protection and protection of amphibians have been a compulsory requirement in order to cope with the notification given by the Environmental and Nature Protection Department of the Government of Lower Austria.

## **III. Partnership and sustainability**

The project under review complements the project "*Temporary bridge Moravský Svätý Ján – Hohenau*", financed under the 2002 Slovak Phare CBC programme. In 2005 this new temporary bridge, replacing the, until then, existing swimming raft (pontoon bridge) was opened for traffic. Following its commissioning, new activities and thus also expansion of the regional transport intensity was expected. The users of this bridge have a permanent and uninterrupted opportunity to cross the border. The bridge ensures in general regional car and freight transport, not exceeding 7,5 tonnes and buses of up to 18 tonnes.

Whilst the bridge investment was made available from Slovakian funds, agreement was found with the Government of Lower Austria. INTERREG funds have helped to ensure that adequate environmental protection measures and infrastructure was put in place to cope with the sensitive situation in the area with respect to the environment.

A long lasting discussion remains between the Slovakian and Austrian authorities concerning proper ways to improve accessibility to the border regions, in particular with respect to the border area characterized by the Morava River. However, long-lasting preparation and approval procedures, together with sometimes changing priorities on both sides sometimes make joint planning difficult.

## **IV. Learning and indirect effects**

The now completed bridge infrastructure presents one of the rare examples of INTERREG transport interventions directly targeting improved accessibility in the Slovak-Austrian border area. However it must be recognised that the bridge is located in an environmentally sensitive area (Austrian nature protection zone). Both sides of the border in this area are economically weak and also the traffic observed is limited. There are ideas to set up common bus lines in the near future but this has not materialised yet.

Discussions during the current INTERREG IV period indicate that further projects for directly improving accessibility are likely to be launched in the near future. This includes in particular plans to replace the current ferry operations between Angern and Zahorska Ves by means of a permanent bridge. Moreover, a bicycle and pedestrian bridge is expected to connect Schlosshof and Devinska Nova Ves.

Nevertheless, the complexity of infrastructure investments together with rather limited INTERREG funding possibilities hardly allow transport and accessibility to become a more prioritized topic within the Slovak-Austrian INTERREG programmes.

## **Project study 5: KOBRA 2010 - Urban Regional Cooperation Bratislava 2010**

### **I. General Project Information**

The KOBRA region is located at the Austrian-Slovak border and covers 14 municipalities in the Austrian “hinterland” of Bratislava, in two Austrian federal states: Lower Austria (Bad Deutsch Altenburg, Berg, Hainburg, Hundsheim, Prellenkirchen, Wolfsthal, Eckartsau, Engelhartstetten, Lasse, Marchegg) and Burgenland (Deutsch Jahrndorf, Edelstal, Kittsee, Pama).

With a series of projects and joint initiatives, the Slovakian capital Bratislava and the neighbouring Austrian region have entered into a process of intense cross-border cooperation to harmonise the spatial development in the greater region.

The KOBRA 2010 project aimed at starting the process of preparing the Austrian municipalities becoming the hinterland of Bratislava for the developments envisaged in the Bratislava area.

### **II. Selection process**

The project was selected following a rolling application procedure. The project was initiated locally and due to its innovative character it found strong support on the level of the concerned Austrian regions (Lower Austria, Burgenland).

### **III. Partnership and sustainability**

The Austrian municipalities in the surrounding area of Bratislava are increasingly turning into hinterland municipalities of Bratislava. Only cooperation between them can meet the challenges that this brings. Individual municipalities will not be taken seriously in discussions about the future development. Therefore visions for the development of these municipalities were drafted over the past years to prepare them for the changes they will face in the future.

The project was thus set up in order to help the Austrian towns prepare for this new role and emboss their special cultural and ecological qualities and identities when planning vis à vis the present and envisaged demands. The “Planning Community East” together with the State Governments of Burgenland and Lower Austria as well as partners in Vienna and Bratislava prepared the ground for an expert discussion of existing local and regional plans to define and map functional zones and regional focus measures. Key measures and functional zones were identified on a spatial level. A spatial mission statement on the “Biosphere region and green centre” was agreed as the fixed constant and building block for the strategy on the development of the Vienna-Bratislava region. In a next step, the contents of the urban development plan Bratislava were coordinated with the development concept and tourism master plan, and cooperation intensified between the Planning Community East, Bratislava city administration, regional development associations and municipalities.

Effective partnership with the City of Bratislava however was limited. It is apparent that the project was driven by the Austrian partners whilst the active contribution from the Slovakian side was rather formal.

Strong political support within the City of Bratislava would have made the project even more successful. This however is intended to be addressed in a follow-up project which should indeed be implemented as joint initiative.

#### **IV. Learning and indirect effects**

The "spatial concept – framework concept KOBRA 2010" acts as "framework of reference" for future developments. As the rivers March and Danube form natural barriers, the municipalities north of the Danube are not affected as much by the urban sprawl as the ones south of the Danube, especially Wolfsthal, Berg and Kittsee. By means of this "framework of reference" the municipalities can coordinate their future development and successively cooperate with the City of Bratislava.

A spatial concept defined possible roles and functions of the municipalities in the agglomeration of Bratislava. The municipal visions of development were presented in a separate plan for open space, and for recreation and tourism (Master plan Grünraum, Erholung, Tourismus).

KOBRA can, in the longer run, enhance the competitiveness of the region around Bratislava. Based on the spatial concept the urban-regional cooperation between the City of Bratislava and the Austrian municipalities near the border will be intensified. In this process the focus is on joint considerations regarding the handling of open space along the border, developing an accessibility concept (for tourism) as well as connecting the Austrian hinterland municipalities to the public transport network of Bratislava.

In future a joint platform of the Austrian hinterland-municipalities and the City of Bratislava should ensure the ongoing coordination in matters of development and regarding joint projects. Joint measures shall be defined for the coming years and the successful approach to the cross-border development of the city and its hinterland shall be further extended.

Shared investments for the implementation of the tourism master plan are intended to create benefits (in the form of income taxes) for Bratislava as a city with attractive recreational "facilities" and the Austrian towns and local tourism enterprises as well.

In order to further intensify institutional cooperation plans also exist to set up a common platform where mayors from the individual Bratislava city districts could directly meet with their counterpart mayors from the concerned Austrian border municipalities. Such a platform would provide a model for the first cross border urban regional cooperation in Austria. Informal communication is already ongoing. Specific studies in the KOBRA 2010 project have indicated high dynamics in new settlements and sites in and around Bratislava, increasingly affecting the Austrian neighbouring cities to convert from sleepy border towns to attractive suburbs of the Slovak capital. KOBRA, as an exemplary cross-border city-regional cooperation project, has won the EUREGIO Innovationspreis 2007.

### 3.4 Analysis of factors that determine the character of the programme

#### 3.4.1 Important contextual factors characterising cross-border / transnational programme areas

This section will deal with the analysis of the character of the programme, addressing the in-depth financial performance of the programme, effectiveness analysis, analysis of projects under the priority topics of the initiative, comparative analysis of the factors determining the character of the programme - depth of cooperation and factors fostering or hampering the integration of the programme.

#### **Contextual factors**

The typology of the programmes, which was prepared for all strands, was based on the data from task 2. This typology includes the following features: geographic type of land border, the political administrative nature of the common border, density of border crossing possibilities, level of cross-border economic disparities and existence of common historical ties (see Table 3, Graph 6).

**Table 3** Contextual factors

	A 1.1 Geographic type of land border	A 1.2 The political administrative nature of the common border	A 1.3 The density of border crossing possibilities	A 1.4 The level of cross-border economic disparities	A 1.5 The existence of common historic ties
SK - A	2,00	3,00	48,07	3,17	3,00
Mean strand A	3,50	2,05	46,61	1,76	1,60
%-deviation from the mean	57	146	103	180	188

Comparing the features of the programme with the average of strand "A" programmes in terms of contextual factors we can conclude that the pre-conditions for cooperation are not optimal (nearly all exceeding 100%). The situation is less favourable for all criteria of the programme with the exception of the geographical type of land where the programme scores 2, i.e. representing a river border. On average, the INTERREG "A" programmes score 3.5, while the A-SK programme is the programme with better accessibility along the border.

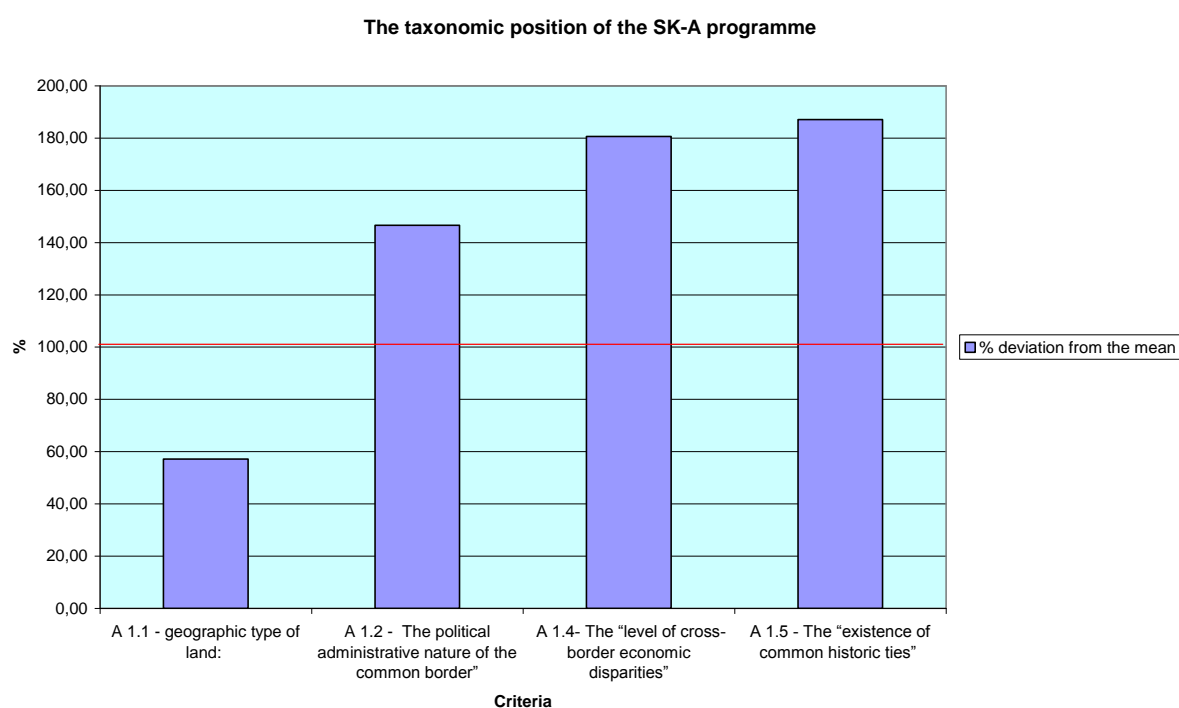
In terms of the political and administrative nature of the programme, we see that the programme belongs to those with substantial cross-border administrative bottlenecks. Until May 2004, when Slovakia joined the EU and later also the Schengen area, the area was located on the external EU border. The cooperation support was funded from two different mechanisms on each side of the border and caused a lot of legal and financial difficulties.

The level of cross-border disparities scores above 3, meaning a very high level of disparities. Comparing with the average score across the strand "A" that was 1,76, the programme reached a score twice as high. The economic structure and development of the Austrian/Slovakian border region is characterised by pronounced regional differences in prosperity that become manifest in

significant urban-rural disparities and in the steep prosperity slope from the Austrian to the Slovakian border region. While the gross regional product per inhabitant is between 60% and 152% of the EU average on the Austrian side of the border, in the Slovak border region it reaches rates of between 50% and 92%.

Due to the recent history the existence of historical ties are also missing. The programme scores a 3, meaning that there is an absence of common historical ties, shared culture and common language. The next contextual criterion related to the density of border crossing possibilities, the programme ranks among the average with a score of 48. The positive deviation from the strand A mean is negligible reaching 103%. Overall the programme misses favourable contextual conditions.

**Graph 5** *The Taxonomic Position of the SK-A Programme*



**The success of the programme in addressing the initial priority topics and concentration principles of the INTERREG Communication**

These criteria provide an overview of the extent of priority topics listed in the INTERREG communication and the concentration of financial resources. The results are displayed as follows:

	<b>A 2.1 Extent of priority topics</b>	<b>A 2.2 Concentration</b>
SK - A	5,00	0,64
Mean strand A	4,77	0,87
%-deviation from the mean	105	73

As indicated by the figures, the programme primarily paid attention to 5 priority topics. The mean value for the strand "A" is slightly lower, i.e. 4,77, which means that the programme had about the same number of the priority topics as most of the other programmes. This confirms the intention of the partners to keep broad thematic approach.

With regard to the concentration, 0,73 (73%) were allocated to the 5 largest measures (in terms of budget) the programme scores below average, confirming that the use of ERDF funds is spread rather strongly among the measures. Based on these indicators we can conclude that the programme was, on the one side, focused on the priority topics, but on the other side did not prefer concentration of funds.

### **The effectiveness and efficiency of the overall implementation process**

The financial criteria for the programme are related to efficiency, effectiveness and sustainability at programme and project level. The values in the following table below represent the above average performance for financial performance, degree of achievement and robustness of projects, it achieved more than 100%, while for the degree of programme stability less than 100% shows above average performance.

	<b>A 4.1 financial performance of the progr.</b>	<b>A 4.2 degree of programme sustainability</b>	<b>A 4.3 degree of achievement</b>	<b>A4.5 degree of robustness / durability of projects</b>
<b>SK - A</b>	0,84	3,00	0,67	55,00
<b>Mean strand A</b>	0,82	2,33	1,51	50,78
<b>%-deviation from the mean</b>	102	129	44	108

The A-SK programme spent 84% of the overall planned allocation, which is slightly above the average spending. The degree of programme stability was 29% higher than average meaning that there was some reallocation but no major changes were applied during the programme implementation.

The degree of achievement is, however, less than half of the average, thus indicating the low effectiveness of the programme. Despite that, the robustness of the projects exceeds the average by 8%, meaning that although the projects are less successful in the achievements, if they manage more than half, i.e. 55% of them is still sustained two years after their completion.

Based on the abovementioned indicators we can conclude that the programme is an average programme in terms of the absorption rate, stability and sustainability although it was performing very low with regard to effectiveness.

The determining factors of the programme are summarized as follows:

### 3.4.2 Historical factors determining the character of cross-border / transnational / inter-regional cooperation

Historically, cross border cooperation between Slovakia and Austria does not have a long-lasting tradition. Whilst the bilateral contacts are in general considered as good or even very good it appears that Slovakia set up as an independent national state relatively late in 1992 and cannot show yet the intense character of cooperation compared to other long-lasting states also bordering with Austria. The federal system in Austria which provides the regions (Länder) with substantial competences and financing power has historically developed over a long period which has ensured strong regional ownership. On the other hand the Slovak Republic underwent a tremendous process of decentralisation only over the past few years that is still not fully completed and absorbed yet.

A comparatively early example of cross-border cooperation can be found in the EUREGIO "Südliches Weinviertel-Southern Moravia- Western Slovakia". Set up in 1997 this EUREGIO prepared for the first time a trilateral platform for municipalities, towns and cities to develop joint visions and actions to overcome economic, social and cultural deficits in the targeted border areas.

### 3.4.3 Intermediate conclusions

Determining Factor	Effects (*)	
	at programme level	at project level
<b>Context factors characterising cross-border and transnational programme areas</b>		
<b>Only cross-border programmes: topographic / geographic nature of the common border</b>	The cooperation along the borders is not hampered by the geographic nature of the border. The Austrian-Slovak border area merges three large landscapes and therefore is highly varied containing plains, hills, flatlands, river valleys, and forests. The border is partly created by the river March/Morava but there are no natural barriers causing difficult accessibility. Nature preservation and environmental protection are key features for some areas of the Austrian (in particular Lower Austrian) border part.	Cooperation at the project level did not encounter any difficulties due to the geographic nature.
<b>Only cross-border programmes: political / administrative nature of the common border</b>	Until 2004, the border region was located at the external EU border. The cooperation on both sides of the border suffered from legal and financial limitations and could not apply the lead partner principle. After the accession of Slovakia to the EU, the substantial bottlenecks were diminished and the standard INTERREG rules could be applied. Nevertheless, most of the structures and projects were only formally joint/common and changes were subsequently introduced with the new programme cycle.	Different rules for the PHARE instrument in Slovakia and INTERREG in Austria till 2004 meant that most of the projects were cooperating only formally and a few of them had some cross-border effect. In many cases the cooperation existed on paper only and the project team members had hardly seen each other.
<b>Only cross-border programmes: density of border crossing possibilities</b>	The density of border crossings had some previous limits therefore there was an effort to establish new crossings and cancel the existing restrictions. Within the programme some projects were implemented, to establish new temporary bridge, or preparatory work for the future bridges.	The same applies for the project level.
<b>Only cross-border programmes:</b>	Economic disparities in the	The same can be said at the level

Determining Factor	Effects (*)	
	at programme level	at project level
<b>economic disparities</b>	programme area are much more evident. While both of the capitals represent the most prosperous European regions, the rural areas lag far behind the average, namely in Slovakia. This has also influenced the discussion on the programme strategy where the Slovak partners had a tendency to implement investment projects, while the Austrian preferred networking.	of the project cooperation
<b>Only cross-border programmes: existence of historic ties and converging cultural / linguistic circumstances</b>	The historic and cultural ties have to be developed. The cooperation links and relations were completely destroyed and had to be re-established from the scratch. Also, the language barrier represents quite substantial obstacle.	The old historic ties had to be re-established. Building of the mutual knowledge and trust and thus open doors for more cooperation. The wide scope of the programme was thus necessary to implement the programme.

Determining Factor	Effects (*)	
	at programme level	at project level
<b>Historic factors determining cross-border / transnational / interregional cooperation</b>		
<b>All programmes: Previous cooperation tradition</b>	The cooperation tradition was missing namely due to the existence of the so-called "iron curtain" and therefore it had to be slowly established. The networks were missing and the whole process was more complicated because of the new development on the Slovak side. The second level of local government was created together with the new division of the territory, regional and districts offices were cancelled. Whilst Lower Austria and Vienna to some extent had at least some previous cooperation tradition with Slovak regions it appeared to be a rather new opportunity for the province of Burgenland; Burgenland has traditionally strong contacts with Hungary and in the programme under evaluation it made first efforts to also directly develop cooperation with Slovakia.	The cooperation on the project level encountered problems with seeking the appropriate partners. This was also caused by different administrative structures and lack of information. Therefore some of the partnerships were just formal and did not create genuine networks.
<b>All programmes: Prior existence of specific legal instruments</b>	Until 2004 the different legislative frameworks (Phare CBC/ INTERREG) enabled only parallel implementation of two rather different instruments on both sides of the border.	No specific instruments were available. The lead partner principle is applied only in the current programming period.
<b>All programmes: Prior existence of permanent cooperation structures</b>	Cross-border cooperation is further developed through the networks established in different areas of cooperation. The Euregio network also operates on the Slovak-Austrian borders.	Permanent cooperation structures did not exist but they were initiated by the programme. Formal and informal structures are still being created.
<b>All programmes: other factors (specify)</b>		
(*) A distinction between effects at programme and at project level is necessary because in many cases projects do not intervene across the entire programme area. Hence, effects can be rather different.		

### 3.5 Re-considering the “depth and intensity of territorial cooperation”

The synthetic indicator (real rate - indicator A3.1) indicates the depth and intensity of cooperation. It comprises the following variables: intensity of shared diagnosis, partnership and decision-making power, management structures, the nature and location of joint projects and the impact of projects.

The summary of several variables gives the value of the “real rate”, measuring the performance of an INTERREG programme. To estimate the impact of historic ties on the performance of the programme a historical criterion was added. The mean of all scores for the programme is 77. The performance does not include differences between the expected and the “real rate” as such.

	<b>Synthetic indicator</b>	<b>Value</b>
<b>1. Historical criteria (not included in the ,real rate”)</b>	1	6
	2	30
	3	70
	Σ	106
<b>2. Criterion Joint identification of needs</b>	4	70
	5	50
	Σ	120
<b>3. Criterion Governance and partnership</b>	6	70
	7	50
	8	70
	Σ	790
<b>4. Criterion Nature and location of joint projects</b>	9	76
	10	100
	11	3
	Σ	179
<b>5. Criterion density of common actions</b>	12	100
	13	100
	14	100
	15	100
	16	100
	17	100
	Σ	600
<b>6. Criterion Impact of projects</b>	18	70
	Σ	70
<b>Gross Score</b>	4-18	1159
<b>RR</b>	-	<b>77,26</b>

The programme thus performed slightly better than the average strand “A” programme (mean value 72,03). The distribution of the “real rate” for the strand “A” and for the cluster, to which the programme belongs is also of interest.

### 3.6 Main factors fostering (or hampering) integration and means to promote positive factors or to overcome persisting obstacles

The programme cluster is typical with unfavourable cross-border framework conditions, where ERDF-support is not very concentrated on the priority topics and where the depth and intensity of cooperation is mostly medium. It includes following programmes:

<b>Programme</b>	<b>RR</b>
A-CZ - Austria-Czech Republic	75,20
A-HUN - Austria-Hungary	78,68
A-SLK - Austria-Slovakia	77,26

D-PL - Brandenburg- Lubuskie	39,50
D-CZ - Bavaria-Czech Republic	34,34
D-PL - Mecklenburg-Poland	74,02
FIN-EST – Finland-Estonia	52,69

The cluster’s typical features are: high and very high levels of cross-border economic disparities (except FIN-EST) partly above average density of border crossing possibilities and partly below average density of border crossing possibilities, includes an old external border in EU15 (i.e. in 2001/2002) becoming new internal borders in EU27, a clearly below average concentration of ERDF-support on a limited number of “priority topics” listed in the INTERREG III Communication, and to a lesser extent also the depth and intensity level of cooperation achieved under the programme mostly at a medium level, but sometimes also at a high level (Bavaria-Czech Rep.) or at a low level (Brandenburg-Lubuskie and Finland-Estonia) mostly an absence of common historical ties/shared culture/common language and partly the existence of a few common historical ties (however with different cultural and linguistic settings).

When comparing the programme and the average of the cluster values of the “real rate” value they are very close but the same is not valid for the individual programmes within the cluster. We see that four of the programmes in the cluster score slightly above the average “real rate” of INTERREG A, and three score below, two of which show about half of the average value. The performance of the A-SK programme is the second best in the cluster. The cluster of the programmes is thus ranked somewhere in the lower area of the distribution, with four programmes scoring around the median and three below it.

With regard to the range of scores in combination with the individual historical variables of the synthetic indicator, six of the programmes belong to the group with high and very high operational / legal capacity of existing cooperation structures, and one had high and very high age of the cooperation.

When taking into account the relationship and influence of historical variables on the “real rate”, the results of a corresponding regression analysis shows that again five of the programmes have the deviation between the RR and the ER located in the interval between -10 and + 10, meaning that the actual depth and intensity of cooperation achieved (RR) is more or less close to what could have been expected if historical variables had been taken into account (ER). The A-SK programme is the only one in the cluster where the deviation is > -10, meaning that the actual depth and intensity of cooperation achieved is clearly above what could have been expected if historical variables had been taken into account.

<b>Results of the in-depth analysis</b>	<b>Already suggested by the results of tasks 1 and 2 (Yes - to some extent - no)</b>	<b>Strength of evidence for INTERREG (clear - with uncertainty - no evidence)</b>
1. High performance of financial implementation	yes	Clear evidence from the typology analysis
2. There were only minor shifts of programming	yes	Clear evidence from the typology analysis
3. High achievement rate at programme level	yes	Clear evidence from the typology analysis

4. Projects are robust and sustainable	yes	Clear evidence from the typology analysis
5. The contribution from the non-member countries was sufficient and proportional	no	n/a
6. Measures show a more or less linear trend in financial implementation	Yes - to some extent	Clear evidence from the typology analysis
7. Indicators are less useful for estimating the achieved results as they are too simple and not well coordinated between the different levels of intervention	yes	clear evidence, as traditional indicators are incapable to capture learning and indirect effects
8. A shortcoming was the rather poor achievement rate for studies, evaluation and publicity. The reason for that was the perceived moderate utility of those instruments	no	no evidence
9. Projects funded are, by their nature, rather experimental and complex. It is not so much the intention to carry out projects that meet their originally scheduled physical outputs but rather to establish sustainable networks	Yes - to some extent	With uncertainty, more applicable at the level of programme than projects

## 4 In-depth analysis of results and impacts in terms of utility and efficiency

### 4.1 The external coherence of the programme

#### 4.1.1 Regulatory compliance and interaction / co-ordination with other Structural Funds programmes

The A-SK programme is part of INTERREG strand "A". Thus the regulatory and policy framework of the A-SK programme during the programming cycle 2000-2006 consists of the initial Communications on INTERREG III, the Communication of the Commission of 23 August 2001 (2001/C 239/03) the Communication from the Commission (2004/C 226/02) and furthermore the general Structural Funds Regulation Council Regulation (EC) No 1260/1999 and the Regulations on the European Regional Development Fund (ERDF) (Regulation (EC) No 1783/1999). Furthermore, the Commission Regulation 438/2001 on administration and control systems of structural fund interventions is relevant.

With regard to both the General Structural Funds Regulations 1260/1999, 1783/1999 and the EAGGF Regulation 1257/1999, the programme itself as well as the programme implementation were in line with these regulations. With respect to Regulation 1260/1999 any breach of its provisions would have, in any case, implied the intervention of the European Commission. Furthermore, all the relevant provisions of Regulation 438/2001 (administrative implementation and control) were appropriately followed.

Concerning the Regulation 1257/1999, the programme is only indirectly subjected to comply with it. With regard to the original INTERREG Communication (2000/C 143/09) it is to be confirmed that the Programming Document already refers to it on page 3, describing the compliance of the programme area in the annex of the Communication. Regarding the scope of intervention there is reference in the chapter on general programme objectives and strategy. The Commission Communication (2004/C 226/02) is a consolidation of the separate INTERREG communications (2001/C 141/02) and (2000/C 143/09). The application of this communication did not necessitate a change in programme strategy or management.

#### **Coherence with other Interreg Programmes (including ESPON and INTERACT)**

Parallel to the A-SK programme, three other INTERREG III "A" programmes intervened with respect to the Austrian border regions (interventions with Czech Republic, Hungary and Slovenia). Cooperation between the SK-A programme and the other INTERREG "A" programmes was ensured through close networking and personal ties among the stakeholders, notably the Joint Technical Secretariat and the Intermediary bodies in the regions. Moreover, for the Austrian part, all INTERREG programmes in which Austria participated (i.e. also those with Italy, Slovenia, Slovakia, Czech Republic and strands "B" and "C") were jointly co-ordinated by a special co-ordination group (annual meeting).

There were also attempts to make use of synergies between INTERREG IIIA programmes, in particular by launching coordinated mid-term evaluations covering the INTERREG III “A” programmes with Slovakia, the Czech Republic, Hungary and Slovenia. This has allowed the forwarding of country-specific experience to various INTERREG stakeholders in order to compare and learn from INTERREG III “A” implementation from other countries.

With regard to the use of the lateral INTERREG programmes INTERACT and ESPON the A-SK programme has made use of INTERACT seminar and training activities. Through close cooperation of the JTS with the INTERACT secretariat in Vienna (both services were given to the same Austrian contractors) the cooperation was quite intensive. Programme management staff and the institutions involved benefited from various INTERACT seminars on the technical aspects of programme management, quality assessment and financial monitoring. There was some consideration of the results of the ESPON studies and data concerning Austrian spatial planning authorities. In particular ÖROK (Austrian Conference on Spatial Planning) the Austrian authority in charge of co-ordinating spatial planning at national level, was also acting as Austrian Contact Point for ESPON. The Federal Chancellery is one of the ÖROK members and acts also as MA for all INTERREG programmes.

### **Coherence with other EU policy interventions**

With regard to Austria, various Community initiatives were ongoing at the time when the A-SK programme was underway. In each of the concerned Austrian regions Objective 2 and Objective 3 interventions were ongoing. Burgenland also benefitted from Objective 1 status. Further in Austrian regions LEADER and URBAN initiatives were implemented (URBAN in Vienna and LEADER in Lower Austria and Burgenland only). There was a well organised consultation process where every project application, regardless of the kind of policy intervention was subject to a close coordinative consultation process at different levels. This included expert comments from sector departments. Prior to every meeting of the different monitoring committees (INTERREG, Objective 1, 2 and 3, LEADER, EAGGF etc.) there were preparatory meetings between the administrative stakeholders. In the case of Lower Austria for instance, a specially set up advisory board (Nierösterreichischer Beirat) was set up within the Provincial Government, composed of representatives from all prevailing Community initiatives, and coordinating and closely monitoring the effective and efficient use of EU funds. However, no similar body or initiative was reported to operate on the Slovak side apart of the overall Structural Funds responsibility carried out by the Slovak MoCRD. Consequently, coherence in Austria appears to have been stronger than in Slovakia.

### **Public reputation**

In Austria, the A-SK programme has a clearly positive reputation. The public in both the Austrian and Slovakian border regions is largely aware of the existence and the rough contents of the programme. The programme was actively marketed and that politics will continue with border initiatives is apparent. From all the interviews with Austrian stakeholders and from the field visits that were made it is evident that INTERREG is based on a strong regional and local ownership, clear political visions and a strong will to follow regional strategies. On the Slovakian side, special emphasis is placed on the programme due to the fact that a large proportion of the eligible area is located in the Bratislava region, which could not qualify for the Objective 1 and 2, and thus the

allocation for this area was lower while the potential to apply it was higher. Most of the knowledge and experience gained from the pre-accession assistance was concentrated in this area. This is also confirmed by a much higher proportion of the projects from the Bratislava region than from Trnava. Such an imbalance has also caused problems with the financial plans, as both of the regions have different co-financing rates and the planning envisaged an equal proportion of the projects from both regions.

#### 4.1.2 Intermediate conclusions

The programme was fully compliant with the relevant legal norms. The general framework was respected at both the design and the implementation stage and no problems were reported. Programme coordination, namely with INTERACT was quite intensive, namely with regard to the technical aspects of programme management, quality assessment and financial monitoring. Some cooperation with ESPON occurred in order to make use of studies and data that was produced by Austrian spatial planning authorities. The coordination tasks are well organised at different levels of administration on the Austrian side whilst on the Slovakian side no operational bodies with the same tasks were mentioned.

The establishment of the structures for cross-border cooperation was initiated by the programme at both governmental and non-governmental levels. Some of them proved to be very active. In general, the overall coordination is more structured and coordinated on the Austrian side. The public perception of the INTERREG initiative is positive, mainly due to the number of the projects with tangible and visible outputs improving transport accessibility. The perception of the applicants is often negatively influenced by too bureaucratic administrative procedures, excessive control systems and delays in payments; moreover the Slovakian partners often complained about too frequent changes of the project managers with different understanding of the rules.

### 4.2 The intrinsic performance of the programme

#### 4.2.1 The overall governance and management system of the programme

##### **Co-funding rules**

The co-funding rules were set up in accordance with the Council Regulation; the costs for the programme were paid as unrecoverable assistance (grant) from the European Regional Development Fund (ERDF). In Austria this represented up to 50% of the eligible costs at maximum, in Slovakia up to 75% of the eligible costs and in Bratislava the ERDF support rate was up to 50% at maximum. For the approval of and reporting on co-financing, a different approach was taken by the Slovakian and Austrian bodies. The Slovakian side applied a uniform approach and all of the projects requested the same percentage of co-financing differentiated only by the Objective 1 and 2 regions. The final payment always calculated the proportional rate of the state and private co-financing despite the fact that there were cases where part of the payment was not considered eligible and was not certified. On such occasions the state co-financing was proportionally reduced, however, the private co-financing had to be increased to fully cover overall project costs. However, this extra payment was not reflected in the financial reports as an increase in the private co-financing and only initial proportion is reported. The Austrian bodies

selecting the projects also took into consideration the financial background of the applicant and where appropriate agreed upon the higher percentage of the applicant's co-financing.

In terms of payment most of the grant beneficiaries on the Slovakian side complained about extremely long periods for payments and in many cases this led to the extension of the projects. Similar problems with delays in the first payments were reported by the Austrian beneficiaries. Complaints about unclear rules on eligible expenses were also quite common.

### **Application procedures and publicity**

The application procedures also differed on both sides of the border. While Austria applied the rolling application procedure for all measures, Slovakia was using calls for proposals. The application had to be submitted to the responsible Intermediate Body (in the three Austrian Länder) whilst in Slovakia the applications were submitted to the Ministry of Construction and Regional Development (MoCRD). The assistance provided to the applicants also differed quite substantially. Austrian Intermediary bodies supported promoters in a very pro-active manner, which was appreciated by the applicants. In Slovakia such support was not provided although there was an effort to establish such assistance through the newly created regional agencies. The applicants' main difficulty was finding adequate partners for their projects.

The project development process in Austria took place simultaneously in all measures, in Slovakia the Calls for Proposals were launched to implement grant schemes. The assessment process in Austria was carried out by the IB, which contributed with the co-financing. In Slovakia project selection took place at the national level. Projects were selected on the basis of assessments by independent experts. The final list of recommended projects was in both cases submitted to the JTS and eventually to the Joint Steering Committee.

In Austria the selection procedure followed INTERREG requirements from the beginning and was less formal, without strict criteria and with a higher success rate. Pre-selection carried out by the Länder is considered as being very close to regional potentials and needs. While the Slovak side applied more formal procedures, the Austrian IBs were much more involved in a dialogue process with project applicants. Project applications were submitted to IBs. IBs executed 3 phases of evaluation: formal and eligibility control, followed by technical and financial quality assessment, assessment of regional aspects and long-term sustainability and finally the evaluation of cross-border impacts and the quality of cross-border cooperation.

The selection procedures in Slovakia were too formalized and based on ranking by external experts. The applications were submitted to the JTS in the Ministry of Construction and Regional Development. Its staff carried out the eligibility assessment. The projects were submitted to the Advisory Board (regional advisory committee which was represented by regional structures, agencies, universities, VUC and transport/environmental institutions) a short list of recommended projects was prepared that was organised by VUC and based on the set of criteria and the overall expenses. This list, together with the brief assessment and info sheets, was delivered to the JTS to be submitted to the Steering Committee for the final selection.

The Lead partner principle could not be applied, due to different conditions, mainly the different allocation of funds on the Austrian and Slovakian side as well as different selection procedures. Following the EU accession of Slovakia this change has not been introduced in any CBC programme since it was not applied from the beginning. At a later stage no substantial improvement was observed as some of the problems could not be solved in the middle of the implementation period e.g. separate co-financing, control mechanisms. Therefore alternative possibilities to reach the programme objectives were considered e.g. mirror projects, although it could not fully replace genuine cooperation projects but this at least provided some benefits for both involved parties.

The publicity and promotion of the programme was ensured through the numerous seminars, printed brochures and information on the web pages. Articles about the projects were published in magazines and daily newspapers. Publicity efforts were helpful in particular to enhance or establish bilateral cooperation links that were often missing due to historical and cultural reasons.

### **Selection criteria and quality of cooperation at the project level**

The selection criteria set the quality indicator combining two dimensions: the quality of cooperation in project development/implementation and the expected impacts. In order to obtain the financial support of INTERREG, all projects had to meet at least minimum standards in both of these dimensions. The high proportion of the projects was able to meet such criteria. As mentioned in the mid-term evaluation report the project owners were aware of the indicator's importance for the selection and therefore they structured the applications in compliance with the required conditions. Moreover, during the project development stages at the Austrian side projects of a lower quality were either excluded or improved. The validity of these indicators for project selection is therefore questionable. In reality, the criteria for achieving an AA rating could be reached quite easily (i.e. only two of the five cooperation indicators had to be met). Moreover, the formulation of indicators allowed their broad interpretation and the final decision was in any case based on the number of different factors/knowledge of the local situation such as compliance of the proposed project with the regional strategy, financial background of the applicant, previous experience, references, etc.

The usefulness of the indicators was doubtful, they could be easily reached and their formulation allowed broad interpretation. As explained during the interviews, the system of indicators was often discussed but did not lead to any final solutions. The indicators were often just reported but not used for the monitoring and those at the programme level were not suitable for the monitoring of individual projects.

### **Governance and management modes: Formalisation of cooperation**

The Austrian Federal Chancellery was given the role of the Managing Authority (MA) and in the cooperation with the Slovak MoCRD was responsible for programme implementation. The MA was assisted by the JTS located in Vienna and formally it had one Slovak representative, who was placed in Bratislava. Programme implementation on operational level, i.e. on the project level was delegated on the Austrian side to the IBs - Länder Vienna, Lower Austria and Burgenland. On the Slovak side the management was centralised and the main partner in the project implementation

was the National Authority - MoCRD with some marginal involvement of the VUCs Bratislava and Trnava.

The MA performed without any substantial difficulties and good cooperation relations were established. Although the Austrian actors were generally satisfied with the programme management, the Intermediary Bodies in the regions emphasized a certain lack of information from the Slovakian side in respect to the selected and implemented projects. This was reflected in the prevailing implementation of unilateral activities with a very small proportion of mirror projects

### **The Monitoring Committee and the Steering Committee**

The Joint Monitoring Committee was composed of Austrian representatives from national and Länder level, Slovakian representatives from national (Ministry of Construction and Regional Development, Ministry of Environment, Ministry of Transport, Ministry of Foreign Affairs, Office of Government) and regional self-government (VUC Bratislava and Trnava) level as well as representatives from the NGO sector and social partners. Its main function is supervision and monitoring of implementation based on the two programming documents.

The Joint Steering Committee (JSC) was responsible for the joint selection of all INTERREG IIIA projects on the basis of the selection criteria laid down in the Programme Complement. Its composition was similar to the composition of the Monitoring Committee and had about 18-20 members. The decisions were made through a consensus and no strict criteria were applied, meaning that projects with a lower score (e.g. achieved in the pre-selection process) could qualify if they were considered more relevant.

The monitoring system was developed in 2001 and has been operating since 2002. It was adjusted according to the needs due to the accession of the Slovak Republic in 2003/2004 and special software had to be developed to enable the transfer of the data into the Central Monitoring System. Both sides could thus apply the same set of indicators, although some initial problems with data compatibility were reported. As it was too time consuming to check the reported data was, checks are no longer carried out and data are automatically uploaded into the system.

### **Cooperation: Managing Authority – Paying Authority: Effectiveness of financial management**

The role of the Paying Agency was also delegated to the Federal Chancellery and the role of sub-Paying Agency on the Slovakian side was assumed by the Ministry of Finance. The financial mechanism was thus rather complicated. The ERDF money had to be transferred from the PA to the Slovakian Ministry of Finance therefore the payments were delayed, in some cases extremely long, and the control mechanisms in general, were very cost intensive. This structure was the consequence of the two different mechanisms used for the implementation of the cross-border intervention at the beginning of the planning period when Slovakia, as a non-member state, used pre-accession funds while Austria applied for SF mechanisms. To sustain the mechanism set at the start of the programming period, no changes were introduced after Slovakia's accession to the EU. There was an intensive discussion on different proceedings (e.g. within a seminar on "programme management and monitoring" in May 2003) but finally all partners agreed not to change the

procedure that was already in place in the middle of the implementation period in order to avoid possible problems.

### **The Joint Technical Secretariat**

The JTS was installed right at the start of programme implementation and its main role was to assure effective support of the MA and the joint committees as well as the assessment of applications in collaboration with the IBs. JTS was responsible in particular for the following joint task: the set up, regular maintenance and updating of the monitoring system of the joint project database, secretariat function for the Monitoring Committee and the Steering Committee including the preparation of meetings, drawing up reports on the programme implementation and preparation of decisions of the Steering Committee, preparation of application and assessment forms for INTERREG projects, and public relations work (e.g. creation, maintenance and updating of a website).

### **Use of indicators and evaluation**

The main type of indicators is the numbers of various types of the projects, which does not enable the measurement of any effects produced by the projects. The number of indicators is too excessive and the baseline data were set only for the indicators at the priority level. The indicators at the priority and measure level were not fully complementary and occasionally duplicated. The impact indicators were based on the estimate. This is in contradiction to the findings of the ex-ante evaluation, which mentioned that “the system of indicators follows a clear logic, capable of producing valuable information which could be aggregated and linked for various purposes. All of the indicators at priority level and all but one of the indicators at programme level can be quantified, thus allowing for a high degree of operationalisation of the programme objectives. Targets have been set during programming for most indicators at priority- and programme level”.

The indicators were regularly reported in the Annual reports. The Austrian Central Monitoring System for the Structural Fund Programmes in Austria and ITMS system in Slovakia include also INTERREG data, however, these had to be processed together. The critical review of the indicators was mentioned in the evaluation report and concerns were also expressed with regard to the quality and use of the indicators for the project selection process. The selection process based on vague indicators does not automatically mean a low quality of the selected projects but that in both cases – during the selection and the implementation - the indicators could not be applied properly.

The evaluation was carried out as required. Because the MA was responsible for several CBC programmes, the evaluation contractor also dealt with the evaluation of several other programmes of the same type, and thus the overall evaluation exercise also offered a possibility to compare across programmes and find the best practice examples. These evaluation findings and experiences were shared at the meetings organised by the MA. However, not all partner countries have made effective use of these possibilities and interest in fine-tuning programmes was limited.

The recommendations of the mid-term evaluation were only partially taken into account. The main reason for lacking to introduce the recommended measures was explained as an effort not to

change the rules in the middle of the implementation period. The purpose of the mid-term evaluation is thus not fully understood. Usually, the main reason for the mid-term evaluation is to introduce the recommended measures in order to improve the implementation and performance of the intervention. The overall share of the programme's administrative costs represents some 5% of the overall programme allocation.

#### 4.2.2 The Community added value and the sustainability / durability of the programme

In terms of programme stability over time there were no significant programme adjustments between 2000 and 2006. Consequently, the programme has appeared to be fully stable.

##### **Robustness and durability of projects:**

The five project case studies cannot be seen as representative for projects funded under INTERREG III A-SK, firstly, because the selection is too small and secondly because the projects are not randomly selected. In fact we can say that all five project case studies confirm a certain sustainability, as some projects that have been started are likely to continue under INTERREG IV or are also prepared to continue without INTERREG funds. For some projects it is also evident, however that a higher degree of cooperation and partnership – which, due to a number of internal and external factors already specified above, was often not achievable during the lifetime of the programme – would have helped to foster sustainability.

##### **Identification of the most and least financially sustainable cooperation:**

Cooperation is not necessarily a matter of finance. It is primarily a matter of common interests in addressing needs. There is no indication that any project is more or less sustainable because of size or funding.

##### **Community Added Value:**

According to the Association of European Border Regions the Community Value Added is characterized by four different facets:

- The political value added (awareness building, subsidiarity, partnership between people etc.);
- The institutional value added (sustainable vertical and horizontal administrative partnerships despite different structures etc.);
- The socio-economic value added (mobilization of cross-border endogenous potentials, opening up of labour markets etc.);
- Socio-cultural value added (mutual knowledge of geographical, historic and cultural conditions, broadening of linguistic knowledge etc.);

Awareness building, subsidiarity and partnership plus a sustainable administrative partnership despite different structures are criteria of the highest relevance for the A-SK programme activities. The overall performance of the A-SK programme suggests a strong learning character in this respect. Cooperation between different tiers of administration within the state and across different countries and legal systems has reflected the need to focus on joint problems in both formal and informal administrative cooperation. Complex external factors, notably Slovakia's move from candidate to EU Member State status and the countries' dynamic regionalisation have

certainly influenced the political and institutional value that could be generated from the programme. Here again it needs to be stressed that the programme has allowed stakeholders on both sides to learn from each other. Slovak cooperation within different national tiers is building up and the Austrian Länder are developing their cooperation with Slovak regions well, thus overcoming to a certain extent administrative and institutional barriers in bilateral cooperation. The current INTERREG IV period will significantly benefit from the lessons learned in the previous programme.

Furthermore, the mobilisation of cross-border economic potentials was clearly positively influenced, but networking and other soft measures hardly produce observable and measurable immediate impacts.

The economic structure and development of the Austrian/Slovak border region was characterised by pronounced regional differences in prosperity that become manifest in significant urban-rural disparities in both parts of the border area which sometimes made targeted interventions difficult. Economic information and communication has, however, significantly increased through INTERREG initiatives and in particular SMEs have benefited from such possibilities. Still, considering INTERREG as an instrument for tremendous business development would mean to overestimate the possibilities of the programme. Visibility of impacts can be seen on projects such as cycle paths and other tourist infrastructure which immediately demonstrate their impacts. Initial projects on labour market development, in particular monitoring thereof, were conducted. But at the time they were seen as being of less importance as the trade cycle was at its peak at the time the individual projects took place. It can be expected that under the current economic conditions such projects will have a higher priority for programme partners on both sides of the border.

Improvement of socio-cultural cohesion was ongoing but the poor language skills of partners and uneven developed cultural ties still prevail as major obstacles for disseminating a broader cultural identity.

In conclusion it can be said that the programme provides a significant degree of community value in terms of effectively fostering cooperation between Slovakia and Austria. Both partners had the chance to receive information and exchange views which otherwise would often not have been available. In the longer run this greatly contributes to increased integration and cohesion which is, however, not limited to the intermediate border intervention areas but also much more evident at local, regional and country levels.

#### 4.2.3 Intermediate conclusions

Formal cooperation across the border was well established. Informal and ad-hoc cooperation proved to be essential. Whilst the exchange of information and communication is good, in principle it can still be further improved. The cooperation was quite formal and problems were experienced due to the absence of any initial contact, different administration systems, newly created and still developing regional governments and unstable policy decisions in the absence of the long-term strategies.

The indicators that were set and followed through the monitoring system could not sufficiently cover the broad scope of the programme. The evaluation studies highlighted the identified shortcomings but the relevant measures were introduced mostly within the new programme in order to avoid changing the implementation system. Joint financial management was rather complicated and caused some problems with the financial flows. No substantial problems were observed with the n+2 rule but provision of payments for the project activities was delayed and financial controls were excessive and costly. A sound selection of projects took place but followed two different methods (Slovakia – call for proposals, Austria – rolling application process) which also made the establishment of mirror or joint projects difficult in practice.

A significant degree of community value in terms of effectively fostering institutional and administrative cooperation between Slovakia and Austria has materialised. Direct and even more indirect socio-economic impacts were achieved but their detailed identification would require further research. The programme did not undergo substantial conceptual or financial revisions, so was stable as such. In principal the projects confirm a good sustainability of outputs. The rather limited extent of partnerships and joint cooperation observed in the projects has certainly limited the degree of durability and sustainability. Financial levels did not appear as a criterion for influencing the sustainability in this programme.

## 5 Overall final conclusions and policy recommendations

### 5.1 Overall final conclusions on the impact of the INTERREG III programme

Compared to other strand “A” programmes initial preconditions for cooperation in terms of economic integration and common historical ties have been less favourable with respect to the evaluated A-SK programme. The Austrian part of the programme was confronted for most of the implementation time with a non-member state partner who followed a different approach and procedures. This improved rather late in the programme, following Slovakia’s accession in 2004. Different administrative systems, notably the strong degree of federalism on the Austrian side compared with the initially strong centralised but later rapidly decentralised administration in Slovakia also made cooperation and joint implementation difficult.

The cooperation partnerships were created slowly as the regional governments were just newly established and the system underwent numerous changes in terms of competencies, financing, human resources, etc. The established networks suffered from the frequent personnel changes at all levels of the administration. The existing cooperation was thus often disturbed and the good relations were occasionally broken. The high staff turnover also caused frequent changes in the policies and priorities and thus some of the agreed project ideas had to be re-negotiated. The long-term strategy with clear priorities and ongoing political support was simply missing, despite the fact that the programme document with its targets was subject to political approval. Nevertheless, despite these obstacles and circumstances, the cooperation between the different tiers of administration and across different legal systems was well oriented to justified needs, and pragmatic solutions were found when formal arrangements were difficult to achieve. Different language and cultural aspects still prevail as a potential barrier for executing real joint projects and might remain an obstacle for implementing lead partnership projects under the current INTERREG IV period.

The programme as such reveals a good performance on financial absorption, effectiveness and sustainability and thus, taking into account the challenges referred above it was quite successful. Without doubt the A-SK programme demonstrates a strong learning character. Whilst cooperation at project level was often limited, important lessons have been learned at administrative levels and by other key stakeholders, which are now benefiting from the follow-up INTERREG IV programme. Cross border institutional cooperation was significantly stimulated by INTERREG III and fulfilled the role of the network initiator.

For the INTERREG IIIA A-SK programme the Austrian partners have made clear that they have a preference for soft projects in particular those fostering networking and communication. The Slovakian side gave preference to a certain emphasis on investment, notably in infrastructure. Evidence from other INTERREG ex-post evaluations confirms that direct developmental results can hardly be generated by the relatively small INTERREG funds. INTERREG cannot directly affect development, except for some local entities, when expenditure is focused on hard infrastructure and “catching-up projects”. These discussions are to some extent still ongoing in the INTERREG IV follow-up programme and a compromise to tackle both preferences are likely to be obtained.

A broad programming approach was taken to ensure flexibility in planning individual actions and the A-SK programme covered most of the sectors defined in the Commission Communication from 2000. A general and broad sectoral range of interventions was deliberately chosen by the programme management, reflecting the pilot and experimental character of this intervention. Taking into account substantial disparities in the regional economic situation and the historic lack of cooperation of the concerned regions, this focus of regional policy can be considered appropriate. Preference in allocating funds was given to shared business services, roads, and nature and environment protection.

The Community Value Added generated by the INTERREG supported cooperation in the A-SK region can be summarized as follows: The political will to see cross-border cooperation both as a chance and as political responsibility was mostly made visible by the Austrian part of the programme. Following Slovakia's EU accession a similar pattern can be seen on the other side of the border. The programme has significantly helped to overcome institutional inertia and in the case of Slovakia, with the active involvement of a newly introduced regional administrative structure, the process for creating regional identity has to some extent been supported. More direct cooperation between the Slovakian regions and the already much decentralised Austrian Länder should also help the Slovakian regions to assess models of regional governance and to get indications for defining their own role.

INTERREG has clearly mobilised financial resources, mostly observable in the Slovak programme part, and thus has stimulated socio-economic and cultural impacts that without external funding would not have taken place, or only much later. This dependency on external funding however, makes sustainability a particular issue of scrutiny both during the approval and implementation Phases.

The final added value will however be seen in the extent and quality of networking and effective cooperation across the borders. Studies confirm that the area under intervention has an impressive economic and social potential and could become one of the leading urban areas in Central Europe. A promising start was made also with the help of INTERREG IIIA however more is needed both in terms of formal and informal communication and networking to make full joint use of the developmental possibilities that are being offered.

## 5.2 Short- and medium-term policy recommendations

The INTERREG IV A-SK programme is largely a continuation of the former INTERREG IIIA initiative. The participating entities are identical but in the case of Slovakia a much stronger role was delegated to the regional authorities, thus in the longer term fostering regional ownership and responsibility. The introduction of the lead partnership principle under INTERREG IV is a pragmatic step forward and should indeed boost the quality of partnership and cooperation between Slovakia and Austria. There remains however, for programme management and other institutional stakeholders, an active need to support the establishment of project partnerships since the finding of appropriate partners might be a problem in many individual projects. In this context cooperation between local, regional and central levels of administration remains vital for the efficient and effective use of funds.

The programme should further concentrate on the quality of projects with network effects and impulse impacts. The shift in philosophy from the traditional approach, meaning border region support, towards effective cross border cooperation is on-going but discussions between the Slovakian and Austrian partners are still ongoing. The need to agree on joint projects should now ensure that both philosophies will, to some extent, be covered in individual projects. Nevertheless it needs to be understood and subsequently promoted to project promoters that INTERREG has a different focus compared to other EU Community support initiatives and that cooperation, networking and other “soft” measures are preferred by INTERREG funding. This means also that small project funds and people-to-people actions, which were the most successful part of the INTERREG IIIA programme, have to be fully appreciated by programme management as a valuable and indispensable INTERREG sub-instrument, and ways should be identified how to simplify the current leadership principle requirement to make it feasible and manageable.

To make sure that the projects on both sides of the border are not only implemented but also prepared under the same conditions, the Slovakian counterparts managing and administering the programme, should consider the same “counselling role” as their Austrian partners at the project design stage. The active collaboration with the future potential applicants can thus save a lot of time, effort and bureaucracy. This would also automatically increase the success rate and eliminate the frustration of numerous unsuccessful applicants. Similar measures should be taken over in the financial flows to ensure timely payment of the approved financial sources to the project. The idea to create the mid-term payment fund to eliminate the delays and subsequent extension of the project activities, but namely to avoid financial problems in the budget of partners, should be supported.

### 5.3 Long-term policy recommendations

The overall approach to define and measure indicators for INTERREG should be reviewed in order to cope with the very specific nature of INTERREG interventions. Indeed, and contrary to many other EU programmes, particularly in those INTERREG regions where institutional and historical cooperation has not been developed much yet, the definition of precise targets remains a big challenge. Many contextual factors remain outside the direct control of those preparing programmes and projects and information available for planning is often limited. In particular the lack of knowledge and cooperation with regard to the establishment and maintenance of partnership relations makes the exact definition and measurement of achievements difficult.

The financial control mechanisms also deserve a review to reduce the administrative load as well as its costs. Very clear rules and explanations should be provided to specify the eligible expenses and mechanisms that are introduced to make sure that the control is not more costly than the expenses that have been controlled.