BRIEF REPORT

by

LRDP LTD

in association with:
IfG Institut for Græseregionsforskning (DK)
ÖIR Österreichisches Institut für Raumplanung (AT)
KANTOR Management Consultants s.a. (GR)
IDOM Ingeniería y Consultora (ES)

and in cooperation with:
Levón Institute, University of Vaasa (FIN)
Research voor Beleid International (NL)
Gruppo Soges S.p.A. (I)
Agence Europeénne "Territoires et Synergies" (FR)
EURE CONSULT s.a. (L)

December 2003
(revised)
EX-POST EVALUATION OF THE INTERREG II COMMUNITY INITIATIVE
(1994-99)

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ANNEX: BEST PRACTICES
1. INTRODUCTION AND OUTLINE

This Brief Report distils the main findings, conclusions and recommendations of the final report of the ex-post evaluation of the Community Initiative Interreg II (1994-1999). The evaluation was carried out by LRDP, in association and co-operation with a number of other organisations, between December 2002 and December 2003.

The study was structured in three phases. Phase 1 covered mainly the detailed development of the methodology, including selection of indicators and case studies, leading to an Inception Report. It was followed by Phase 2 (main research phase) with operational research teams conducting desk research and fieldwork in 13 groups of borders. Technical Reports were prepared for each group of borders/programmes, comprising Programme Assessment Summaries and a number of thematic Case Studies. In Phase 3 the main synthesis work was carried out by strand and was supplemented by a series of working notes on transversal issues1, leading to a General Summary Report on which the present Brief Report is based.

1.1 Scope of the evaluation

The ex-post evaluation concerned Interreg II in its totality, including all three strands of the Initiative and four Pilot Actions under Article 10 of ERDF.

The Community Initiative Interreg was introduced by the European Commission in 1990. In the period 1994-1999, Interreg expanded substantially and by the end of that period Interreg II was supporting 75 programmes in three strands. Strand A on “cross-border cooperation”; Strand B on the “completion of energy networks”, and Strand C on “transnational cooperation”. Interreg, with various changes, is now in its third period as “Interreg III” (2000-2006) and remains the largest of the Community Initiatives.

Strand A, under Interreg II, represented an extension of Interreg I but supported a much larger number of programmes (59), including 16 maritime programmes. Of the 59 programmes, 35 concerned internal borders and 24 programmes external borders of the Community (5 of which were external maritime borders) – see Map. The total allocation of Community funds to this strand was €2.6 billion2

Assistance to border areas to overcome special development problems and the promotion of the creation and development of networks of cooperation across borders were the aims of the Initiative according to the Commission’s Guidelines for strands A and B, which were published in 1994. The Guidelines encouraged the management of implementation of Interreg IIA programmes to be on a cross-border basis, at least in the case of internal borders.

Strand B concerned the completion of energy networks and represented the continuation of the Community Initiative Regen (1989-1993); It had an allocation of some €4503 million and supported three programmes (E/P, GR/I and GR).

Strand C differs from the other strands of Interreg II as it concerns “transnational” cooperation over broader areas, as well as in terms of its objective, involving the territory more deeply and specifically on questions of regional and spatial planning.

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1 Cross-cutting Papers have been prepared by members of the Central Team on the following four themes: Enlargement; Isolation, Productive Fabric and Quality of Life; Deepening of Cooperation; Strand B.
2 Based on financial information provided in the Technical Reports of this evaluation.
3 Source: Programme Assessment Summaries of Strand B programmes.
The Guidelines for the elaboration of the Interreg IIC programmes were published in 1996. The aims of this strand were to:

- promote a harmonious and balanced development of the territory of the European Union, along the objectives and policy options of the ESDP;
- foster transnational co-operation within a common framework in the field of spatial planning by the member states, regions and other authorities and actors;
- contribute to improve the impact of Community policies on spatial development and
- help Member States and their regions to co-operate on a pro-active approach to common problems, including those linked to water resources management caused by floods and drought.

Strand C programmes were allocated around €413 million⁴ from Community funds. Action was taken in three major fields, for which Member States were cooperating on joint programmes – see Maps:

- General transnational cooperation, 7 Operation Programmes (around €124 million);
- Flood mitigation, 2 Operational Programmes (around €144 million);
- Drought prevention, 4 Operational Programmes (around €145 million).

In parallel to the Interreg IIC programmes, and following the same objectives and type of cooperation, four ERDF Article 10 Pilot Actions were adopted. These programmes received a Community contribution of €20 million.

1.2 Objectives

The Terms of Reference have differentiated the general objectives of the evaluation, according to the strands of Interreg II and, accordingly, the purpose of this ex-post evaluation was defined as follows:

- for Strands A and B: to evaluate the degree to which these strands of the Initiative have made an effective contribution to promoting cross-border cooperation, helping the border areas of the European Union overcome the specific problems stemming from their relative isolation from national economies and the Union as a whole, and to completing the missing links in the trans-European energy distribution network;

- for Strand C: to assess to what degree this strand has helped launch or improve the targeting of strategies and processes to rebalance and plan the territory of the Union.

The Terms of Reference also translated the general objectives into a number of evaluation questions specific to Interreg. These defined the main themes of the evaluation as far as Interreg IIA was concerned. In the Inception Report the requirements of the Terms of Reference of the evaluation were operationalised and refined, and this included the definition of evaluation sub-themes for Strand A and a number of themes applicable specifically to Strand C and Article 10 Pilot Actions.

The study therefore sought to assess the achievements of Interreg IIA under the following themes and sub-themes:

---

⁴ Based on financial information provided in the Technical Reports of this evaluation.
- Reduction/elimination of isolation:
  - improvement of cross-border transport networks;
  - improvement of cross-border energy/telecom/public utilities networks.

- Improvement of the productive fabric:
  - development of cross-border business activities, economic development, and capacity strengthening of SMEs;
  - development of cross-border potentials in the field of research, development and innovation;
  - activities in the field of agricultural/rural development and tourism;
  - development of cross-border education/training potentials and the cross-border labour market.

- Improvement of the quality of life:
  - cross-border health, emergency and social services;
  - improvement of the cross-border environment;
  - improvement of the cross-border culture and media context.

- Deepening of co-operation:
  - strategic co-operation at the level of the entire programme (joint decision-making, administrative and financial management, project selection procedures, informal co-operation);
  - project level co-operation (general overview on project level co-operation, specific outputs/results of projects with regard to a deepening of co-operation between citizens, businesses and institutions in the cross-border area).

The second of the above sub-themes (energy etc networks) also covers adequately the Strand B of Interreg II.

Five themes were defined concerning Interreg IIC and Article 10 Pilot Actions:

- Large-scale strategic issues (macro-territorial aspects of European integration and competitiveness; integration and co-operation on external borders).
- Urbanisation; metropolisation; polycentricity; urban-rural relationships and partnerships.
- Transport infrastructure and systems; accessibility; telecommunications; information society.
- Natural and cultural heritage; enhancement issues; environmental issues.
- Management of water resources (drought and flooding).

Regarding the use to be made of the ex-post evaluation of Interreg II, the Terms of Reference stated that it will be used to:

- derive information and data to report on the results and impact of assistance in 1994-99;
- learn lessons for the mid-term adjustment at the end of 2003 of assistance under Interreg III;
- learn lessons for the future - after 2006 - of the Interreg Initiative and provide input to discussions on this point on the occasion of the third report on economic and social cohesion;
- identify good practice and the factors hindering improvements in an enlarged Union.
Map of Interreg IIA programmes
Map of Interreg IIC General Cooperation Programmes
Map of Interreg IIC Flood and Drought Mitigation Programmes
Map of Article 10 Pilot Actions
2. MAIN RESULTS

2.1 Strands A and B

2.1.1 Profile of borders and programme strategies

Compared to the significant challenges that needed to be addressed by Interreg IIA programmes in terms of diversity of problems and geographical scope, the overall financial capacity of all 59 INTERREG IIA was rather limited - see Table 1. The Structural Funds support to the entire Strand A (€ 2,660 million) was just about the size of the only Spanish multi-regional Objective 1 programme for the national labour market agency INEM (1994-99: € 2,633 million). The 59 programmes supported more than 10,000 projects.

Strand B concerned the completion of energy networks and had an EU allocation of €500 million. The 3 Operational Programmes\(^5\) included 455 projects of a total budget of €1.279 billion.

Table 1: Strand A Programmes and Financial Allocations

<table>
<thead>
<tr>
<th>Group No.</th>
<th>Group of Borders / Programmes</th>
<th>Total budget (€ million)</th>
<th>EU contribution (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Borders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>B/D/NL: Maas-Rhein</td>
<td>86</td>
<td>37</td>
</tr>
<tr>
<td>2</td>
<td>B/F: West Flanders</td>
<td>39</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>B/F: PACTE</td>
<td>156</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>B/F: Ardennes</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>B/F/L: PED</td>
<td>69</td>
<td>31</td>
</tr>
<tr>
<td>6</td>
<td>B/NL: Scheldemond</td>
<td>23</td>
<td>12</td>
</tr>
<tr>
<td>7</td>
<td>B/NL: Middenengebied</td>
<td>86</td>
<td>34</td>
</tr>
<tr>
<td>8</td>
<td>DK/D: Sønderj/Schleswig</td>
<td>22</td>
<td>11</td>
</tr>
<tr>
<td>9</td>
<td>DK/D: Fyn/KERN</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>DK/D: Storstrom/Ostholstein</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>DK/S: Øresund</td>
<td>29</td>
<td>14</td>
</tr>
<tr>
<td>12</td>
<td>D/F: Saar-Lor-Westpfalz</td>
<td>67</td>
<td>25</td>
</tr>
<tr>
<td>13</td>
<td>D/F: PAMINA</td>
<td>25</td>
<td>12</td>
</tr>
<tr>
<td>14</td>
<td>D/F: Oberhein Mitte-Süd</td>
<td>56</td>
<td>26</td>
</tr>
<tr>
<td>15</td>
<td>D/A/CH: Bodensee/Hochrhein/Alpenrh</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>16</td>
<td>D/L</td>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>17</td>
<td>D/NL: Ems-Dollart</td>
<td>67</td>
<td>23</td>
</tr>
<tr>
<td>18</td>
<td>D/NL: EUREGIO</td>
<td>63</td>
<td>23</td>
</tr>
<tr>
<td>19</td>
<td>D/NL: Rhein-Waal</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>20</td>
<td>D/NL: Rhein-Maas-Nord</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>21</td>
<td>D/A: Bavaria-Austria</td>
<td>53</td>
<td>25</td>
</tr>
<tr>
<td>22</td>
<td>GR/I</td>
<td>281</td>
<td>158</td>
</tr>
<tr>
<td>23</td>
<td>E/F: Pyrénées</td>
<td>143</td>
<td>63</td>
</tr>
</tbody>
</table>

\(^5\) Spain/ Portugal: Natural gas and energy networks; Greece/Italy: Completion of energy networks (Electricity Interconnections); Greece: Completion of energy networks (Natural Gas pipelines)
<table>
<thead>
<tr>
<th>Group No.</th>
<th>Group of Borders / Programmes</th>
<th>Total budget (€ million)</th>
<th>EU contribution (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>E/P</td>
<td>776</td>
<td>569</td>
</tr>
<tr>
<td>32</td>
<td>F/I: Alpes</td>
<td>159</td>
<td>58</td>
</tr>
<tr>
<td>33</td>
<td>F/I: Corsica/Sardinia</td>
<td>73</td>
<td>35</td>
</tr>
<tr>
<td>34</td>
<td>F/I: Corsica/Tuscany</td>
<td>50</td>
<td>19</td>
</tr>
<tr>
<td>35</td>
<td>F/UK: Nord-P-de Calais/Kent</td>
<td>95</td>
<td>45</td>
</tr>
<tr>
<td>36</td>
<td>F/UK: Rives/Manche</td>
<td>82</td>
<td>34</td>
</tr>
<tr>
<td>39</td>
<td>IRL/UK: Ireland/NI</td>
<td>283</td>
<td>165</td>
</tr>
<tr>
<td>40</td>
<td>IRL/UK: Ireland/Wales</td>
<td>154</td>
<td>85</td>
</tr>
<tr>
<td>41</td>
<td>I/A</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>50</td>
<td>SF/S/Island</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>51</td>
<td>SF/S/N: Kvarken&amp;MittSkandia</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>52</td>
<td>SF/S/N: North Calotte</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td><strong>Total (Internal Borders)</strong></td>
<td><strong>3144</strong></td>
<td><strong>1685</strong></td>
</tr>
<tr>
<td></td>
<td><strong>External Borders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>DK/Baltic: Bornholm</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>23</td>
<td>D/PL: POMERANIA</td>
<td>98</td>
<td>65</td>
</tr>
<tr>
<td>24</td>
<td>D/PL: Brandenburg</td>
<td>137</td>
<td>75</td>
</tr>
<tr>
<td>25</td>
<td>D/PL/CZ: Saxony</td>
<td>223</td>
<td>152</td>
</tr>
<tr>
<td>26</td>
<td>D/CZ: Bavaria/CZ</td>
<td>41</td>
<td>17</td>
</tr>
<tr>
<td>28</td>
<td>GR/External borders</td>
<td>540</td>
<td>344</td>
</tr>
<tr>
<td>31</td>
<td>E/MRC</td>
<td>199</td>
<td>104</td>
</tr>
<tr>
<td>37</td>
<td>F/CH: Jura</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>38</td>
<td>F/CH: Rhône-Alpes</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>42</td>
<td>I/CH</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td>44</td>
<td>I/AL</td>
<td>165</td>
<td>82</td>
</tr>
<tr>
<td>43</td>
<td>I/SLO</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>45</td>
<td>UK/MRC: Gibraltar</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>46</td>
<td>A/CZ</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>47</td>
<td>A/H</td>
<td>40</td>
<td>11</td>
</tr>
<tr>
<td>48</td>
<td>A/SK</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>49</td>
<td>A/SLO</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>53</td>
<td>SF/S/N/RUS: Barents</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>54</td>
<td>SF/RUS: Karelia</td>
<td>33</td>
<td>14</td>
</tr>
<tr>
<td>55</td>
<td>SF/RUS: St Petersburg</td>
<td>33</td>
<td>10</td>
</tr>
<tr>
<td>56</td>
<td>SF/EST</td>
<td>45</td>
<td>6</td>
</tr>
<tr>
<td>57</td>
<td>S/N: Ett Gränslö ost Samarbete</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>58</td>
<td>S/N: Inre Skandinavia</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>59</td>
<td>S/N: Nordens Gröna Bälte</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>Total (External Borders)</strong></td>
<td><strong>1793</strong></td>
<td><strong>979</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total Strand A</strong></td>
<td><strong>4937</strong></td>
<td><strong>2664</strong></td>
</tr>
</tbody>
</table>

As already indicated, the eligible borders under Interreg IIA were extremely heterogeneous, covering internal and external EU borders, land and sea borders, borders affected by different degrees of isolation, and borders with diverse experience and depth of cross-border cooperation. This was compounded by the heterogeneity exhibited by the approved programmes, which varied significantly in geographic and financial size, and in fundamental objectives (“development”, “integration/cooperation”) and focus, as a result of the wide range of eligible actions offered by the Structural Funds and the Commissions Guidelines.

Programmes were categorised according to two key characteristics: the “key problems” initially prevailing in the different border areas, using the degree of isolation (high/ medium/ low degree of isolation) as the simplest way of expressing the type of problems and type of border; and, the financial capacity of Interreg IIA programmes (large/ medium/ small) for addressing effectively the key problems, using the the financial size of the programmes as the most straightforward way of expressing this capacity.

Chart 1 shows links between the above mentioned dimensions, i.e. ‘state of isolation’ and the ‘size of programmes’. There is clear evidence that large programmes were more common in borders characterised by a high degree of isolation, whereas borders characterised by medium/low degree of isolation were supported by a plethora of small or medium-sized programmes.

The appropriateness of programme strategies was assessed in two ways:
- in terms of the focus of the strategy (expressed as the evaluation theme that was accorded the largest share of funding)
- in terms of matching or otherwise between the key problems identified at the start of the 1994-99 period and types of intervention supported by the programmes.

Charts 2 and 3 provide a broad overview of the allocation of EU funds to the four evaluation themes in borders characterised by different degrees of isolation and different size.

Overall, there is a good match between type of border and the focus of the strategy

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6 Programmes that were allocated over €65 million of EU funds are categorised as large programmes, programmes with financial allocation between €18-64 million are falling within the medium-sized programme category, whereas those with less than €18 million of EU funds allocation are categorised as financially small programmes. Although financial thresholds that separate the three groups are necessarily arbitrary, an important motive was to constitute more or less homogenous border groups. Thus, the group of large programmes covers mainly Objective 1 regions with considerable shares of Structural Funds. In the case of small programmes the upper threshold was defined in a way to cover all external borders, making this group of programmes more homogenous.
adopted by the Interreg IIA programmes, confirming the appropriateness of programme strategies. There is clear evidence that in highly isolated borders the strategy focus was on reduction of isolation, whereas relatively smaller amounts were spent for this purpose in borders characterised by a medium-level of isolation and very small resources were allocated to the elimination of isolation in permeable borders.

In all size categories of programmes the bulk of financial resources was allocated to those priorities and measures that allowed tackling the most important "key problems". Interventions in large programmes focused mostly on a reduction of isolation and an improvement of productive fabric, whereas medium and small programmes interventions focused mostly on the latter.

2.1.2 Key findings

a) Adequacy of Strategies

There was a considerable diversity among the large number of programmes (59) in Interreg IIA as far as the type of strategies they followed and their quality are concerned.

Four types of strategy were identified among the Strand A programmes:
development strategies that prioritised the reduction in isolation and allocated most of the programme resources to transport infrastructure projects. These strategies were mainly found along borders characterised by a high or medium degree of isolation, mostly within Objective 1 regions and/or in the “cohesion countries”. The programmes regarded “development” as the primary aim of Interreg and had strong similarities with mainstream stand-alone Objective 1 programmes;

balanced and integrated cross-border co-operation strategies based primarily on the inter-locking themes of environment, culture and tourism, which represented the “core” themes of intervention in many programmes. Other themes, such as R&D, training/qualifications and cooperation in health and emergency services commonly accompanied these core themes. Those strategies were mainly found along borders with a low degree of isolation and an advanced level of cooperation. They have regarded Interreg as an intervention of which the primary aim is “cross-border integration through cooperation”;

highly focussed cross-border co-operation strategies on one strategic theme (improvement of the economic fabric or of the quality of life) and are composed of a set of inter-locking measures. These strategies can be found along many borders mostly covered by smaller Interreg IIA programmes, but they sometimes have weaknesses in their cross-border approach (external borders or borders with a first Interreg experience in 1994-99).

strategies that broadly sought to foster cross-border cooperation, were not sharply focused in terms of either objectives or key problems, and during implementation became demand-driven by particular groups of beneficiaries. They were found along many “intermediate” borders and especially borders which were included in Interreg for the first time in the 1994-99 period (and as such lacked of an established cross-border partnership or of a common strategic approach). Such strategies were often characterised by substantial re-programming during implementation, i.e. shifts in financial allocations between priorities and measures.

The variants of these strategies, as adopted by different programmes have shown a good match to the “key problems” prevailing at the start of the 1994-99 period and therefore a good level of appropriateness.

In terms of other aspects of their adequacy, the evaluation has observed some shortcomings. The strategies did not always show a sound perception of the scope for addressing these problems through Interreg (including sufficiently focused and prioritised objectives and realism in the context of resources available). This was largely the result of the quality of the programme preparation process (joint SWOT analysis, common cross-border concept, etc) and was achieved only to a limited extent in borders other than those characterised by a low degree of isolation. Nevertheless, commitment rates7 in all group of programmes were generally satisfactory, ranging from 97 to 104%, suggesting a robustness of programme strategies during implementation. Moreover, the longer-term evolution of these strategies has shown considerable stability and continuity with shifts in priorities and refinements that ensure a sound orientation.

7 A review of absorption rate was constrained by a lack of consistent data at the time of the ex-post evaluation and by the fact that the main analysis was carried out by group of borders and not individual programmes, therefore commitment rates (1999) were used as closest approximations of absorption rates.
In the case of **Interreg IIB** programmes, their reliance on pre-defined and specific projects and very few beneficiaries means that “appropriateness of strategy” cannot be perceived in similar terms to the other strands of Interreg II. Nevertheless, IIB strategies were very well in line with the expressed objectives of the Commission and the problems they set out to address.

**b) Effectiveness of the programmes**

In **Interreg IIA**, there were significant outputs and results across the whole spectrum of thematic areas covered by the IIA programmes, with some variations.

In the field of transport interventions, the most significant improvements were achieved in the case of the financially larger programmes, in border regions characterised by a high degree of isolation. Through larger-scale investments they have established or reinstated missing links between transport networks, and frequently resulted in a substantially reduced travel or transit time.

Particularly good results were identified in the field of tourism where there are large numbers of successful projects in development and improvement of tourist facilities or tourism support structures, the development of new tourism products or small-scale infrastructures (e.g. cross-border cycling or foot paths) as well as joint marketing initiatives for the cross-border area. Another successful field was that of quality of life – especially culture and media, and environment activities and projects.

Results in other fields have been more limited. Although economic and business development was high on the agenda of many programmes, the main achievements regarding the Productive Fabric were the creation of business support structures and better services, and in the case of R&D, closer cooperation between universities and research centres. Business-to-business cooperation and generally private sector involvement was far from widespread. Good results in the field of health, emergency and social services were found mostly in low isolation areas with a long tradition of cooperation.

In the field of energy, telecommunications and public utility networks, the most important results were achieved under the **Interreg IIB** programmes covering Spain, Portugal, Greece and Italy, and under some IIA programmes in high/medium degree of isolation borders. These interventions were predominantly in the form of stand-alone projects.

**c) Programme management**

**Strand IIA**, despite its long experience, did not attain a particularly high level of integration in programme management structures and procedures. Integrated cross-border management proved to be the case in about one-third of the programmes, almost entirely those on internal borders with low isolation and a long-standing tradition in cooperation. The main weakness was in integrating financial management systems. A greater degree of integration or at least coordination was achieved in day-to-day administrative aspects of programme management. A joint programme secretariat was established in most programmes and in many cases, was placed in a single location within the eligible area and operated by a permanent cross-border structure (e.g. euroregion).

The small proportion of truly integrated programmes is largely explained by the large number of new programmes introduced for the first time in this period (1994-99) and the considerable difficulties that existed in external borders programmes (24 in total), due the incompatibilities...
between the regulatory regime of Interreg and that of its counterpart programmes covering non-member states.

The intensity and quality of cooperation at project level was fairly good, with two-thirds of programmes having a majority of “genuine cross-border projects” or projects following a “common cross-border approach”.

Due to the nature of the interventions of the Strand IIB programmes, there was practically no transnational dimension in the management of IIB programmes.

d) Impact of the programmes

A cross-regional and even macro-regional impact of Interreg II in terms of a “reduction of isolation” was visible and significant in the case of Interreg IIB and financially large Interreg IIA programmes. Transport-related interventions of the latter have generated impacts of a wider macro-regional importance, which significantly contributed to reduce country-internal isolation and to improve the accessibility of border regions, and also to improve cross-border mobility and convenience of travel.

As regards the impact of Interreg IIA on improving the “economic fabric” and “quality of life” in cross-border areas, the medium-sized and smaller programmes, in particular, have achieved the most visible and significant impact. They have strongly contributed to increase cross-border business interaction and R&D cooperation, improve the area’s attractiveness via joint use of endogenous development potentials (especially in the field of tourism) and to improve the cross-border mobility of the labour force through qualification/training and educational measures.

Along all borders of the European Union, Interreg IIA had a clearly visible and frequently even significant impact on deepening the initially prevailing “state of cross-border co-operation”. The most significant progress was achieved under the medium-sized and smaller Interreg IIA programmes that cover nearly all borders characterised by a well-developed or long-standing tradition of cross-border co-operation. But also a majority of other medium-sized and smaller Interreg IIA programmes, covering borders that lack co-operation experience or that exhibit only partially developed co-operation, have achieved a quite remarkable progress.

There are worthwhile achievements under Interreg IIA that have contributed toward significant shifts in the position of border regions between 1993-94 (when most programme strategies were developed and 1999. The most noticeable changes between the “before” and “after” situation that have been observed by the ex-post evaluation are summarised Table 2, below.
Table 2: Summary of changes in state of isolation and cooperation in groups of borders

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<tbody>
<tr>
<td>1. The borders between: Spain, Portugal, France (south-west)</td>
<td>M (L: in parts of Gal/Norte)</td>
<td>M++</td>
<td>Significant changes, especially in the field of transport networks. (Some rural areas in the border of France and Spain are still suffering from isolation.)</td>
<td>C</td>
<td>C+</td>
<td>Cross-border cooperation is mainly conducted on an informal basis. Some formal cooperation structures. Three euroregions have been established, two in the Basque Country and one in Galicia.</td>
</tr>
<tr>
<td>2. The borders between: Greece, Italy and neighbouring Balkan countries</td>
<td>H (ext. borders)</td>
<td>H++</td>
<td>Transport/infrastructure and telecom/energy projects reduced isolation in the GR/Ext border. Transport infrastructure projects in GR/I, I/AL were mainly stand alone projects.</td>
<td>C</td>
<td>C+</td>
<td>Positive changes with regard to formalised cooperation structures, cross-border know-how transfer and joint environmental management.</td>
</tr>
<tr>
<td>3. The borders between: France (south and south-east), Italy, Switzerland</td>
<td>M (L: Menton/ V’miglia)</td>
<td>M+</td>
<td>Increase in the number of commuters and reduction of travel time in the maritime F/I programmes. In most programmes the state of isolation did not change considerably.</td>
<td>C</td>
<td>C++</td>
<td>Existing networks have been strengthened. Networks able to cooperate beyond Interreg II.</td>
</tr>
<tr>
<td>4. The borders between: France (northeast), Germany, Belgium, Netherlands, Luxembourg and Switzerland</td>
<td>L</td>
<td>L</td>
<td>Reduction of isolation was not the focus of these programmes, therefore no considerable changes occurred in the state of isolation.</td>
<td>A (B: B/F/L)</td>
<td>A+</td>
<td>Cooperation improved and has been extended to further sectors and policy fields.</td>
</tr>
<tr>
<td>5. The borders between: Germany, Belgium, Netherlands</td>
<td>L</td>
<td>L++</td>
<td>Positive changes in the level of isolation. Better East-West linkage and intra-euroregional connectivity. Improvement in the quality of public transport services.</td>
<td>A</td>
<td>A++</td>
<td>Improved level of cooperation. Deeper collaboration at euroregional level. Joint approaches at broader scale.</td>
</tr>
<tr>
<td>6. The borders between: United Kingdom, France (north), Belgium</td>
<td>L (M: UK/F)</td>
<td>L (M: UK/F)</td>
<td>Reduction of isolation was not in the focus of these programmes. No considerable changes due to Interreg.</td>
<td>B (A: B/F)</td>
<td>B+</td>
<td>Cooperation has been improved in all programmes particularly with regard to project implementation.</td>
</tr>
<tr>
<td>7. The borders between: United Kingdom and Ireland</td>
<td>M (L: IRL/NI)</td>
<td>M+</td>
<td>Positive changes in the state of isolation: improved permeability across land border, better external connections, improved public transport.</td>
<td>B</td>
<td>B+</td>
<td>Qualitatively improved formal cooperation in IRL/NI.</td>
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8 See definitions for broad classification of borders at the end of the table.
9 No reclassification was justified by the end of the Interreg II period. However, a large number of minor (+) and major (++) positive changes were identified by the ex-post evaluation.

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and in cooperation with Lévon Inst, RvBI, SOGES, Territoires et Synergies & EURE CONSULT 15
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<tr>
<td>8. The borders between: Denmark, Germany, Austria, Switzerland</td>
<td>L</td>
<td>L</td>
<td>Borders in both Northern and Southern groups have been permeable already at the start of the programme. Extended synergy effects for the inhabitants and businesses in the Southern group. Better integration of the Lake Constance region in the TEN.</td>
<td>A (C: D/A)</td>
<td>A+</td>
<td>In the Northern Group the level of cooperation has been increased. Better understanding of the importance of cross-border cooperation. In the Southern group cross-border cooperation was given new impetus.</td>
</tr>
<tr>
<td>9. The borders between: Germany, adjoining applicant countries</td>
<td>H (ext. borders)</td>
<td>H+</td>
<td>Physical barriers have been reduced.</td>
<td>C</td>
<td>C+</td>
<td>The state of cooperation has been improved due to contacts in the field of culture and other &quot;soft&quot; areas and initiatives for cooperation between systems (public transport, education, etc).</td>
</tr>
<tr>
<td>10. The borders between: Sweden, Norway, Finland, Denmark and Baltics</td>
<td>M</td>
<td>M</td>
<td>No projects/ measures directly aiming to reduce isolation.</td>
<td>A</td>
<td>A+</td>
<td>Several aspects of cooperation structures were established but still problems with harmonising rules and regulations; cross-border initiatives are not integrated in daily work of &quot;regular&quot; public institutions.</td>
</tr>
<tr>
<td>11. The borders between: Sweden/Finland and Norway, Russia and Estonia</td>
<td>M (H: FIN/RUS)</td>
<td>M+</td>
<td>Improved border-crossing, particularly on the Russian border.</td>
<td>A (C: ext bord's*)</td>
<td>A+</td>
<td>Rapid development in regional and cultural cooperation. Some steps taken also between companies. Cooperation between citizens and public organisations will enable other valuable contacts in the future.</td>
</tr>
<tr>
<td>12. The borders between: Austria/Italy and adjoining applicant countries</td>
<td>M (H: ext borders)</td>
<td>M</td>
<td>No real improvement in cross-border linking of infrastructure.</td>
<td>C (B: A/I)</td>
<td>C+</td>
<td>Improvement in the state of cooperation: first valuable contacts and future basis of cooperation have been established.</td>
</tr>
</tbody>
</table>

**State of Isolation:**

- **H** = High = insufficient transport communication links (lack of / no significant border crossings, tunnels, ferry services, etc)
- **M** = Medium = links available but day-to-day contact not feasible (eg due to time, distance, frequency of services, cost)
- **L** = Low = sufficient links available and day-to-day contact feasible (ie at levels of convenience and cost comparable to transport communications within the same country)

**State of Cooperation:**

- **A** = Extensive/long-standing informal cooperation + fully integrated formal cooperation in programme design/management
- **B** = Informal cooperation + partial formal cooperation in programme design/management
- **C** = Informal cooperation only
In judging the contribution of Interreg to these changes, it should be acknowledged that, on the one hand, there have important external factors in several border areas which have favoured the changes supported by the Interreg interventions (notably the Peace process in Ireland/UK-N.Ireland and the fast process of normalisation and gradual integration with accession countries in many of the external borders of the European Union). On the other hand, the value of the contribution of Interreg should not be underestimated since the ex-post evaluation has demonstrated a sound longer-term evolution of Interreg strategies which ensures a longer-term support and influence by Interreg.

**e) Added value**

The evaluation has highlighted many aspects of added value that have benefited all types of areas and actors involved in **Interreg IIA**, and both old and new Member States.

For border areas with Interreg I experience, the continuity during 1994-1999 was an important added value and created opportunities to start "doing concrete things" and work together on more substantial activities. For areas that did not participate under Interreg I it significantly changed the previous situation and laid the foundations for a "culture of cross-border co-operation". The multiplier effects emerging from Interreg IIA programmes were considerable. The tangible ("material") effects were above all substantial public national, regional and local co-financing resources for cross-border related activities that were mobilised through Interreg IIA support. Interreg IIA programmes also had considerable intangible ("immaterial") effects due to their "demonstration character" and as a result of broadening cross-border cooperation to cover new fields of activity (e.g. culture & media, training/education) and initiating significant dynamics in institution and network building.

The regional and local partners, especially public authorities, were by far those who benefited most from both intangible benefits (eg capacity building) and from a new financial resources that allowed them to pursue a wide range of new activities. Overall, Interreg IIA has evolved into a worthwhile policy tool that has filled an important gap in the existing regional, national and European instruments.

The main added value of **Interreg IIB** interventions was for the national and Community partners and took mainly the form of additional financial resources which complemented and accelerated the achievement of energy policy goals.
2.2 Strand C and Art 10 Pilot Actions

2.2.1 Profile of programmes

The activities and products of the Interreg IIC programmes and Art.10 Pilot Actions were numerous, substantial and rather diversified in nature. The total eligible expenditure of the programmes amounted to € 833.5 million (of which 433 million originated from the ERDF) and the number of projects generated reached nearly 800). The rates of absorption of resources were satisfactory (between 85.7% and 102.7%).

Chart 4 provides an overview of the distribution of Strand IIC and Article 10 Pilot Action resources by broad theme.

Chart 4
Different Interreg IIC programmes and budget

- Interreg IIC (Cooperation in spatial planning): 27%
- Interreg IIC (Drought mitigation): 25%
- Interreg IIC (Flood prevention): 43%
- Art. 10 Pilot Actions: 5%

Cooperation in spatial planning

In terms of outputs, the 7 Interreg IIC programmes (cooperation in spatial planning) generated together 259 projects with an average financial size of €0.8 million. The total financial size of modified programme budgets (1999 value) was €230 million, of which ERDF resources represented on average 55%.

The average financial size of programmes was €33 million. There was however a strong divergence in size among the programmes, with the smallest (South Western Europe) amounting to €10 million and the largest (North Western metropolitan Area) amounting to €60 million; a ratio of 1 to 6.
Water management

In the context of the water management programmes (Interreg IIC), the IRMA programme generated 153 projects (with an average financial size of €2.3 million) and the drought mitigation programmes generated 277 projects (with an average financial size of €0.8 million).

There is a wide difference in financial volume between the two flood prevention programmes. With a total budget of almost €420 million, the IRMA programme was by far the largest Interreg IIC programme, while the programme “Flood prevention France-Italy”, with a budget of hardly €21 million, was one of the smallest (see Chart 6a below).

The four programmes on drought mitigation were very dissimilar in financial size. While the largest programme (Spain) amounted to more than €143 million, the smallest (Portugal) reached only €8.6 million. The two other programmes had budgets in the average range of Interreg IIC programmes: €36 million in the case of Italy and €18 million in the case of Greece. All programmes were financed through ERDF and EAGGF resources (see Chart 6b below).
**Article 10 Pilot Actions**

The four Art. 10 Pilot Actions generated in total 62 projects (with an average financial size of €0.6 million).

The total amount of available resources for the four Pilot Actions (modified provisional budgets) reached €42 million. While the ARCHIMED programme had a financial volume of only €6.7 million, all three other programmes had a financial volume above €10 million. Compared with the Interreg IIC programmes, the Art.10 Pilot Actions were modestly financed. Although their total volume varied, the ERDF amount was the same for every programme (€5 million), so that the rate of ERDF contribution was comprised between 37.5% in the case of the Northern Periphery programme and 75% in the case of the ARCHIMED programme.

<table>
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<th>Total expenditures incurred (Art. 10 Pilot Actions)</th>
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<tr>
<td>Mediterranean Gateway 28%</td>
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<tr>
<td>ARCHIMED 17%</td>
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<tr>
<td>Alpine Space 25%</td>
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<tr>
<td>Northern Periphery 30%</td>
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**2.2.2 Key Findings**

*a) Adequacy of strategies*

Transnational cooperation in spatial development policies promoted by the Interreg IIC programmes and Art.10 Pilot Actions was a new activity aiming at applying the objectives and policy options of the ESDP in practically all programme areas (with the exception of the Baltic Sea Region and, to a lesser extent, of the Benelux area). In general terms, the programmes were appropriate in relation to the terms of the ESDP and of the Guidelines as well as to the specific territorial characteristics of the respective programme areas. Only in the case of water management issues, the programmes were not at all conceived (drought mitigation) or only partly conceived (flood prevention) to promote transnational cooperation.

The three main priorities of the ESDP become the backbone of practically every programme, largely due to the European Commission making this a key condition for approving the programmes. Most strategies addressed issues of peripherality in geographic or economic terms, and environmental sensitivity. The Interreg IIC programmes on water management concentrated on the third main priority of the ESDP, namely, wise management of natural and cultural heritage, and more precisely on the policy options related to the management of water resources.
b) Effectiveness of the programmes

The elaboration of knowledge bases and the formulation of joint policy proposals and recommendations were the most usual activities and outputs of the programmes, in addition to experimental realisations and pilot projects.

Only four spatial visions and a few other projects of a strategic character realised, with bottom-up initiatives dominating the implementation of IIC programmes. In the case of “hard” projects, significant investments were implemented only under the water management programmes (eg infrastructure works, re-instatement of the natural state of riparian areas).

Although a number of projects with strategic character were produced (the spatial visions, projects on transnational corridors, transnational flood protection initiatives etc.), bottom-up projects were in overwhelming majority. They were frequently carried out by partnerships composed of local or sub-regional authorities and related to the management of common issues of local character rather than to the tackling of real transnational issues. A reason for this imbalance in project generation was the rather modest involvement of the national and regional spatial planning authorities in the elaboration and implementation of projects.

c) Programme management and transnational cooperation

The main rationale in establishing the Interreg IIC programmes and Art.10 Pilot Actions was the existence of spatial planning issues and problems which can only be solved through transnational cooperation. Strand IIC, saw the creation of a transnational “programme management machinery”, including Monitoring and Steering Committees. Genuine “common” and permanent joint technical secretariats were established in one half of the programmes, whilst for the other half a “virtual” common secretariat was operated, comprising individuals from each of the relevant national authorities.

While transnationality was a quantitative and structural problem for the water management programmes (the programmes had not been or only partially been conceived to promote transnational cooperation), it was a qualitative problem in a number of other programmes, with different levels in the quality of transnationality. This reflects the fact that transnational cooperation in spatial development policies was a new activity, while high-level transnationality in such activities needs much time to become mature.

d) Impact of the programmes

Direct impacts of the Interreg IIC programmes / Art.10 Pilot Actions in the short term were rather modest, although noticeable on the planning policies and systems, on the setting up of cooperation networks, on physical realisations in water management and on the contribution to the preparation of the Interreg IIIB programmes.

There is potential for stronger impacts in the longer term, provided certain conditions are met: a more systematic exploitation of project results, in particular of joint policy recommendations and some form of standing high-level concertation in each programme area between the national and regional ministries responsible for spatial development policies, along the model applied in the Baltic Sea Region.

e) Added value

Added value was generated in numerous sectors (cooperation networks, knowledge bases, policy proposals, development of a transnational planning culture, realisation of a
number of projects with strategic character, intensification of cross-sectoral approaches, innovative approaches, good practice, reduction of flood risk, better management of water resources etc.

**Various factors contributed however to limit the added value of activities carried out** (time constraints, underestimation of the tasks of transnational coordination of projects and of resources for the programme secretariats, modest level of transnationality of a number of activities carried out, weak involvement of national and regional spatial planning authorities, insufficient exploitation of project results and insufficient political backing of a number of projects.
3. CONCLUSIONS AND RECOMMENDATIONS

3.1 Overview of conclusions

Looking across all strands of the Interreg II Initiative one can draw the following overall conclusions on the main aspects of the evaluation:

- **Adequacy of strategies.** The strategies adopted by Interreg II programmes were generally appropriate by reference to the objectives set by the European Commission for this Community Initiative, and in terms of the key problems they set out to address. This was overwhelmingly so in the case of the Strand IIC and IIB programmes, whilst the picture in the case of Strand IIA is more mixed, with variations in the quality of the strategies adopted.

- **Effectiveness of programmes.** All three strands of Interreg II show considerable achievements and the overall effectiveness of Interreg II is judged to be very good. Specific fields of intervention that showed good results were: tourism, culture/media and environment actions in all types of programmes, and transport interventions in financially larger programmes under Strand A; energy networks under Strand B; and, under Strand C, a wide range of activities and “soft” products (studies, databases and mapping, integrated planning methodologies, etc) in cooperation in spatial planning programmes, as well as realisation of “hard” projects in the water management programmes.

- **Programme management.** Overall, the quality of programme management across the whole of Interreg II is judged to be a moderate success, both against the expectations of the Commission’s Guidelines which envisaged the management of the implementation to be on cross-border/transnational basis (at least in the case of internal borders) and the extent to which good quality cross-border and transnational projects were generated and implemented.

- **Impact of programmes.** Overall the impact of Interreg II programmes was fairly significant, but uneven. Programmes under Strand IIB and many programmes under Strand IIA had a significant impact, the latter often focused on particular fields of activity or localities. Direct impact of the Strand IIC programmes was rather modest, however there is potential for stronger impacts in the longer term. Given the intermediate nature of many of the impacts of Interreg, considerations of sustainability and follow-up are of major importance and in many instances are still outstanding, and therefore a final verdict on many of these impacts cannot yet be reached.

- **Added value.** The overall assessment of Interreg II shows that extensive added value was generated by the programmes of all its strands. Interreg II programmes have made it possible to recognise, and provided financial resources to deal with specific problems associated with national borders or issues of a transnational nature, which otherwise would not have been addressed (with the main exception of larger infrastructure projects).

3.1.1 Factors influencing effectiveness and impact

The findings of the ex-post evaluation suggest a number of key factors that influence the results and impacts of **Strand A** programmes. These factors (together with the contextual
factors applicable to specific borders/programmes) help explain the differences in results achieved by different programmes.

The **appropriateness of strategy.** In programmes that achieved significant results and impacts an “appropriate” strategy was clearly visible. In the context of Strand A, such strategies had the following characteristics: joint development (based on a common SWOT and cross-border concept); good focus on a small number of objectives and priorities; a realistic approach in terms of the resources available and the preparedness of potential project promoters; fitting the programme into a longer-term strategy (from Interreg I to II and beyond) with both the necessary element of continuity and a gradual evolution of objectives and priorities (from reducing isolation and strengthening cooperation, to launching common actions for economic development and improvements to the quality of life).

The **cross-border partnership.** Both the formal partnership (Monitoring Committee, steering committee and working groups, joint secretariat) and the overall (informal) cross-border cooperation “culture” are of crucial importance. The former should be as broad and inclusive (enlarged partnership) in terms of the categories of actors involved, and should achieve a high degree of joint decision-making at strategic level, and joint action at operational level. The formal structures and procedures should be underpinned by a strong and well established "cooperation culture" between citizens, businesses, and institutions in order to succeed.

The **programme management capacity and approach.** Administrative capacity (in programme secretariats and managing authorities) is vital and the evaluation shows that staffing needs have been underestimated in most programmes. Moreover, the approach of programme managers is crucial to the success of the programme. Pro-active support to potential beneficiaries and project promoters is key to generating and sustaining sufficient numbers of good (genuine cross-border) projects and “valorising” their results. The findings of the evaluation point out that it is not only the formal publicity/animation activities that count, but above all the activities of a small number of dedicated individuals (eg within Interreg Secretariats, Euroregions, European Affairs Officers of regional/local authorities) who act as “development agents” for cross-border cooperation.

As far as the effectiveness of programmes is concerned, two of the above factors - the transnational culture and partnership, and the programme management capacity - have also been at work in the case of **Strand C.** However, the impact of Strand IIC programmes was limited by other factors, especially, the short time-scales in this strand and the lack of follow-up for many of its (predominantly) "soft" outcomes under Interreg IIIB.

The experience of **Strand B**, where the above factors were largely absent, suggests that although they are of vital importance to complex (multi-sector, multi-project, multi-actor programmatic interventions) they are not essential in the case of the interventions based on a small number of clearly defined projects.

### 3.1.2 Interreg-wide issues

Whilst Interreg II is judged to be overall successful in terms of results and impacts achieved, the very considerable diversity of its strands, and programme strategies and implementation methods make it very difficult to explore Interreg-wide issues. Nevertheless, one can define three broad areas of concern which transcend the specificity of strands and types of programmes, and represent focal points for bringing together key issues arising from Interreg II (and which also need to be addressed in the Interreg III period and beyond).
a) Transeuropean character of Interreg

The overall notion of a “transeuropean” dimension is a fundamental characteristic of the Community Initiative Interreg from its inception to its present state under Interreg III, where it encompasses three forms: cross-border, transnational, interregional cooperation. Nevertheless, in all strands of Interreg II there were difficulties (at various degrees of seriousness) in achieving a fully transeuropean approach. Whilst some of the limitations concern specifically the transeuropean dimension in the management of programmes and at project level, there is undoubtedly an overarching issue of an insufficiently developed transeuropean cooperation culture in many instances between public authorities, institutions, citizens, and businesses. Where such a culture is sufficiently developed, Interreg programmes have been better focused and more successful in achieving results and impact. By contrast, where it is insufficiently developed, programmes and projects tend deviate from a genuinely transeuropean approach.

However, the practical constraints on achieving a truly transeuropean approach at programme level should be not be underestimated. Amongst many such constraints, the fact that Interreg programmes have to be operated with Structural Funds rules designed for national programmes, and the absence of a Community legal instrument for dealing with the institutional aspects of transeuropean cooperation stand out as two issues that can be addressed at Community rather than at national or regional level. Similarly, at project level, Interreg procedures tend to be much more complex and resource demanding for project promoters and managers, and act as a disincentive for many of the potential beneficiaries. Nevertheless, the evaluation has shown that the “lead partner principle” works, whilst the bureaucratic burdens imposed on project promoters could be lessened if the managing authorities were to overcome some of the constraints at programme level, as suggested above.

A general observation is therefore that the European Commission has probably moved faster in the interventions envisaged through the Interreg Initiative than the state of transeuropean cooperation culture could, in many instances, support. A further observation applicable to all strands of Interreg is that the Commission is well placed to initiate operational improvements in Interreg programmes that will facilitate a transeuropean approach, notably in the regulatory and institutional framework of the programmes.

b) Complementarity

There are clear indications that the innovation, best practice and generally experience of Interreg have benefited subsequent programmes under Interreg III and other regional or sectoral interventions within the eligible regions. However, the evidence of weak links between Interreg programmes and relevant mainstream Structural Funds and national interventions suggests that the potential for mainstreaming of innovation and best practice is relatively underexploited. Although the magnitude of Interreg programmes is small, by comparison to the financial resources available mainstream programmes of the Structural funds, there is little or no articulation between Interreg and mainstream programmes. This is a serious shortcoming, and a missed opportunity for more effective strategies, and is largely explained by the separate programming processes applicable to these two categories of programmes.

At the other end of the spectrum, the ex-post evaluation has identified a greater affinity between mainstream SF programmes and Interreg programmes in the case of the financially larger Interreg IIA programmes. The latter have a cluster of characteristics often found in

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Objective 1 programmes: centralised management, involving larger and “harder” projects, and lacking a strong cross-border partnership. In other words, they are akin to typical Objective 1 Regional Operational Programmes, and to some extent have functioned as supplementary ROPs. This situation presents the risk of these programmes being of limited relevance to the objectives of the Interreg Initiative.

c) Objectives and processes

The issues of objectives and processes were at the start of Interreg II, and remain to date, at the heart of the concerns about Interreg. These are closely inter-linked issues. The former refers to the balance between the “development” and “integration” objectives which are both mentioned in the statements of general objectives of Interreg and which have been interpreted in widely varying ways by the strategies adopted by Interreg programmes.

The latter (ie the process) is evoked as a key issue in many instances, including the quality of the strategies, the transeuropean character of programme management and actions, as well as the debate about the notion of impact in Interreg. There is little doubt from the evaluation that more clarity is needed and that all partners involved in the Interreg Initiative should accept that it requires a longer-term process that promotes and builds on a culture of cooperation. It is also important to recognise that in a longer-term process Interreg interventions progress gradually to more in-depth (and more demanding) forms of action based on transeuropean cooperation.

This is a complex field which does not lend itself to an extrapolation of a simple and deterministic model for all types of border, region and type of cooperation. Nevertheless, some general observations can be put forward as a way of helping the way ahead on these fundamental issues:

- cross-border and transnational cooperation can advance gradually, step-by-step, with essential minimum conditions being met at each step, eg in terms of the degree of isolation / communications, and the strength of cooperation culture;

- regulatory and institutional issues represent serious obstacles to Interreg and the role of the European Commission in overcoming them is crucial;

- better links between Interreg programmes and mainstream Structural Funds interventions could help solve the dilemma between “development” and “integration”. They can make it easier for mainstream programmes to support narrowly developmental actions (e.g. stand alone infrastructure projects) and, at the same time, can put pressure on Interreg programme strategies to maintain a sharper focus on cooperation and integration, aiming to achieve intermediate results and impacts, on which to build further actions in the future. In other words, through complementarity, Interreg actions can become part of longer-term developmental process, that will exploit the development potential created by the effects of integration.

3.2 Recommendations for the current period (2000-2006)

3.2.1 Interreg and Enlargement

The accession of 10 new Member States in May 2004 will present a new challenge for Interreg during this programming period (2000-2006), especially in the eight Central European countries in which cross-border cooperation programmes have been in operation since 1994/95 under Phare CBC.
During the 2004-06 period there will be an overall transition period from Phare CBC to Interreg, in all aspects of Interreg programmes, from programming to the institutional aspects of managing the programmes. Border regions and programmes will fall into three broad categories:

a) those on borders with old Member States (e.g. AT/HU), with the longest experience in cooperation and with one side already covered by Interreg III;

b) those on borders between new Member States (e.g. PL/SK) where PHARE CBC programmes were introduced more recently (since 1999) and there is no experience of Interreg; and

c) those on the new external EU borders (e.g. with Ukraine) which will still be facing the issues of incompatibility between Interreg and Tacis regulations, as well as lacking substantial experience.

An intensive programme of support is therefore required for all the above categories of programmes and borders, for authorities and other organisations involved in programme management under Strand IIIA, with highest priority accorded to the least experienced borders (categories b and c). There is a lesser need in the case of Strands B and C where the accession countries will be joining established management structures.

In addition to the above, there is a significant need to support potential project promoters under all three strands, so that they can catch up with other potential beneficiaries from the “old” Member states.

### 3.2.2 Focus of Interreg III Strands

There are early indications that the considerable diversity which characterised the programmes of Interreg IIA still prevails in **Interreg IIIA**. Although the diversity of borders and border regions should be respected, there is a clear need for the core characteristics of the cross-border cooperation interventions to be fully adopted, such as minimum conditions of transnationality in programme level partnerships, and genuine cross-border partnerships at project level. It will therefore be important to clearly state and emphasise such core requirements in the mid-term review of Interreg III programmes.

In the case of transnational cooperation, there are concerns about discontinuity between Interreg IIC and **Interreg IIIB** on studies and similar actions. Such concerns range from the potential loss of the opportunity to obtain further and longer-term impacts, eg through the use of methods developed and influence and transfer of know-how on national spatial policies, to the “loss of the universities” as active Interreg partners. Such concerns are echoed on the limitations on effectively pursuing strategic projects (in preference of studies and exchanges of experience) due to unpreparedness (as these were not prioritised under Interreg IIC) and uncertainties on what constitutes appropriate strategic projects, as well as the lack of adequate resources for larger scale interventions.

**Interreg IIIIC** is not a direct descendant of Interreg II and the conclusions and “problematique” of this evaluation can only indirectly be of relevance to it. However, it is understood that some fundamental issues that echo those of the other strands remain and need to be addressed in the mid-term review, such as to whether the RFOs which are still largely untried as a form of transnational intervention can be at the centre of gravity of Strand IIIC) and the extent to which inter-regional cooperation can go beyond the mere exchange of experience (eg as to whether networks can generate genuinely new “products” and regional development related outcomes).
The overall recommendation is to take advantage of the mid-term review to sharpen the focus of each of the three strands of Interreg III, directly through guidance from the European Commission and indirectly, e.g. through the activities of the INTERACT programme.

3.2.3 Programme management

The European Commission’s guidelines for Interreg III have addressed more decisively the question of transnational programme management structures than those for Interreg II. As a result, a large number of new common structures have been agreed and put in place throughout the European Union. This move is in the right direction and in line with the findings of the ex-post evaluation of Interreg II but it is still in a relatively early stage. It is understood that several aspects of it are in need of attention, and the mid-term review offers such an opportunity.

One aspect is the uncertainties and concerns of national authorities and their apparent reluctance to relinquish management functions, and especially responsibility for financial issues and controls. The introduction of a Community legal instrument for cross-border and transnational cooperation, stands out as a potential solution to such concerns regarding programme management and should receive a high priority.

Another aspect, is the newness of many Joint Technical Secretariats, which is _inter alia_ reflected in the inexperience of recently recruited staff and the need to develop internal systems and good external relationships with stakeholders. In practical terms this means that it will take some time before they can perform fully and effectively, and it is understood that at least some of the JTSs are not yet at that level. The Interreg II ex-post evaluation has established the crucial role that JTSs and other cross-border/transnational development agents play in the success of Interreg programmes, and therefore every effort should be made to raise the standards of programme management across Interreg III, notably through the activities of the INTERACT programme.

3.3 Recommendations concerning the post-2006 period

In the context of the present European Union, interregional and cross-border cooperation have benefited from EU support for roughly a decade, while transnational cooperation in the field of spatial development policies, aiming at implementing the principles of the ESDP, have been supported over the past five years. This support has contributed to consolidate the internal integration within the EU and prepared further integration with the accession and third countries.

With the forthcoming inclusion of the accession countries into the European Union, new and drastically changed framework conditions will appear that strongly challenge the EU's cohesion and integration policies for the years after 2006. In an enlarged European Union of 25 member states, 25% of the total EU population will live in regions with less than 75% of the Community average GDP and 30% in so-called cohesion countries.

Also, the role of border regions in an enlarged European Union will grow. Their surface will increase from the present 40% of the EU territory (EU 15) to 46% (EU 25) and their share in the EU's total population will rise from 25% (EU 15) to 32% (EU 25).

These new challenges need to be addressed in an adequate manner during the ongoing design process of the future EU cohesion policy after the year 2006. Two basic questions will help to focus the reflections and recommendations for the future:

- What could be the **basic principles** that orientate future EU support for cross-border,
interregional and transnational co-operation in the wider context of a revised EU cohesion and integration policy?

- What are the cornerstones for building the operational framework for the provision of EU support to transeuropean (cross-border, transnational and interregional) co-operation?

The findings of the Interreg II ex-post evaluation demonstrate that the Interreg II programmes under Strands A and B have generated a considerable economic and socio-cultural value added at regional/local, national and European levels. The Strand C programmes have initiated a cooperation process which has, in the short time period devoted to their implementation, mainly generated added value in terms of transnational knowledge bases and policy proposals. Generally, Interreg II programmes have made it possible to recognise, and provided financial resources to deal with specific problems associated with national borders or issues of a transnational nature, which otherwise would not have been addressed.

Moreover, the value added by Interreg II has significantly contributed towards making the entire European integration process more transparent and tangible, but it also actively contributed towards achieving widely recognised Community objectives (not only those defined explicitly in the treaties) such as:

- the social and economic cohesion among EU regions,
- a balanced and sustainable development of the EU territory,
- a wider interpretation and understanding of the subsidiarity and partnership principle, governing the mutual relationship between the different layers of decision making in the European Union (see also the Community debate on new European governance).

Regarding the basic principles for future EU support for transeuropean co-operation, derived from the overall achievements under Interreg II, and in particular from the broad range of tangible and intangible results and impacts stemming from Strand A and C programme interventions, Community support stimulating mutual co-operation among local, regional and national authorities should be maintained for all regions and countries of the European Union after the year 2007.

Whilst co-operation and integration within the present EU need further support, Community support after enlargement should pay particular attention to bringing the "old" and "new" Member States closer to each other (integration). A more focused approach should in particular deal with the effects resulting from a significantly increased diversity of cultures and national policy systems in the EU, which tends to challenge policy-making, especially along the EU-borders or in the field of a Community policy that aims at achieving a wider socio-economic integration and a balanced territorial development of the European Union.

Regarding the operational framework of future EU support for transeuropean co-operation, there appear to be two broad alternatives:

- continuation of support through a Community Initiative (Interreg IV)
- the introduction of Interreg-type interventions through mainstream programmes (ie the creation of a new Structural Funds objective).

The experience of Interreg II shows that whatever the post-2006 operational framework, it will have to address a number of fundamental issues. The ex-post evaluation has highlighted that the level of financial support available through Interreg II was rather small for the scale of problems the programmes were aiming to address. Therefore, a major issue concerns the need to provide effectively a larger volume of financial support, especially in borders affected by a high degree of isolation and new (internal and external) EU borders. A further major issue, in the light of the experience of larger Interreg IIA programmes and those of Interreg IIB is the extent to which larger scale interventions, are conditional upon a strong cross-border
partnership approach like that witnessed in smaller programmes on permeable borders.

In the case of the Community Initiative approach, it will be appropriate for Interreg to focus clearly and exclusively on a co-operation and integration objective, leaving larger scale but complementary actions to be financed through mainstream programmes. However, the complementarity of Interreg with other Structural Funds programmes has been very weak to date and will present a serious challenge to the Commission, Member States and the cross-border partners.

In the case of the main programme (SF objective) approach, a successful transformation of Interreg programme strategies and interventions into mainstream programmes will require an unprecedented degree of change. Cross-border, transnational and interregional co-operation, to be realised successfully through national programmes, will require exceptionally rigorous SF regulations (both in their design and enforcement), the creation of appropriate structures and processes for the joint management of large programmes by Member States representing a major departure from the way national programmes are operated to date, and the need for a functioning Community legal instrument for transeuropean cooperation at strategic/programme level. The not inconsiderable weaknesses in joint programme development and genuine transeuropean cooperation found by the ex-post evaluation of Interreg II serve to underline the magnitude of the difficulties that this approach is likely to encounter.
BEST PRACTICES

The experience of all strands of Interreg II shows that there is a wealth of innovation and good practice in structures, process and actions. Selected illustrative examples are presented below.

- successful cross-border strategy development and programme management structures and processes from the Dutch/German Euroregions;
- many successful types of cross-border interventions in various fields (eg tourism measures in B/F/UK borders, business development and cooperation in NL/D and DK/S/FIN/N borders, education and training in E/F and DK/D borders, environment and natural resources in Austria’s external borders, and culture and media in F/I/CH borders, transport infrastructure in E/P, GR and D external borders);
- innovative projects in spatial planning (eg NORVISION, a Spatial Vision for the North Sea Region).

A common feature of all these examples (with the exception of infrastructure projects) and a defining feature of good practice under Interreg, is that they involved extensive cross-border cooperation and joint action, and could not have been realised under a single mainstream programme of the Structural Funds.

Successful cross-border strategy development and programme management structures

The five euroregions along the NL/D border are embedded in Interreg agreements signed by the respective partners (national/ regional ministries / communities, euroregional actors) - deriving from Interreg I and up-dated under Interreg IIIA - and setting out the mandate, acting principles, operational structures and procedures to perform the programme properly. This delegation of competence went along with the establishment of joint Managing Authorities and joint (euregional) programme management secretariats in the early-90s. The agreement paved as well the installation of joint Payment Authorities providing a practical instrument (joint bank account) to accelerate financial flows towards project beneficiaries (short-way finance).

All programmes can be regarded as fully integrated operating systems, indicated by the consequent eurogional composition of management structures and consultative/ decision taking committees. The overall working atmosphere had been very constructive, characterized by mutual acceptance, trust and decision taking in a real partnership-driven and consensus-oriented manner. Interests of the various regional and local partners had been effectively communicated (both informally and formally) to decision taking bodies (SC, councils) through the Interreg programme managers and members of coordination groups ensuring vertical linkages and early-stage involvement of relevant euregional actors. The role of social and economic partners particularly in the set-up phase of the programme has been strengthened in course of Interreg IIIA (close involvement in discussion/ feed-back workshops).

Successful cross-border interventions in various fields

Tourism

In the Interreg IIA programmes along the borders between Belgium, France and the United Kingdom, tourism has been a successful measure. Around 75 cross-border projects were realised with visible outputs and results, e.g: new tourism products, new equipment, joint LRDP in association with IFG, ÖIR, KANTOR, IDOM and in cooperation with Lévon Inst, RvBI, SOGES, Territoires et Synergies & EURE CONSULT
promotion, increased number of visitors. Interreg support helped the promotion of new forms of tourism (on rivers, related to historic events and heritage, etc) and the offering of a wide range of new products. Many operations concerned joint marketing, producing maps, guide books and web sites. A few projects were common to 2 or 3 neighbouring Interreg programmes such as the “Réseau des places fortes”. Examples of good results can be seen along border of France and Belgium, where 22 new cross-border tourism products have been created (i.e. river tourism, historic and architectural heritage tourism). In the case of “river tourism” the success is evident in the large increase in the number of visitors (+50% in Belgium, 27% in Picardie).

**Business development and SME cooperation**

The Interreg IIA programmes covering the EU internal borders between Denmark, Sweden and Finland, and the external borders with Norway have shown good practices in the development of cross-border business activities and in strengthening the capacity of SMEs, through network building, exhibitions, databases, outward promotion of businesses, etc. In the Øresund region (DK/S), support for cross-border business activities has led to establishment of business clusters in new industries, such as biotechnology (e.g. Medicon Valley), and SME-networks (e.g. Øresund Food Network). The 41 projects developing business networks have also created some 300 jobs in the cross-border area. The programmes along the Swedish-Norwegian border mobilised more than 1.000 companies that became actively involved in different cross-border business development networks, eg an expert promotion with 40 companies and a network for female entrepreneurs, 2 databases on Samish enterprises.

**Education, training, cross-border labour market**

The Interreg IIA programme Spain-France established a broad and successful co-operation in the field of education and training. More than 137 projects covering training / education, social and cross-cultural activities were realised. Projects were carried out to re-integrate unemployed people into the labour market, e.g. by offering language courses and commercial training. More than 450 SMEs participated and over 1400 people benefited from these courses. Cross-border projects giving cooks a cross-cultural education or promoting exchanges of people between France and Spain were also successful. A project reflecting well the spirit of the cross-border approach was conducted by the University of Perpignan (“Cross-border commercials in Cataluña”). This project was realised in partnership with 12 enterprises, a consulting company and the cross-border employment network EURES. The trainees received enterprise-based field training on business and commercial practices. Employment was offered to the trainees after the end of the education as part of pre-agreements with the participating enterprises.

**Environment and natural resources**

Austria’s external borders are characterised by an impressive collection of natural resources and landscapes with a very different character ranging from high alpine landscapes to central European plains. The Interreg IIA programmes on these borders have achieved the founding of 7 cross-border national nature parks, as their the most apparent and successful result. The systematic establishment of these cross-border nature parks allows an intelligent and sustainable management of the rich natural resources, and tend to generate direct economic benefits. The latter is due to their close links with the development of “soft tourism” and private sector tourism development, as well as the expansion of sustainable agricultural production, involving high value added products. Moreover, these nature parks, being jointly managed, represent particularly successful projects in achieving a high degree of cross-border co-operation.
Culture and media

All the Interreg IIA programmes covering the borders between France, Italy and Switzerland, had significant successes in generating new cross-border cultural and media networks, products and events, as illustrated below. The programme “Jura” (F/CH) created 23 new cultural products, among which a co-operation project between museums (Passeport inter-musée), a cross-border books fair (at Besançon and at Chaux de Fonds) and 2 new cross-border publications, including the creation of the Journal du Haut Jura. Best practice is well illustrated in the development of the leisure and sport village of Goumois right on the French-Swiss border. Due to this facility, it was possible to organise there two world championships (canoe and kayak). The programme “Alps” (F/I), supported many music concerts, art exhibitions and new cultural tourism itineraries. Successful practices were also observed in projects focusing on media, such as co-operation between newspapers from the two sides of the border on cross-border information and news. Even the maritime programmes between Italy and France have good practice to show in this field. The programme “Corsica/Sardinia” has supported the creation of Centres d’échanges Corso-Sardes, a weekly radio transmission, and 42 shows and exhibitions, whilst 20 cultural events and 32 student exchanges have resulted from programme “Corsica/Tuscany”.

Infrastructure

The Greece/external borders border programme invested €192 million of Structural funds in interventions aimed at eliminating bottlenecks and missing links. The projects it supported improved large-scale road networks, connected border entry points with terminating points (ports) in northern Greece (e.g. through direct road axes) and upgraded rail interconnections. Approximately 180 km of existing transport infrastructure was upgraded and 88.81 km of new roads were built. Certain railway upgrading projects were also implemented on the two main lines connecting Greece with Bulgaria and 5 ports. In addition, a number of other projects resulted in the upgrading of 17 heliports on the Greek islands. The investment support for expanding/upgrading road axes and for improving the railroad network, ports and border crossing points has achieved a speedier transport of people and goods by different modes of transport, reducing the isolation of the Greek border regions benefiting the 3.2 million inhabitants in the programme area and other users of cross-border transport connections.

The trilateral border programme for Saxony along the German external borders with Poland and the Czech Republic (D/PL/CZ) allocated some €16 million of Structural Funds to improvements to the transport network aimed at increasing the permeability of borders. Investments in transport infrastructure strongly focused on border crossings and more than ¾ of the road border crossings in the area were improved. The Interreg IIA interventions could therefore help to overcome the severe bottlenecks in cross border traffic flows. More than 15 km of roads were constructed and a total of 4 border crossing points built along the D/PL border and another 13 along the D/CZ border. Furthermore, the capacity of 7 border crossing points was expanded (including road construction) and 1 new border crossing was established. Nearly all road infrastructure projects (new construction / upgrading) had a direct or indirect border-crossing focus, which helped to enhance the capacity of border crossing points and of the connecting roads. As a result, there has been a clear improvement of the permeability in the border area and a reduction in queuing time at border controls, benefiting more than 1 million of inhabitants in Saxony and many other users of cross-border transport connections.

The Spain / Portugal programme allocated €197 million of Structural Funds to measures improving the transport infrastructure and cross-border accessibility. The programme supported 106 transport-related projects, of which the large majority focused on improving the road infrastructure. Other projects undertook activities such as spatial and feasibility studies for improving the transport systems across the border. The infrastructure projects achieved the construction of new roads and the upgrading of existing ones at a total length of 3000 km.
Roads were mostly constructed nearby the immediate border area in order to improve its permeability. These new or upgraded roads established a significantly improved level of connection between the two sides of the border impacting directly on over a half million of people, who were previously affected by the poor quality of road network, and indirectly benefiting a total population of 5.6 million in the programme area (3.5 in Spain and 2.1 in Portugal). The interventions also created an average of 220 jobs directly and indirectly (or temporarily) over 3,000 jobs.

Good practice example in spatial planning

**NORVISION. A Spatial Vision for the North Sea Region**

In the context of the Interreg IIC Programmes, four Spatial Visions were elaborated or further worked out. The elaboration process of the Spatial Vision for the North Sea Region reveals a number of characteristics which could be proposed as model for other Transnational Areas where joint Spatial Visions do not yet exist. First, as far as the partnership is concerned, not only national, but also the regional authorities were involved or represented from the very beginning. The project was initiated by a Spatial Vision Group consisting of one national and one regional representative from each of the six countries concerned. Second, external expertise was involved. A consultant acted as secretary and workshop moderator. He prepared the draft Vision report. Third, a great deal of attention was devoted to consensus building. The emphasis of the Spatial Vision Group was on dialogue and consensus building. Consultations also took place with other interested groups, including regional planners, Interreg IIC project leaders, national government representatives and transnational bodies. Fourth, the final document has been politically validated, even if it is only a reference document without binding effect. The final document was presented to the North Sea Commission at the General Assembly in Bergen (Norway) in June 2000 and was adopted as a resolution. The representatives assembled recommended political councils and authorities at EU, national, regional and local level to take note of the document and to implement the concepts where possible in their respective spatial planning policies and development policies.

The Vision report firstly sets the scene with an analysis of the spatial characteristics of the North Sea Region followed by a look at the major challenges facing the region in the future and their implications for spatial structures and trends. The report then presents 10 vision statements (four for the North Sea Region as a whole; four for Urban regions and two for Rural areas). These vision statements describe the direction which future changes of spatial structures should take, anticipating and responding to specific potentials and threats for the region. These statements are then translated into spatial development aims and strategies. Aims are a concretisation of the visions, by focussing on issues which are felt to be most pressing for the North Sea Region. They are selective in the light of the observed trends. Strategies identify feasible ways how to bring about spatial development towards these aims. The strategies provide the framework for recommended action. Responsibilities for action are largely attributed to regional and local actors and – where at higher levels – to sector institutions.

The Norvision can be considered as a successful exercise, in particular in an area where no transnational cooperation existed before. The positive achievements are mainly due to the working method adopted. There was frequent interaction between the representatives of the Member Countries and regions and the consultant who was elaborating the draft vision. Progressive consensus could be achieved. The consultation on the draft vision was widely organised and all regional authorities commented on it.