Ex-Post Evaluation of INTERREG 2000-2006 Initiative financed by the European Regional Development Fund (ERDF)

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

PROGRAMME: INTERREG IIIA Italy - Slovenia

EVALUATION REPORT elaborated by

Mojca Hrabar, OIKOS, svetovanje za razvoj d.o.o, Slovenia

Panteia and Partners:
• EureConsult S.A. (Luxemburg)
• Policy Research and Consultancy (Frankfurt / Germany)
• GÉPHYRES EURL (Roubaix / France)
• The Radboud University (Nijmegen / The Netherlands)

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Executive Summary

The programme evaluated in this report is the INTERREG IIIA programme Italy – Slovenia. In the period of 2000 – 2004 this programme was run between an EU Member State and a Candidate Country, so ERDF funds were used on the Italian side and PHARE funds on the Slovenian side. In the period 2004 – 2006, both countries used ERDF funds, but the procedures were still completely separated, being run in 2 different ways based on 2 different sets of legislative frameworks. On the Italian side, the funds were mainly distributed through a “regia regionale” system on the basis of regional priorities, i.e. without public calls for proposals; public calls for proposals were published only since 2004, while on the Slovenian side there were public calls for proposals for Small Project Funds in the PHARE period and ERDF funding.

At the end of 2004, after the mid-term evaluation and reprogramming, a new Programme Complement was prepared and projects on both sides of the border were funded from ERDF through calls for proposals. Three new implementation types of projects: joint projects, mirror projects and cooperation projects were introduced, bringing higher complexity of programme and more cooperation. The final beneficiaries did not act fully according to the Lead Partner principle; instead, they were only “functional Lead Partners” of the projects as the authorities from both sides of the border insisted on completely unilateral and separate processes of project implementation. JTS was formed quite late, in late 2003. The inter-institutional coordination was poor at the beginning, but has gradually improved over time, especially after significant changes in the programme in 2004 which were done jointly. Local authorities, sectoral organisations, academic networks were consulted on the programme, but not systematically. However, they participate in the Monitoring Committee.

The differences that hamper closer cooperation and joint implementation of the programme are: differences in capacity of the administration; lack of administrative/legal provisions for cross-border contracts, employment (hampering also JTS staffing), payments and control of implementation. Introduction of the Euro in Slovenia in January, 2007 made financial management of the programme easier. Since 2004, calls for proposals were harmonised in terms of provisions, content and schedule and the authorities held regular meetings to select projects and exchange the experience with contracting, monitoring and control. The cooperation between the authorities was increasing during the programme implementation, mostly on an informal basis and since 2004 the degree of cooperation was one of the project evaluation criteria. This improved the capacity for cooperation and put an emphasis on consensus-building for joint goals.

The absorption rate of the Italy-Slovenia programme (87,21 %) was higher than the average absorption rate of Interreg. This could be largely due to the fact that the programme was quite concentrated on only 12 intervention codes. The financially “heaviest” codes of intervention are 172. Non-physical investments, 316. Waterways and 354. Maintenance and restoration of the cultural heritage. The “413. Studies” code of intervention shows the strongest deviation in the rate of funding: in the Italy – Slovenia programme, 36,52 % (two thirds!) of funding was dedicated to this code of intervention, while the entire Interreg average is 6,05 % and the average of the A strand is 4,00 %. With respect to the Intensity Measure (IM) and the Gap Measure (GM) the variation of relative intensity of an area of intervention is much higher than the relative performance (i.e. the achievement level of the Italy-Slovenia programme compared to the Interreg average). At the lower end we find: Technical assistance and innovative actions (410.) and Promoting the adaptation and the development of rural areas (130.) and at the upper end: Research projects based in universities and research institutes (181.), Rail (311.), Multimodal transport
(318.) and Basic infrastructure (321.). Achievement rates are in most cases on a par or above the achievement rates at the Interreg level. Technical assistance and innovative actions and Promoting the adaption and the development of rural areas deviate negatively from the Interreg average. The budget was spent in a rather linear trend. Expenditure for Promoting the adaptation and the development of rural areas, Waterways and Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG) appear low-performing. There were no shifts in budget. Financial implementation on measure level was almost equal over the whole period of 2001-2006; the only exception is measure 4.1 with all the funds spent in 2001.

The gaps between the planned and achieved result on measure level are very high. Measures focusing on environment and spatial planning, administration and institution cooperation and SME’s were too optimistic. The effectiveness of the programme is difficult to follow because of poor indicators. Only output indicators on measure level were quantified (achieved results) and they are of very poor relevance. The only information on results is the information on number of implemented projects; no information is collected on the level of experimentation, learning effects or project results. From the best practice projects we can assess that high level of experimentation was achieved in some projects, mostly of the joint project type.

Physical cooperation and communication are getting easier in the area where cross-border urban agglomerations exist or are being formed. Cooperation across the sea border is virtually negligible; the projects under the intervention code "Waterways" were implemented almost unilaterally. Cooperation in the previous INTERREG II programme was weaker and implemented with mixed ERDF/PHARE funds. However, there were older structures for cross-border cooperation, such as Osimo Agreements and the Alpen-Adria initiative. Due to provisions of Osimo Agreements the potential for crossing the border was quite high for the inhabitants in the designated “Osimo belt” along the border. There were no prior permanent co-operation structures except for the 12 Osimo committees and the Alpen-Adria initiative.

Economic disparities within the programme area are small, smaller than one might expect for an external EU border and the introduction of the Euro in Slovenia decreased disparities due to the floating exchange rate. The participating Italian regions have a high degree of entrepreneurship that could stimulate development of business networks and SME cooperation. Historic ties in the programme area are being gradually re-established. The language barrier is quite prominent, but less so in the bilingual area South of the border. Minorities could play a significant role in programme implementation on both sides of the border, not only in the bilingual area, but in the entire programming area.

In the North, projects were mainly focused on sustainable use and tourism development. Projects with closer physical cooperation were implemented along the border, as in general most of the projects; this might be the result of greater cross-border mobility of the inhabitants of “Osimo belt”. Those most financially successful are the cooperation between the organisations that produce direct effects for businesses and local economies, for example incubators, agricultural co-ops etc. The least financially successful are the ones between research organisations and the ones for public services for environmental protection; often there is a chance of double financing from national funds, too. The projects were gaining in cross-border character and complexity with time: at the beginning, Slovenian partners played a minor role and projects on Slovenian side were smaller and simpler. The Small Project Fund played an important role as a capacity-building tool in Slovenia. Implementation of the projects was gradually getting easier also due to Slovenia entering the EU and Schengen area (December 2007) as this eased implementation of some of project activities (e.g. participation at trade shows, food festivals,...). Economic disparities as well as differences in experience with large projects and markets
are quite large between partners, with the Slovenian partners being mostly less experienced. On the other hand, in some circumstances Italian local authorities – municipalities are at a disadvantage because of their small size and limited funds for large-scale projects. Cultural differences still remain. Most of the projects with a truly cross-border character were quite local, focused on activities such as joint development and spatial planning, joint marketing and branding of agricultural products and joint tourism development where the language barrier is easily overcome. The Community Added Value was quite low, mostly the cooperation added to the transmission of skills related to EU policies and standards. The projects had produced quite durable ties among project beneficiaries and their partners, but mostly failed to produce significant cross-border effects. By far the largest effect was networking and the exchange of information.

The typology analysis showed that the Italy – Slovenia programme was quite an outlier among the Strand A programmes and very different from other programmes on external borders of the EU. The INTERREG Italy – Slovenia programme was below average value for each of the 6 criterions that compose the synthetic indicator. However, the indicator fails to capture the change from the combination of PHARE/ERDF funding to pure ERDF funding and Slovenia entering the EU, i.e. the historic dimension of the programme itself and its evolution. Moreover, the geographical distribution of projects could have been taken more into consideration. In the case of Italy – Slovenia, the analysis would probably show a concentration of projects in the immediate vicinity of the border, with a high level of joint projects, high visibility and impacts, but relatively low concentration of funds; probably the distribution of funds would be equal among the regions, this being an indication that funds were distributed also to financially large projects with a low level of joint activity/cross-border cooperation and impact. In addition, it would be interesting to capture the effect that the minorities have on programme implementation: in the case of Italy – Slovenia, they seem to have quite a strong catalytic effect in terms of project initiatives, partnerships as well as helping to overcome language barriers.

The Italy – Slovenia programme had the deviation between the Real Rate and the Expected Rate that was larger than +10, showing that the actual depth & intensity of co-operation was clearly below what could have been expected if historical variables had been taken into account (ER). Besides the Spain-Morocco programme it is the only programme on the "old“ external border of EU-15 that is seriously underperforming and it is one of the three programmes in the cluster that have a considerably longer cooperation, showing that the programme did not benefit from and/or build upon the duration of previous cooperation and that other factors had a stronger influence. Nevertheless, the Italy – Slovenia programme had, in the opinion of the interviewees, strong socio-economic effects that were not captured by indicators and monitoring – improved networking, longer-term planning and transfer of knowledge on EU standards and practices in the time of the Slovenian accession to EU, as well as removing the prejudices. This confirms the conclusions of the Task 2 that INTERREG has strengthened the cooperation culture and has had an impact on the social and economic cohesion of the programme area.

The main factors fostering integration of the programme area are: involvement of the minorities and their organisations, previous cooperation of the neighbouring municipalities/schools/institutes and joint promotion of the programme after the 2004 reprogramming. The main factors hampering integration of the programme area are: language barrier, also between the programme implementation bodies on both sides of the border, differences in system of selection of projects, their implementation and monitoring, as well as separate funding sources and payment systems, different number of layers of authorities involved and the misconceptions and prejudices on both sides of the border.
Part I

Foreword

The ex-post evaluation of Interreg III comprises a number of tasks interactively and iteratively linked. One of the tasks is the in-depth evaluation of a sample of sixteen Interreg III programmes from all three strands.

The programme evaluated in this report is the INTRERREG IIIA programme Italy – Slovenia. It differs from other programmes by the fact that in the period of 2000 – 2004 it was run between an EU Member State and a Candidate Country, so the funds were run in 2 different ways based on 2 different sets of legislative frameworks: ERDF on the Italian side and PHARE on the Slovenian side. In the period 2004 – 2006, both countries used ERDF funds but the procedures were still completely separated.

The programme geographically comprises a very diverse area, ranging from the coast where communication between different parts of the programme area was always frequent to the Julian Alps with larger natural border effects on the mountain ranges. The border in this area is relatively recent: in the past 50 years the cross-border activities were not very strong, they were mostly limited to daily migrations of workforce and to a certain extent the cooperation between research and academic institutions. As a result, limited knowledge of initiatives, potentials, interests and mechanisms for various activities and cooperation was available on both sides of the border. An important vehicle of cross-border cooperation was the entire time the two minorities with a strong cultural and educational exchange with their “mother countries”. 

PART II: MAIN REPORT

1 Introduction

The INTERREG IIIA Italy - Slovenia 2000-2006 comprised the regions of Friuli – Venezia Giulia and Veneto in Italy and Obalno-kraška and Goriška statistical region in Slovenia. Between 2000 and 2004, Italy and Slovenia participated in the Interreg IIIA (ERDF) – Phare CBC Programme. The Phare programme included projects on the Slovenian side that were financed within donation schemes and highly successful Small Project Funds. In the same period, the projects on the Italian side were funded through “regia regionale” – regional distribution of funds through direct funding (i.e. without calls for proposals).

The priorities of the INTERREG IIIA Slovenia-Italy 2000-2006 are shown in the following table.

| Priority | % per priority | Public expenditure | ERDF contribution | % |
|----------|----------------|--------------------|-------------------|
| Priority 1 - Sustainable development of the cross-border area | 44,84 % | 45,293,564 | 21,580,175 | 48% |
| 1.1. Protection, preservation and development of the environment and the territory | | | |
| 1.2. Development and strengthening of cross-border organisations, infrastructures and networks | 44,84 % | 45,293,564 | 21,580,175 | 48% |
| Priority 2 - Economic cooperation | 29,97 % | 30,268,672 | 14,690,097 | 49% |
| 2.1. Improvement in competitiveness and cooperation | | | |
| 2.2. Cross-border cooperation in tourism sector | 29,97 % | 30,268,672 | 14,690,097 | 49% |
| Priority 3 - Human resources, cooperation and systems harmonisation | 16,13 % | 16,296,838 | 7,728,400 | 47% |
| 3.1. Human resources vocational training and retraining and innovative initiatives on the labour market | | | |
| 3.2. Cooperation in culture, communication and research and between institutions for the systems harmonization | 16,13 % | 16,296,838 | 7,728,400 | 47% |
| Priority 4 - Special support for regions bordering candidate countries | 2,73 % | 2,762,000 | 1,381,000 | 50% |
| 4.1. Special support for regions bordering candidate countries | | | |
| Priority 5 - Support to cooperation | 6,33 % | 6,389,298 | 3,305,009 | 52% |
| 5.1. Technical assistance | | | |
| 5.2. Evaluation, information, publicity and cooperation | 6,33 % | 6,389,298 | 3,305,009 | 52% |
| Total | 100,00 % | 101,010,372 | 48,684,681 | 48% |

At the end of 2004, after the mid-term evaluation and reprogramming, a new Programme Complement was prepared and projects on both sides of the border were funded from ERDF through calls for proposals.
2 Research interest and methodology

The scope of research is closely determined by the terms of reference for the Ex-post Evaluation for INTERREG III and the method proposed in the Inception Report. The evaluation followed strictly the terms of reference, the corresponding methodology from the Inception Report and the instructions delivered by the Consortium members by email.

For the evaluation we have reviewed the official programme documents such as the Joint Programming Document (JPD), Community Initiative Programme (CIP), Programme Complement (PC), evaluation reports and annual reports. In addition, we have used some of the material produced within the implementation of the programme, such as brochures with overviews of the co-funded projects, websites, project publications, interviews (Laura Comelli – MA in 2000-2006 and in 2007 - 2013; Olga Abram - IB on the Slovene side in 2000-2006, now JTS; Tatjana Rener from Implementing Body on the Slovene side; and Staša Mesec from the Monitoring Unit on the Slovene side side; representatives of project beneficiaries – see annex 2).
3 In-depth analysis of the results and impacts in terms of effectiveness & the socio-economic effects

3.1 The financial implementation of the programme

3.1.1 Financial analysis across the intervention codes

The character of the programme has been analysed in terms of budgets and expenditures at the three-digit code level i.e. how sectoral patterns of financial budgeting and expenditures of the programme differ from the usual (average) patterns under Interreg, to what extent have the financial targets been achieved and why in any of the cases were targets not achieved. Furthermore, we have looked at the expenditures for interventions associated with ‘Lisbon’ and finally have examined the dynamics of expenditures at the level of the measures.

We have accessed the entire database of expenditures at the three-digit code level for Interreg for an in-depth financial analysis. This makes it possible to view the distribution patterns of the codes, the characteristic features of that distribution in comparison with Interreg in general, the expenditure rate, thus giving some insight into financial performance within the programme. Furthermore, the analysis provided evidence on whether or not the respective field of intervention has the same weight as the average in the cluster to which the programme belongs. If the expenditure for an Interreg-relevant field of intervention is relatively small, it might reveal problems or weaknesses in the programme with respect to the declared strategies of the respective Interreg strand. Finally, we analysed absorption patterns for different fields of intervention.

In addition to the analysis of areas of intervention, the dynamics of financial implementation is to be examined as well (different trend patterns in implementation). This analysis, which can only be based on the trends at measure level, should display 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 help the European Commission to compare expenditures in the context of policy intervention. The first analysis relates to the “financial character” of the programmes, i.e. the thematic selection and in how far the Interreg Italy-Slovenia programme follows the sectoral intervention patterns of Interreg. The projects co-funded in Italy-Slovenia fell within only 12 intervention codes. From the interview it was obvious that the Managing Authority was not aware of this fact; they followed the implementation more closely along the types of eligible activities rather than intervention codes. Moreover, the codes are sometimes not clear-cut definitions and similar projects could be budgeted under different codes.

The major objectives of the programme Interreg Italy-Slovenia, apart from identifying and fostering new paths and/or opportunities for joint growth of the area involved, aims at pursuing a greater effort of strengthening the cross-border integration than in the past. The general principle of the programme Interreg Italy-Slovenia is to reduce the border effects with a high frequency, thus supporting economic and social integration throughout the European Union.

The planned overall and annual expenditure budget of the programme was defined during the preparation of the programme and is based on the ex-ante analysis and consultations between the authorities involved in the programme implementation. The programme preparation activities defined the topics for intervention which were then further adjusted on the basis of the the ex-ante evaluation. Later,
the mid-term evaluation of the Italy-Slovenia programme showed weaknesses (for example only one project was implemented within the rail intervention code, although it seemed that there is need for high number of projects), so on the basis of the mid-term evaluation and the fact that Slovenia started using the ERDF funds, the Italy-Slovenia programme was re-programmed in 2004; a new Community Initiative Programme (CIP) and Programme Complement (PC) were prepared and on the basis of that, and a Memorandum of Understanding was signed in December, 2004.

The programme was implemented through two separate mechanisms, each country having its specific approach. In Italy, project proposals could be selected either through calls for project proposals or through the so-called “regia regionale” procedure, while in Slovenia the projects were selected through calls for project proposals only.

Three (3) priority topics were proposed during the preparation of the programme and by the ex-ante evaluation, and an additional one (1) was proposed by European Commission (to support the integration of Slovenia to the European Union). The fifth priority is to support the cooperation, i.e. the programme implementation. The major problems in the area were identified as follows: the territory (land use), the people and growth. On the basis of this, activities to be supported by the programme have been chosen.

When the priorities and eligible activities were determined, the authorities first wanted to give more importance to some of the intervention codes, such as the rail, but there was no concerted desire on both sides of the border. This reflects also in the implementation of the projects.

The “regia regionale” approach turned out to be one of the Programme weaknesses: each region chose projects which have been in its interest and beneficial for the development of rather small area’s, but not for the whole region and they often did not have strong cross-border effects. The main purpose of the programme, the close cross-border cooperation, had therefore, not occurred to the extent anticipated.

The largest share of expenditures is concentrated in Priority 1 - Sustainable development of the cross-border area (44,84 %) and Priority 2 - Economic cooperation (29,97 %). The shares are represented in the table below.

<table>
<thead>
<tr>
<th>Priority task</th>
<th>% destination of the public expenditure per priority (rate)</th>
<th>Public expenditure (euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 1 - Sustainable development of the cross-border area</td>
<td>44,84 %</td>
<td>45.293.564</td>
</tr>
<tr>
<td>Priority 2 - Economic cooperation</td>
<td>29,97 %</td>
<td>30.268.672</td>
</tr>
<tr>
<td>Priority 3 - Human resources, cooperation and systems harmonisation</td>
<td>16,13 %</td>
<td>16.296.838</td>
</tr>
<tr>
<td>Priority 4 - Special support for regions bordering candidate countries</td>
<td>2,73 %</td>
<td>2.762.000</td>
</tr>
<tr>
<td>Priority 5 - Support to cooperation</td>
<td>6,33 %</td>
<td>6.389.298</td>
</tr>
<tr>
<td>Total</td>
<td>100,00 %</td>
<td>101.010.372</td>
</tr>
</tbody>
</table>

The analysis at the three-digit code level

The funding support from Interreg III has been rather broad thematically. 94 codes were covered ranging in a frequency between one and 64 programmes. The most frequent codes under Interreg have been those of Technical assistance (e.g. monitoring/implementation, evaluation, studies, 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 Interreg programme Italy-Slovenia covered only a few fields of intervention: funds were allocated for only 12 codes. In consideration of the relatively large budget it would suggest that programmes could have a high concentration, of which a major criterion under the EU cohesion policy, including Interreg. By comparing the Interreg programmes we see that in fact most other programmes support a higher number of different codes (around 35 on average). The overarching intention for the Interreg programme Italy-Slovenia has been to develop good-practice with a view to triggering sustainable cooperation and further deepening the historically grown ties across the borders; this was also the main reason for concentration on the selected 12 intervention codes.

The major fields of intervention, viewed in certified expenditures by the MS are the following codes: 413. Studies (36,52 % of certified expenditure by MS), 172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage; 16,18 % of certified expenditure by MS), 354. Maintenance and restoration of cultural heritage (11,63 % of certified expenditure by MS), 316. Waterways (10,99 % of certified expenditure by MS), 161. Investment in physical capital (plant and equipment, co-financing of state aids), etc.. On the other hand the code 181. Research projects based in universities and research institutes and 311. Rail have negligible budgetary weight (cf. also tables 3.3. and 3.4.). Representative shares are illustrated in the table/chart below.

Table 3.2 Allocated and Certified Expenditure by Code of Intervention

<table>
<thead>
<tr>
<th>Code of intervention</th>
<th>Decided amount (programme complement - euro)</th>
<th>Certified expenditure by MS (euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>130. Promoting the adaptation and the development of rural areas</td>
<td>3,963,393</td>
<td>2,721,379</td>
</tr>
<tr>
<td>161. Investment in physical capital (plant and equipment, co-financing of state aids)</td>
<td>3,086,457</td>
<td>2,811,686</td>
</tr>
<tr>
<td>172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)</td>
<td>7,640,247</td>
<td>6,868,225</td>
</tr>
<tr>
<td>181. Research projects based in universities and research institutes</td>
<td>110,480</td>
<td>110,480</td>
</tr>
<tr>
<td>230. Developing educational and vocational training (persons, firms)</td>
<td>2,227,643</td>
<td>2,086,768</td>
</tr>
<tr>
<td>311. Rail</td>
<td>69,050</td>
<td>69,050</td>
</tr>
<tr>
<td>316. Waterways</td>
<td>6,078,266</td>
<td>4,667,922</td>
</tr>
<tr>
<td>318. Multimodal Transport</td>
<td>372,870</td>
<td>372,870</td>
</tr>
<tr>
<td>321. Basic infrastructure</td>
<td>290,010</td>
<td>290,010</td>
</tr>
<tr>
<td>354. Maintenance and restoration of the cultural heritage</td>
<td>5,928,867</td>
<td>4,937,046</td>
</tr>
<tr>
<td>410. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)</td>
<td>3,305,009</td>
<td>2,016,260</td>
</tr>
<tr>
<td>413. Studies</td>
<td>15,612,389</td>
<td>15,508,431</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,684,681</strong></td>
<td><strong>42,460,126</strong></td>
</tr>
</tbody>
</table>
The 12 intervention codes of Interreg Italy-Slovenia vary considerably in frequency. The tables 3.2 and 3.3 aim to show the ranking of frequency of the codes under Interreg and how the Italy-Slovenia programme corresponds to these codes.

The situation can be illustrated by comparing all intervention codes in Interreg, the strand and the cluster1 with those in the Interreg Italy-Slovenia programme.

**Table 3.3** Expenditures of the It-Si programme by comparison with other Interreg programmes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>413. Studies</td>
<td>36,52%</td>
<td>6,05%</td>
<td>4,00%</td>
<td>6,71%</td>
</tr>
<tr>
<td>172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)</td>
<td>16,18%</td>
<td>2,60%</td>
<td>3,37%</td>
<td>5,29%</td>
</tr>
<tr>
<td>354. Maintenance and restoration of the cultural heritage</td>
<td>11,63%</td>
<td>1,36%</td>
<td>1,84%</td>
<td>1,73%</td>
</tr>
<tr>
<td>316. Waterways</td>
<td>10,99%</td>
<td>0,87%</td>
<td>1,13%</td>
<td>1,45%</td>
</tr>
<tr>
<td>161. Investment in physical capital (plant and equipment, co-financing of state aids)</td>
<td>6,62%</td>
<td>0,55%</td>
<td>0,60%</td>
<td>1,42%</td>
</tr>
<tr>
<td>130. Promoting the adaptation and the development of rural areas</td>
<td>6,41%</td>
<td>4,71%</td>
<td>5,12%</td>
<td>4,35%</td>
</tr>
<tr>
<td>230. Developing educational and vocational training (persons, firms)</td>
<td>4,91%</td>
<td>1,59%</td>
<td>1,83%</td>
<td>2,44%</td>
</tr>
</tbody>
</table>

1 Cluster: España-Marocco, Italie/Slovenia, Karelia (Finlande-Russie), Fyns Amt-Technologieregion K.E.R.N. (Danmark-Allemagne), Italia/Albania, Italia-Adriatico, Hungary/ Romania/Serbia, Poland-Belarus-Ukraine, Hungary/Slovakia/Ukraine, Lithuania-Poland-Russian Federation (Kaliningrad Region);, Germany (Sachsen)-Poland, Germany (Sachsen)-Tschechische Republik, Slovenia/ Hungary/ Croatia, Poland-Slovak Republic (Interreg IIIA), Gibraltar-Marocco (UK/Maroc), Czech Republic-Poland.
### Fields of intervention

<table>
<thead>
<tr>
<th>Fields of intervention</th>
<th>It-Si: Code expenditure/programme expenditure %</th>
<th>Interreg: Code expenditure/CI expenditure %</th>
<th>Strand A: Code expenditure/Strand expenditure %</th>
<th>Cluster: Code expenditure/Cluster expenditure %</th>
</tr>
</thead>
<tbody>
<tr>
<td>410. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIGF)</td>
<td>4.75</td>
<td>1.12</td>
<td>1.04</td>
<td>1.54</td>
</tr>
<tr>
<td>318. Multimodal Transport</td>
<td>0.88</td>
<td>1.03</td>
<td>1.08</td>
<td>3.20</td>
</tr>
<tr>
<td>321. Basic infrastructure</td>
<td>0.68</td>
<td>1.49</td>
<td>2.00</td>
<td>0.54</td>
</tr>
<tr>
<td>181. Research projects based in universities and research institutes</td>
<td>0.26</td>
<td>1.21</td>
<td>1.01</td>
<td>1.51</td>
</tr>
<tr>
<td>311. Rail</td>
<td>0.16</td>
<td>0.84</td>
<td>1.13</td>
<td>2.27</td>
</tr>
</tbody>
</table>

Expenditures in the programme are distributed very differently. Four of the intervention codes are standing positive in a percentage of the expenditure programme of Interreg Italy-Slovenia (share of more than 10.00 %) but on the other hand, four (i.e. one third of codes of intervention) are with small shares (share of less than 1.00 %). Comparing it to the entire Interreg programme, the shares are mostly lower then 1.00 % and the highest valued is the code of intervention 413. These are studies that reach the value of 6.05 %. Likewise, in comparison with the Strand A programmes, almost all the shares are over 1.00 %, reaching even the level of 5.12 % at the code of intervention 130. This promotes the adaptation and the development of rural areas.

As it can be seen from the table above the code of intervention 413 studies are highly presented over the entire Interreg programme, including the Italy-Slovenia programme, Strand A of Interreg and in the cluster 2, part of which is also the Italy-Slovenia programme. An overview of the full Interreg programme and Italy-Slovenia programme shows that this is the most represented code of intervention. In the total Interreg programme it achieved 6.05 %, while in the Italy-Slovenia programme this level was much higher, namely 36.52 % of the entire Italy-Slovenia programme. Some other intervention codes are also above the entire Interreg, strand A and cluster expenditures, such as 172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage), 354 Maintenance and restoration of the cultural heritage, 316 Waterways, 161 Investment in physical capital (plant and equipment, co-financing of state aids), 130 Promoting the adaptation and the development of rural areas, 230 Developing educational and vocational training (persons, firms), 410 Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIGF).

For the high level projects in the programme that focused on studies there are two simple answers. First, according to the Managing Authority the idea was to stimulate analysis of the programme area (e.g. study of spatial planning parameters) as there has been almost no cross-border co-operation before, and on the basis of the results of the programme area advantages, shortcomings and the future needs. The 2007 – 2013 CBC programme that follows up on the Interreg IIIA Italy – Slovenia Programme therefore, focuses on support to the projects that build on these studies, not on studies themselves anymore and it will support strategic projects in the Programme area. Second, the “regia regionale” system enabled the regions to direct funds accordingly to their perceived needs, which were often their own and not the needs of the Programme area or the cross-border cooperation. As a result, many studies were funded that were mostly focused on one of the regions and on the needs of that region, with the cross-border component often being more or less just pro-forma.

The lowest share of expenditures according to the intervention codes were achieved in 321 Basic infrastructure, 181 Research projects based in universities and research institutes and 311 Rail; these areas have been lowly represented in the Italy-Slovenia programme.
The following intervention codes have a smaller share in the Italy-Slovenia programme, compared to the total Interreg programme: 318 Multimodal Transport, 321 Basic infrastructure, 181 Research projects based in universities and research institutes and 311 Rail. Here the proportion in the Interreg programme is higher than 1 %, while in the Italy-Slovenia programme, conversely, this is less than 1 %.

When comparing the Italy-Slovenia programme and Strand A Interreg programmes, we can see that the shares of expenditures by intervention codes are the most similar for the code of Promoting the adaptation and the development of rural areas (130) and the code of Multimodal transport (318).

Looking at the cluster share, the situation is similar to that of the full Interreg share: the code "Studies" is the most represented, with 6,71 %. It can also be seen that Non-physical investments and Promoting the adaptation and the development of rural areas are in a greater value than 4,00 %, the Non-physical investments having a twice higher share than in comparison with the full Interreg programme. The least represented code is Basic infrastructure; it reaches only 0,54 %. Summed up, when comparing all of the codes of a cluster, part of which is also the Italy-Slovenia programme, we can see that there is a substantial deviation of shares, as is in the full Interreg programme and in Strand A.

The overview tables 3.2, 3.3 and 3.4 give a more comprehensive overview of the different codes of intervention covered by the Italy-Slovenia programme in terms of budget, certified expenditures, achievement rates, shares of expenditures and the comparison with the average expenditure shares and achievement rates of Interreg (Intensity Measure – IM and Gap Measure – GM).

The relative weight of the codes can be calculated by comparing the budgetary share of a code in the programme to that share the code has within Interreg in general. The results for that intensity measure (IM) are given in the overview table 3.4. Values > 1 show codes that have an over average significance for the Italy-Slovenia programme.

### Table 3.4 IM and GM by intervention code

<table>
<thead>
<tr>
<th>Area of intervention</th>
<th>IM Interreg</th>
<th>GM Interreg</th>
<th>IM strand</th>
<th>GM strand</th>
<th>IM cluster</th>
<th>GM cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>130. Promoting the adaptation and the development of rural areas</td>
<td>1,36</td>
<td>0,84</td>
<td>1,25</td>
<td>1,01</td>
<td>1,47</td>
<td>0,93</td>
</tr>
<tr>
<td>161. Investment in physical capital (plant and equipment, co-financing of state aids)</td>
<td>0,19</td>
<td>1,24</td>
<td>0,14</td>
<td>0,00</td>
<td>0,07</td>
<td>1,00</td>
</tr>
<tr>
<td>172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)</td>
<td>6,23</td>
<td>1,20</td>
<td>4,81</td>
<td>0,99</td>
<td>3,06</td>
<td>0,89</td>
</tr>
<tr>
<td>181. Research projects based in universities and research institutes</td>
<td>0,21</td>
<td>1,31</td>
<td>0,26</td>
<td>1,06</td>
<td>0,17</td>
<td>0,98</td>
</tr>
<tr>
<td>230. Developing educational and vocational training (persons, firms)</td>
<td>3,09</td>
<td>1,25</td>
<td>2,69</td>
<td>1,02</td>
<td>2,01</td>
<td>1,01</td>
</tr>
<tr>
<td>311. Rail</td>
<td>12,57</td>
<td>0,94</td>
<td>9,72</td>
<td>1,00</td>
<td>7,58</td>
<td>0,99</td>
</tr>
<tr>
<td>318. Multimodal Transport</td>
<td>0,85</td>
<td>1,21</td>
<td>0,81</td>
<td>0,99</td>
<td>0,27</td>
<td>0,97</td>
</tr>
<tr>
<td>321. Basic Infrastructure</td>
<td>4,23</td>
<td>1,27</td>
<td>9,12</td>
<td>0,99</td>
<td>5,44</td>
<td>0,89</td>
</tr>
<tr>
<td>354. Maintenance and restoration of the cultural heritage</td>
<td>8,52</td>
<td>1,21</td>
<td>6,33</td>
<td>0,99</td>
<td>6,72</td>
<td>0,88</td>
</tr>
<tr>
<td>410. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)</td>
<td>4,23</td>
<td>0,81</td>
<td>4,56</td>
<td>1,04</td>
<td>3,08</td>
<td>1,07</td>
</tr>
<tr>
<td>413. Studies</td>
<td>6,03</td>
<td>1,27</td>
<td>9,12</td>
<td>0,99</td>
<td>5,44</td>
<td>0,89</td>
</tr>
</tbody>
</table>

Looking at the Intensity Measure of the Italy-Slovenia programme and full Interreg programme, we can see that the two codes of the Italy-Slovenia programme reach very high percentages of representation; these two codes are 316 Waterways – 12,57 % and 161, Investment in physical capital (plant and equipment, co-financing of state aids) – 11,98 %. Relatively high intensity is also reflected in other codes: 354 Maintenance and restoration of the cultural heritage, 172 Non-physical investments...
(development and provision of tourist services, sporting, cultural and leisure activities, heritage), 413 Studies. The Intervention code, which most closely approximates the average of Interreg programme is code 318 Multimodal Transport. We are going for positive and negative deviations from the average of Interreg programme, in some places the tolerances are twelve times higher, on the other hand, there is also five times less tolerance.

Comparing the Intensity Measure (IM) of the Italy-Slovenia programme and Strand A we can see that the greatest positive deviation occurs within codes 316 Waterways and 354 Maintenance and restoration of the cultural heritage.

Even more interesting is to look at the areas of intervention with a relatively high budgetary share under Interreg. These are codes 413 Studies, 130 Promoting the adaptation and the development of rural areas and 172 Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage). While code 318 Multimodal Transport is represented by the Italy-Slovenia programme on a par with an average of Interreg, code 311 Rail is represented to a much lower extent, only 0,16 %, resulting in an IM of only 0,19 % compared to Interreg and interestingly even less (IM=0,07 %) in the cluster. In the cluster, 6,71 % has been allocated for the code Studies.

Codes which have a smaller absorption rate (certified expenditure vs. planned expenditure) are 410 Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG) and 130 Promoting the adaptation and the development of rural areas.

Table 3.5 Comparison of the Certified expenditure by intervention code of the Italy – Slovenia programme versus the decided amount of funding

Apart from viewing the frequency of codes and comparing their budgetary weight, the absorption patterns are also worth being analysed. By comparing the absorption rate of a code within the Italy-Slovenia programme to the absorption rate of the same code under Interreg, we can calculate a relative absorption rate. If the absorption rate of a code under the Italy-Slovenia programme exceeds the absorption within Interreg in general, the fraction takes a value of> 1. The overview table 3.3. shows that absorption rates are in most cases on a par or above the rates at the Interreg level. Only codes 130,
316. and 410 deviate negatively from the Interreg average. That means that the programme was quite successful with a good absorption rate; on the other hand, we must keep in mind that the Italy–Slovenia programme concentrated its activities on only 12 intervention codes. Comparison of the Italy-Slovenia programme and Strand A shows a very similar proportion of absorption rate and the comparison with the cluster of Italy-Slovenia programme shows a similar pattern.

3.1.2 Dynamic financial analysis

By comparing the budget and expenditure data at code level on the one hand with the respective data at measure level we note that the sums differ slightly. This has possibly to do with different points of time in reporting. At measure level, the dynamics of the single measures are strikingly uniform, all more or less following the same trend like at programme level with only very little variation. Virtually all measures show a more or less linear trend starting in 2003. Representative pictures of these shares is in the table/chart below.

Table 3.6 The Dynamics of Certified Expenditure (cumulative values)

<table>
<thead>
<tr>
<th>Certified expenditure by MS</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Italy-Slovenia</td>
<td>0,00%</td>
<td>0,00%</td>
<td>0,07%</td>
<td>12,92%</td>
<td>31,08%</td>
<td>44,61%</td>
<td>62,50%</td>
<td>80,10%</td>
<td>87,21%</td>
</tr>
</tbody>
</table>

Figure 3.2 The dynamics of financial implementation of the programme

In principle, the slopes and the shape of the curves correspond to the findings of the horizontal analysis (Interim report, pp. 55 ff.).

Programme Italy-Slovenia did not contain any private share of funding. The budget was composed only of the ERDF budget, PHARE budget (used by the Slovene side instead of ERDF in the period 2000–2004) and other national, regional and public bodies.

Re-programming of the programme came quite late: a mid-term analysis was done in late 2003 and early 2004 and the new CIP was prepared and adopted in 2004. In the year 2008, certified expenditures have achieved about 87 % of the original budget.
<table>
<thead>
<tr>
<th>Priority/measure</th>
<th>Code of intervention</th>
<th>Code description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority 1 - Sustainable development of the cross-border area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1. Protection, preservation and development of the environment and the territory</td>
<td>413</td>
<td>Studies</td>
</tr>
<tr>
<td>1.2. Development and strengthening of cross-border organisations, infrastructures and networks</td>
<td>161, 311, 316, 318, 354, 413</td>
<td>Investment in physical capital (plant and equipment, co-financing of state aids), Rail, Waterways, Multimodal Transport, Maintenance and restoration of the cultural heritage, Studies</td>
</tr>
<tr>
<td><strong>Priority 2 - Economic cooperation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Improvement in competitiveness and cooperation</td>
<td>161</td>
<td>Investment in physical capital (plant and equipment, co-financing of state aids)</td>
</tr>
<tr>
<td>2.2. Cross-border cooperation in the tourism</td>
<td>172</td>
<td>Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)</td>
</tr>
<tr>
<td>2.3. Cross-border cooperation in the primary sector</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td><strong>Priority 3 - Human resources, cooperation and systems harmonisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1. Human resources vocational training and retraining and innovative initiatives on the labour market</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>3.2. Cooperation in culture, communication and research and between institutions for the systems harmonisation</td>
<td>181, 354, 413</td>
<td>Research projects based in universities and research institutes, Maintenance and restoration of the cultural heritage, Studies</td>
</tr>
<tr>
<td><strong>Priority 4 - Special support for regions bordering candidate countries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1. Special support for regions bordering candidate countries</td>
<td>181, 311, 318, 321, 354, 413</td>
<td>Research projects based in universities and research institutes, Rail, Multimodal Transport, Basic infrastructure, Maintenance and restoration of the cultural heritage, Studies</td>
</tr>
<tr>
<td><strong>Priority 5 - Support to cooperation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1. Technical assistance</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>5.2. Evaluation, information, publicity and cooperation</td>
<td>413</td>
<td>Studies</td>
</tr>
</tbody>
</table>

Even though the absorption rate is not particularly high, about 87% still indicates a good dynamic; the achievement rate is amongst the higher ones of Strand A programmes. Moreover, it is likely that the absorption rate will actually be higher as the extension was granted to the programme. Absorption rates are on the one hand a positive indication of a dynamic programme, but can on the other hand also indicate that funds are spent without sufficient consideration of the needs and efficiency. Especially the n+2 rule has created a skewed incentive to consider quick absorption rather than the need for orientation (cf. the findings of the literature analysis, Interim Report).

However, related to the Italy-Slovenia programme in particular, n+2 has been neither a factor of skewed incentive nor did it lead to bottlenecks in absorption. For the monitoring (achieving) of the rule n+2 the results or extremes were the most visible every year in April when financial forecasting was done, although the beneficiaries reported on results every three (3) months, throughout every year.

It must be mentioned that there are differences between the levels of expenditures, which we obtained from Official COM data, and the data from the annual reports in Slovenia. The difference was due to differences in dates of claims of expenditures and paid accounts. Data from COM were used for the analysis.
3.1.3 Intermediate conclusions

Code-level analysis

The financially most important codes of intervention are 413 Studies, 172 Non-physical investments development and provision of tourist services, sporting, cultural and leisure activities, heritage, 316 Waterways and 354 Maintenance and restoration of the cultural heritage.

The comparison between the ranking of the Italy-Slovenia programme with that of Interreg as a whole shows that there are some deviations of the Italy-Slovenia programme from the Interreg average. Altogether, a comparison of the ranking of codes shows quite a moderate rank correlation. When comparing average absorption rates of Interreg with the average of the Italy-Slovenia programme we can see that absorption is more effective in Italy-Slovenia programme – 87.21 % (average absorption rate of Interreg is 77.26%). With respect to the Intensity Measure (IM) and the Gap Measure (GM) we find that the variation of the relative intensity of an area of intervention is much higher than the relative performance (i.e. the achievement level of the Italy-Slovenia programme compared to the Interreg average). The codes 316, 161 and 354 show low relative financial intensity (9-13 %), other codes of intervention (under 9 %: 130, 172, 181, 230, 311, 318, 321, 410 and 413) appear strongly under-represented.

At the lower end we find: Technical assistance and innovative actions (410) and Promoting the adaptation and the development of rural areas (130) and at the upper end: Research projects based in universities and research institutes (181), Rail (311), Multimodal transport (318) and Basic infrastructure (321).

Achievement rates are in most cases on a par or above the achievement rates at the Interreg level. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG) and Promoting the adaptation and the development of rural areas deviate negatively from the Interreg average.

Measure-level analysis (static and dynamic)

There was no need to re-programme the intervention in terms of allocation of budget to individual priorities and measures, so the budgets could be spent in a rather linear trend. Thus the ex-ante budget has met the effective demand. Budget was not shifted between the intervention codes, priorities or measures.

Virtually all measures show a more or less linear trend. Expenditures for Promoting the adaptation and the development of rural areas, Waterways and Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG) appear low-performing. Here expenditures were low and declining (concave). Expenditure trends for Research projects based in universities and research institutes, Multimodal Transport and Basic infrastructure are the best performing ones and reach the share of 100%. Code of intervention Studies reaches the share of 99.33%.

The higher complexity of programmes started after year 2004, when the Phare programme ended and thus began the Interreg programme. Then the Interreg programme started with three new implementation types of projects: joint projects, mirror projects and cooperation projects. So began a more serious approach, with more discussions and cooperation on both sides of the border.
3.2. The effectiveness of the programme

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

In this chapter, the degree of achievement of the goals with the help of indicators will be reviewed. For this programme, impact indicators were formed at programme level and output and result indicators at measure level; these indicators will be used to describe the effectiveness of the programme during the period 2000-2006. Effectiveness means the achieved share of a predefined objective. In our case, most of the indicators were expressed in the number of projects, but in some cases measurements included also metric data.

The effectiveness analysis also includes a relevance check which shows to what extent the achieved results contributed to achieving the objectives of the programme. In the context of a programme like this supported by INTERREG, relevance of achieved results is closely determined by the quality of the programme and its intervention logic and by the adequacy of the objectives and their quantification.

As already mentioned, Slovenia became a member of EU in the programming period 2000-2006 and that is why the CBC programme 2000-2006 went through some changes. In the period 2004-2006 an INTERREG IIIA Community Initiative Programme was prepared as a result of enlargement and the use of ERDF funds on Slovenian side of the border.

Although there have been changes in the CBC programme Slovenia-Italy 2000-2006, the main priorities stayed nearly the same. In the effectiveness analysis, only projects from the Italian final beneficiaries were considered from the whole period 2000-2006, while in the case of Slovenian final beneficiaries, only projects that started between 2004 and 2006 were reviewed. The final beneficiaries did not act fully accordingly to the Lead Partner principle; instead, they were only “functional Lead Partners” of the projects as the authorities from both sides of the border insisted on completely unilateral and separate processes of project implementation. Thus, “joint” projects meant that a “functional Lead Partner” implemented the project on its side of the border and a functionally related, but administratively independent project was implemented by project partners on the other side of the border in order to yield joint results.

It must be pointed out that the emphasis on collecting data for the indicators was low. In the Community Initiative Programme 2000-2006 the indicators were proposed at programme level, but since then they have not been measured. Moreover, result indicators were proposed at measure level, but almost no predefined measurements were given (as in the case of programme level indicators). That means that only output indicators were measured in annual reports.

As it can be seen from the mid-term and ex-post evaluations, the programme administration was concerned much more with the quality of the projects than the effectiveness and efficiency of the whole programme.
Planed and achievement rates

The table below shows the planned and achieved rates of the CIP Interreg IIIA Italy-Slovenia 2000-2006 by means of output indicators. As already mentioned, the analysis of achieved results does not include all the projects, only projects that were financed from the ERDF funds in the 2000-2006 period.

Table 3.1 Indicators of the Interreg IIIA Slovenia-Italy 2000-2006 Programme on the Programme level

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement Unit</th>
<th>Planned</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of joint projects in the field of Transport</td>
<td>No.</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Number of joint projects in the field of Public Services</td>
<td>No.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Number of joint projects in the field of Environmental protection and natural resources management</td>
<td>No.</td>
<td>145</td>
<td>86</td>
</tr>
<tr>
<td>Number of common public basic services</td>
<td>No.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Increase of socio-economic organizations having cross-border contacts or co-operations</td>
<td>%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Increase of enterprises, having cross-border contracts</td>
<td>%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Increase of cross-border turnover</td>
<td>%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Increase of cross-border workers</td>
<td>%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Increase of cross-border students</td>
<td>%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Number of interventions concerning links in transport and cultural networks</td>
<td>No.</td>
<td>42</td>
<td>72</td>
</tr>
</tbody>
</table>

Achievement rates at programme level

As already mentioned, there was no use of proposed programme level indicators in the INTERREG IIIA programme Slovenia-Italy and no predefined and ex-ante quantifications were assessed. With the help of output indicators on measure level we could roughly estimate the number of planned and achieved activities with the help of types of projects. In this case, many projects are counted several times, like for example projects are noted as joint projects in the field of Transport and as interventions concerning links in transport and cultural networks.

Indicators that were chosen at programme level are significant, which means they give us an indication about the progress trends, but they are really difficult to measure and not easy to understand. The eligible area in the Slovenia-Italy programme is composed of the NUTS III regions on both sides of the border. That means that it is almost impossible to calculate the increase of cross-border turnover, increase of cross-border workers or increase of cross-border students, because there is no statistical data in Slovenia or Italy on the NUTS III level for cross-border activities. This means that measuring these indicators would be very expensive and a questionnaire survey would be needed.

Some indicators could be very easily misinterpreted, which means that they are not easily understandable. For example, the difference of co-operation and networks is not fully clear. Already the terms like co-operation, network or intervention are hard to define. For example, it is difficult to delineate when two socio-economic organizations have cross-border co-operation – what intensity must the contacts among them have, to qualify them for this category; is it when they sign a contract of collaboration, or when they develop or produce new products together. Moreover, the term “intervention” could be misunderstood. Intervention can be seen as a project or as an activity of a project.
There are also some difficulties with the practical nature of programme level indicators. An example is the indicator "Increase of cross-border students". Let's say a Student from Udine decides to study on the Faculty of Maritime Studies and Transport, which lies in the eligible area, but is formally under University of Ljubljana and Ljubljana is not in the eligible area. This is just one of the cases, that shows that the indicators at the programme level were not defined properly which is also one of the reasons why they were not measured in the mid-term and ex-ante period.

At programme level, 36,9% level of implementation was achieved in joint projects in the field of Transport and 59,3% in joint projects in the field of Environmental protection and natural resources management. Only in the case of interventions concerning links in transport and cultural networks the planned results were exceeded.

The following table shows achievement rates at measure level in terms of number of projects planned and actually achieved per measure.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Variable (Projects)</th>
<th>Planned</th>
<th>Achieved</th>
<th>Achieved rate %</th>
<th>Mean %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Environment and territorial protection, conservation and development</td>
<td>Monitoring systems</td>
<td>No. 12</td>
<td>9</td>
<td>75,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Treatment and purification</td>
<td>No. 4</td>
<td>5</td>
<td>125,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety of sites at hydro-geological risk</td>
<td>No. 24</td>
<td>33</td>
<td>137,50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Installations for waste disposal</td>
<td>No. 3</td>
<td>1</td>
<td>33,33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental maintenance works</td>
<td>No. 5</td>
<td>2</td>
<td>40,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Projects for the preservation and development of environmental resources</td>
<td>No. 5</td>
<td>4</td>
<td>80,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interventions in protected areas</td>
<td>No. 30</td>
<td>12</td>
<td>40,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sectoral plans and programmes</td>
<td>No. 20</td>
<td>14</td>
<td>70,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sectoral studies and researches</td>
<td>No. 12</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Remediation of contaminated sites</td>
<td>No. 25</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extension of energy sources distribution networks</td>
<td>No. 2</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewable energy sources</td>
<td>No. 3</td>
<td>4</td>
<td>133,33</td>
<td></td>
</tr>
<tr>
<td>1.2 Development and strengthening of organizations, infrastructures and cross-border networks</td>
<td>Navigable waterways</td>
<td>No. 2</td>
<td>1</td>
<td>50,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Railway networks</td>
<td>No. 1</td>
<td>1</td>
<td>100,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Airports</td>
<td>No. 1</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and fishing ports</td>
<td>No. 1</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regional/local roads</td>
<td>No. 1</td>
<td>3</td>
<td>300,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Multimodal transport</td>
<td>No. 2</td>
<td>2</td>
<td>100,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban and suburban transport</td>
<td>No. 2</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smart transport system - public transport network</td>
<td>No. 1</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Studies and researches on cross border public transport network</td>
<td>No. 2</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smart transport system - traffic and transport networks</td>
<td>No. 3</td>
<td>2</td>
<td>66,67</td>
<td></td>
</tr>
</tbody>
</table>

2 Three types of projects were represented in the Interreg programme 2000-2006 - Joint, Mirror and Cooperation projects. Joint project involved joint preparation, presentation and implementation of projects from all involved partners. Mirror projects represent parallel execution of project activities on both sides of the border. Cooperation project represent some sort of active cross-border involvement in project implementation, e.g. participation at seminars and similar. The types are further explained in ch. 4.2.1.
<table>
<thead>
<tr>
<th>Measure</th>
<th>Variable (Projects)</th>
<th>No.</th>
<th>Planned</th>
<th>Achieved</th>
<th>Achieved %</th>
<th>Mean %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Studies and researches on projects and systems of optimised management of traffic and transport networks</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Studies and researches on cooperation between administration, institutions and organisations</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>100,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Widening and setting up of industrial, technological sites</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preservation/recovery of cultural heritage</td>
<td>30</td>
<td>1</td>
<td>1</td>
<td>3,33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial, handicraft and trade aids</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>20,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advisory services for SMEs - CB economic animation and creation of networks between economic bodies</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>16,67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Common services for SMEs</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advisory services for SMEs - CB cooperation between SMEs</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>13,33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aid to R&amp;D</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>16,67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diffusion and public-private collaboration of TRD</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td>2.1 Improvement in competitiveness and cooperation</td>
<td>Initiative for the territorys tourist development</td>
<td>20</td>
<td>38</td>
<td>38</td>
<td>190,00</td>
<td>295,00</td>
</tr>
<tr>
<td></td>
<td>Structures for tourism and spare time</td>
<td>7</td>
<td>28</td>
<td>28</td>
<td>400,00</td>
<td></td>
</tr>
<tr>
<td>2.2 Cross border cooperation in tourism</td>
<td>Marketing of quality agricultural products (projects)</td>
<td>No.</td>
<td>n.a.</td>
<td>25</td>
<td>n.a.</td>
<td>298,89</td>
</tr>
<tr>
<td></td>
<td>Interventions on production plants</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>250,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New technologies in biological production lines</td>
<td>3</td>
<td>17</td>
<td>17</td>
<td>566,67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investments for the multiple activity of the farm</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>80,00</td>
<td></td>
</tr>
<tr>
<td>2.3 Cross border cooperation in the primary sector</td>
<td>Support devices and instruments to upgrade the educational offer system</td>
<td>25</td>
<td>22</td>
<td>22</td>
<td>88,00</td>
<td>537,67</td>
</tr>
<tr>
<td></td>
<td>Vocational training</td>
<td>3</td>
<td>45</td>
<td>45</td>
<td>1500,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support to initiatives aimed at improving knowledge and integration between labour markets</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>25,00</td>
<td></td>
</tr>
<tr>
<td>3.1 Human resources, vocational training and retraining and innovative initiatives on the labor market</td>
<td>Sectoral studies and researches</td>
<td>3</td>
<td>37</td>
<td>37</td>
<td>1233,33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investment to promote the knowledge and use of the cultural heritage</td>
<td>12</td>
<td>69</td>
<td>69</td>
<td>575,00</td>
<td>904,17</td>
</tr>
<tr>
<td>3.2 Cooperation in culture, communication and research and between institutions for the systems harmonisation</td>
<td>Multi-modal transport</td>
<td>No.</td>
<td>1</td>
<td>2</td>
<td>200,00</td>
<td>117,76</td>
</tr>
<tr>
<td></td>
<td>Basic infrastructure</td>
<td>m2</td>
<td>100,000</td>
<td>35.517</td>
<td>35,52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotion actions, exhibitions and Events</td>
<td>No.</td>
<td>n.a.</td>
<td>29</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>4.1 Special support for regions bordering candidate countries</td>
<td>Meetings of the Committee</td>
<td>No.</td>
<td>40</td>
<td>24</td>
<td>60,00</td>
<td>89,44</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td>No.</td>
<td>12</td>
<td>13</td>
<td>108,33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acquisition software</td>
<td>No.</td>
<td>1</td>
<td>1</td>
<td>100,00</td>
<td></td>
</tr>
<tr>
<td>5.1 Technical assistance</td>
<td>Acquisition software and hardware</td>
<td>No.</td>
<td>10</td>
<td>24</td>
<td>240,00</td>
<td>391,25</td>
</tr>
<tr>
<td></td>
<td>Evaluations reports</td>
<td>No.</td>
<td>3</td>
<td>9</td>
<td>300,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Studies</td>
<td>No.</td>
<td>4</td>
<td>1</td>
<td>25,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seminars</td>
<td>No.</td>
<td>2</td>
<td>20</td>
<td>1000,00</td>
<td></td>
</tr>
<tr>
<td>5.2 Evaluation, information, publicity and cooperation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
With the exception of measure 1.1, 1.2, 2.1 and 5.1, all other interventions largely exceeded the planned values. Especially measures 3.1 and 3.2 exceeded the original plan with 537.67% and 904.17%. Furthermore, it must be taken into account that this database is from 31.12.2007 (annual report 2007), one year before closure of commitments. For the evaluation of output indicators at measure level we chose the annual report 2007, because we discovered many mistakes in the CIP Slovenia-Italy 2000-2006 ex-post evaluation (e.g. many planned values are not the same as in the CIP programming complement and some indicators are not listed, if the achieved value was 0).

A closer look at the "underperforming measures" shows an interesting situation. In our case we could see that the biggest difference between the planned and achieved rates was in measure 2.1 under priority economic cooperation. The main reason is probably the fact that only non-profit organizations were eligible tenderers. Because of that most of the activities based on SME projects did not achieve planned rates. Furthermore, in the case of measure 1.1 and 1.2 the nature of the planned projects was much more oriented to joint projects and mirror project implementation. Those projects demanded a higher level of cross-border cooperation, more consistent project management and were much more difficult to carry out. In addition, the measure 1.2 envisaged projects in the field of cross-border public transport, which is an area with high administrative barriers that are difficult to tackle.

On the other hand the measure 2.2 achieved 295% and measure 2.3 achieved 299%. As it can be seen from the CIP SWOT analysis, due to the new economic orientation (market economy in Slovenia), good performance was recorded in the primary sector. That means strong cross-border cooperation in the primary sector was achieved already before the implementation of the programme and the pre-existing ties were probably the reason for achieved results. The eligible areas have also a significant potential of tourism development. Some eligible regions are already strongly tourism-oriented (Obalno-kraška region, Veneto region) so that cross-border cooperation between organizations in the tourism sector was logical and inevitable.

The highest rate of achievement in terms of "achieved" was the measure 3.2, where the number of projects was 9 times higher than those planned in the CIP. Most of these projects were R&D projects and projects to promote knowledge and use of cultural heritage; they were numerous, but rather small in size.

Altogether, if we compare the results at measure level, we could say that the results vary very strongly as they range between 11.11% and 904.17%. This strong spread shows that the planned results/number of projects were not set realistically and that many key factors have not been considered when target values were prepared.

---

3 See the explanation of types of projects in the previous footnote.
As it can be seen from the figure above, the achieved financial results were almost the same as those estimated in the CIP. Usually the costs on measure level were slightly above the planned costs, except in the case of measure 5.1 and 5.2. That means that public expenditures did not change in relation to achieved output indicators. This makes it even more obvious that the output indicators at measure level were not set properly.

There are probably several reasons for strong deviations between set and achieved results. First, on the initial programming level, no analysis of needs was made for an appropriate quantification of indicators, and a consultation process with the social and economic partners and potential stakeholders was too late and was not used for the identification of needs and potentials. Secondly, the previous cross-border programme did not provide an appropriate background for quantifying measure results. Thirdly, not all the conclusions of the mid-term evaluation and annual reports were transferred properly into the programme changes. Lastly, specifics of individual priorities that might influence the decision of potential applicants were not taken into account, like long periods of application processes, eligible costs, eligible partners on projects etc.

To analyse the emphasis of the programme (whether the programme puts more emphasis on tangible results or rather learning and experimentation) we chose to compare the projects that were chosen in the ex-post evaluation as projects of “good practice” and made a sample check with the help of those projects. The evaluation focused on the activities envisaged within the projects.

<table>
<thead>
<tr>
<th>Project (code)</th>
<th>Measure</th>
<th>L/E</th>
<th>TR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and information centres in the protected territory of the Eastern Alpine arc - Julian Prealps.</td>
<td>1.1</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>PALPIS - Cross-border participative planning in areas of major naturalistic value in the Southern Julian Alps</td>
<td>1.1</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>JEDIS - Joint Environmental Decision-support Information System: information system to assess the effectiveness of the environmental improvement actions aimed at the sustainable development of the cross-border territory</td>
<td>1.1</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>SIMIS - Integrated Monitoring System of the Isonzo/Soča river</td>
<td>1.2</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>CROSS V - Corridor S development strategy with special attention to the track section between Italy and Slovenia, and feasibility study on the new Trieste - Divača railway line in keeping with decision n. 884/2004 EC</td>
<td>1.2</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>ITINERARI STORICI - Historical itineraries between the Karst and the Isonzo river</td>
<td>2.2</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>TIPI-NET - Network of initiatives for the promotion of typical products between the Alps and the Adriatic.</td>
<td>2.3</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
As it can be seen from the sample check, the projects that are considered to be best practice put more emphasis on learning and experimentation. In this respect it can be said that the programme supported learning and experimentation; whether or not this was the intended result of the project selection or a side effect or the creativity of the most successful applicants is difficult to say. Still, no matter if the project was successfully implemented or not, the success of projects that involved a higher degree of learning shows that an important level of indirect learning effects was achieved already through the implementation of projects. Some of the projects, such as “Flexible early childhood care services”, “Bio-agricultural management and control” and PROMO may have achieved lower results or results quite different from the results expected, but they have exchanged the experience in their sector and have learned different approaches and skills to tackle the same problems. Moreover, they may have failed because of the administrative barriers for programme implementation (e.g. payment of costs for Slovene participants of training) or the cross-border job market (degree recognition, permitting etc.) and would otherwise be successful; in the end they were important for pointing out such obstacles.

Relevance of achieved results

In some cases relevance of achieved results can be measured with the help of different types of output indicators, which were set for the same activities.

Table 3.3 Achievement rate of measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Activities</th>
<th>Ind.</th>
<th>Planned</th>
<th>Achieved</th>
<th>Achievement rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>Upgrading and development of tourist infrastructure</td>
<td>Projects</td>
<td>7</td>
<td>28</td>
<td>25 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Km</td>
<td>75</td>
<td>175,48</td>
<td>42,74 %</td>
</tr>
<tr>
<td>3.1</td>
<td>Cross border cooperation in the field of education</td>
<td>Projects</td>
<td>25</td>
<td>22</td>
<td>88 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of contracts</td>
<td>20</td>
<td>7</td>
<td>35 %</td>
</tr>
<tr>
<td>4.1</td>
<td>Strengthening of cross border environmentally friendly transport systems</td>
<td>Projects</td>
<td>1</td>
<td>2</td>
<td>200 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>m²</td>
<td>100,000</td>
<td>35,517</td>
<td>35,5 %</td>
</tr>
</tbody>
</table>
Differences between metric data indicators and indicators based on the number of achieved results are very high. In some cases, the results were exceeded in the case of projects, but on the other hand the achieved results in terms of metric data were below expectation.

**Interreg/Phare CBC Programme**

Between 2000 and 2004, Italy and Slovenia participated in the Interreg IIIA – Phare CBC Programme. The Phare programme included projects financed by donation schemes and Small Project Funds. Within 3 donation schemes, 21 projects were financed. In all projects, the number of achieved results was exceeded. In the case of the Small Project Funds, altogether 49 projects were financed between the programming years 2000 and 2003. However, for this period no indicators were set up to measure the effectiveness of the programme and that is why the whole chapter 3.2 is mainly oriented to the period 2004-2006. However, it must be mentioned that although no indicators were set to prove their claim, the authorities on both sides of the border view the Small Project Funds as highly successful; it involved a very high number of participants and enabled a sort of “learning-by-doing” approach to fundraising, project preparation and management, and probably had a knock-on effect in later stages of the programme. Many beneficiaries of SPF-funded projects have later prepared larger, more complex projects and implemented them under the Programme in the 2004-2006 period, as well as under the CBC Programme in the present programming period (2007 – 2013).

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

As it can be seen from the chapter above, it is very difficult to say whether the relevance of achieved results is appropriate or not. The indicators at measure level were oriented only on the number of projects planned for each activity of the appropriate measure. It is hard to say that 2 achieved projects (out of 2 planned) gave us a relevant overview of achieved results. Although the result indicators were defined in the CIP, almost none of the indicators had a determined initial value.

On the basis of the assessment of the achieved results, we could only say that the quality of the programme preparation was very poor, as we could see from achieved results at measure level. In some cases the quantifications of planned results have been much too optimistic and in some cases too pessimistic.

The CBC programme between Slovenia and Italy started in 2001 when the Joint Programming Document (JPD) Interreg III A/Phare CBC Slovenia-Italy 2000-2006 was approved by the Commission. When Slovenia joined the EU in 2004, the programme was revised into Community Initiative Programme (CIP) INTERREG III A Italy- Slovenia. The structure of the document has not been changed and that is why we chose the CIP for the in-depth analysis.

**Table 3.4 Analysis of the programme quality**

<table>
<thead>
<tr>
<th>Criterion/scoring</th>
<th>Excellent</th>
<th>sufficient</th>
<th>poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data use and analysis</td>
<td></td>
<td></td>
<td>The analysis made for relevant fields was poor and almost no data is quantified; there is no information about the sources of data.</td>
</tr>
<tr>
<td>Focus</td>
<td></td>
<td>Focus of the analysis is oriented to eight sectors and is sufficient. In some cases, a breakdown of content would be needed. For example, economy could be divided into business, tourism and agriculture.</td>
<td></td>
</tr>
</tbody>
</table>
### Criterion/scoring

<table>
<thead>
<tr>
<th>Quality and logic of SWOT analysis</th>
<th>Excellent</th>
<th>Sufficient</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>The conclusions are short and clear, but the logic is hard to follow, because strengths/opportunities and weaknesses/threats are represented in same columns.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistency of the programme strategy</td>
<td>Not all the problems and strengths, shown in the SWOT analysis are included in the implementation level and that shows that some topics have been preferred, but the reason for that remains unclear (there is no justification). The eligible area and strategy measures are not always consistent. Strategy is also too oriented towards strengths / opportunities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determination of programme measures</td>
<td>In most cases, specific objectives on priority level cannot be combined with measures.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If we compare the SWOT analysis with the programme strategy and implementation of the programme we see that in many cases the transfer of programme objectives to programme measure level is not accurate. Also the width of the interventions is narrow. As it can be seen in the financial analysis, not all the areas of intervention were included in this programme. The main reason for that was concentration of funds for achieving better results and the narrow estimates of needs and interests, based on previous experiences. It should be pin-pointed that the focus of the SWOT Analysis was on strengths/opportunities rather than on weaknesses/threats. In our opinion, new economic and political ties after the political changes in 1991 brought mostly positive results, but in some cases, a step backwards was made.

The measures were also defined too generally and some themes could be interlinked more specifically, for example the historical links and minorities. Before the first World War, most of the programme area was part of the same country, the Austro-Hungarian empire, and between the first and second World War, parts of Slovenian eligible area belonged to Italy. This has created some sort of cultural links between these areas, not to mention the links along the coastal area during the Venetian rule. Moreover, minorities represent a very specific characteristic on both sides. Their activities could be integrated into the programme strategy more actively.

Some types of interventions were focused on learning and experimentation projects. Usually tangible results represent a higher level of cooperation. In the case of the CBC between Slovenia and Italy, the level of cooperation was in many areas at the beginning (most of the projects were cooperation and mirror type). In addition, the value of the projects was rather low, especially in the period 2000-2004 when Slovenia received money from the CBC PHARE programme. The possible reason for this being the low level of cooperation. The interview with JTS made it clear that because of the high number of applications the goal was to support all the projects that suit the criterion, which also reflected on the value of the projects.

The SWOT analysis identified basic challenges quite well. Linguistic difficulties are exposed, as well as political factors preventing cooperation, which are in our opinion two basic challenges. Also, the scarce development of cross-border public transport, marginal position of areas, limited in development by the presence of a border, risk of tensions on the labour market due to immigrations, uncertainties due to transition period (especially in Slovenia), different social and institutional systems in lack of knowledge on both sides, all represented challenges, that the Programme was facing. However, the translation of challenges into measures and activities was poor. Activities were set too generally to stimulate confrontation with these challenges. It was left to the applicants whether they would prepare projects that cope with these issues or not.
The programme did not include an initial analysis on the programme specific border effects, they were just noted down on the basis of general experience.

The relationship between the SWOT analysis and achievement rates is not clear. As mentioned before, the achievement rates are represented only by Implementation indicators or represented by number of projects achieved. The effectiveness analysis showed us that these indicators were useless (very big gaps between planned and achieved results, no relation to the project quality or project results). Because of this an analysis as to whether the SWOT conclusions were considered on the implementation level, was conducted. In our opinion it is impossible to compare achievement rates and SWOT conclusions because the rates achieved are meaningless.
### Table 3.5 Assessment of integration of SWOT conclusions in the programme

<table>
<thead>
<tr>
<th>Measure</th>
<th>SWOT conclusion</th>
<th>Measure Action</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Enviroment and territorial protection, conservation and development</td>
<td><strong>Morphological variety and abundance of natural habitats</strong>&lt;br&gt;<strong>Good conservation of natural and environmental resources</strong>&lt;br&gt;<strong>Existence of many natural parks and protected areas</strong>&lt;br&gt;<strong>Willingness to collaborate on both sides</strong>&lt;br&gt;<strong>Reversibility of pollution</strong>&lt;br&gt;<strong>Absence of integrated land development programme</strong>&lt;br&gt;<strong>Fragile ecosystem</strong></td>
<td><strong>Development of an integrated monitoring system</strong>&lt;br&gt;<strong>Integrated water circuit</strong>&lt;br&gt;<strong>Improvement in the territory stability and risk reduction</strong>&lt;br&gt;<strong>Integrated waste management</strong>&lt;br&gt;<strong>Protection and development of natural heritage</strong>&lt;br&gt;<strong>Development of protected areas</strong>&lt;br&gt;<strong>Remediation of contaminated sites</strong>&lt;br&gt;<strong>Renewable energy sources</strong></td>
<td>All of the SWOT conclusions, presented in the CIP were transformed into measure actions on measure level. Also some additional measure actions were included on implementation level. This shows that in case of measure 1.1, the programme document was consistent. If we take a look at planned and achieved rates, we can see that measure action Remediation of contaminated sites scored 0%. Not a single project was implemented in case of this action, although 25 were planned. The problem of contaminated areas is not specially addressed in the SWOT analysis and the question is why the number of planned projects for this action was so high.</td>
</tr>
<tr>
<td>1.2 Development and strengthening of organizations, infrastructures and cross-border networks</td>
<td><strong>Already existing concrete collaboration with encouraging results</strong>&lt;br&gt;<strong>Corridor V and favourable strategic position</strong>&lt;br&gt;<strong>Opportunity for the creation of an integrated port pole</strong>&lt;br&gt;<strong>Scarce integration of cross border public transport and transport systems</strong>&lt;br&gt;<strong>Insufficient harmonisation of development strategies</strong>&lt;br&gt;<strong>Apparent lack of heritage-cultural homogeneity</strong></td>
<td><strong>Strengthening of transport networks and infrastructures</strong>&lt;br&gt;<strong>Development of cross-border public transport networks</strong>&lt;br&gt;<strong>Projects and systems of optimised management of traffic and transport networks</strong>&lt;br&gt;<strong>Cross-border cooperation between administrations, institutions and organizations</strong>&lt;br&gt;<strong>Widening and setting up of industrial and technological sites</strong>&lt;br&gt;<strong>Interventions for the development of the artistic and architectural heritage</strong></td>
<td>All of SWOT conclusions were taken into account on implementation level. Still the planned rates were not achieved. The biggest gap was in case of Interventions for the development of the artistic and architectural heritage. It seems that the level of existing concrete collaboration was not as high as it was estimated. All other projects in this measure were mostly so called &quot;regia regionale&quot; projects, which were proposed by the competent institutions on a regional basis and this projects were mostly implemented.</td>
</tr>
<tr>
<td>2.1 Improvement in competitiveness and cooperation</td>
<td><strong>No overview of business support sector</strong>&lt;br&gt;<strong>Existing cooperation with favourable results</strong>&lt;br&gt;<strong>Belonging for a long time to very different social and institutional systems</strong>&lt;br&gt;<strong>Uncertainties due to transition period</strong>&lt;br&gt;<strong>High quality of service sector</strong>&lt;br&gt;<strong>Presence of modern high value added cultivation</strong>&lt;br&gt;<strong>Presence of branches of banks and service companies which can facilitate CBC</strong>&lt;br&gt;<strong>Marginal position of some areas, especially mountain areas</strong>&lt;br&gt;<strong>Crisis of some SMEs</strong></td>
<td><strong>Cross-border economic animation, cooperation and creation of networks between economic bodies</strong>&lt;br&gt;<strong>Cross border cooperation between SMEs</strong>&lt;br&gt;<strong>Technological innovation of cross-border SMEs</strong>&lt;br&gt;<strong>Innovative financial services</strong></td>
<td>In case of measure 2.1 the existing level of cooperation was over estimated. Also the number of achieved activities or projects was too high. Most of the activities were orientated into improvement of business environment as private sector partners were not eligible. Because of that we think that the planned rates were set to high. For example, if we compare the number of public institution in Slovenia in the field of Advisory services for SMEs and the number of planed projects (15), it can be seen that planned results were too high. Moreover, some measure actions were orientated more into cooperation between SMEs as between institutions of business support environment.</td>
</tr>
<tr>
<td>2.2 Cross border cooperation in the tourism sector</td>
<td><strong>Variety of rich natural, cultural and historical heritage</strong>&lt;br&gt;<strong>Significant potential of tourism development, in particular in</strong>&lt;br&gt;<strong>Tourism promotion within the cross-border area</strong>&lt;br&gt;<strong>Up-grading and development of tourism infrastructure</strong></td>
<td>The level of existing integration of tourism was poorly analysed in the SWOT analysis. Also SWOT analysis conclusions emphasise strengths/opportunities and not weaknesses/threats. Analysis did not include a market overview of tourist sector in the eligible area, which would be an indicator of needs and interests. Implementation activities were too wide ranging, which affected the fact that the number</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>SWOT conclusion</td>
<td>Measure Action</td>
<td>Explanation</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>2.3 Cross border cooperation in the primary sector</td>
<td>• Good potential of agricultural and food products which can be improved with cooperation between company and markets • Awareness by agricultural operators about the important role in conservation of the environmental heritage • General crisis of identity of the agricultural sector and need to identify new development strategies against fall of profitability</td>
<td>• Development of typical and quality products • Development and upgrading of infrastructure for the primary sector • Cross-border rural tourism</td>
<td>Swot analysis does not include an overview of agriculture market. Also the interest of institution in agriculture sector is not verified. Some of the conclusions are contradictory and the implementation level does not answer them. For example, on one hand there is awareness of the agricultural operators about the role in conservation of the environmental heritage, but on the other hand they stated the problem of fall of economic profitability. Agricultural activities for conservation of the environmental heritage can represent a way of additional fall of profitability in primary sector because of financing activities that allow exploitation of EU funds. In case of development of typical and quality products, activities can be orientated into promoting a value added process or into an easy way to raise extra funds. The projects selection process could solve this problem.</td>
</tr>
<tr>
<td>3.1 Human resources, vocational training and retraining and innovative initiatives on the labor market.</td>
<td>• Unmet labour demand counterbalanced through positive migration • Low unemployment rates • Stabilised trends of gradual decrease of unemployment rates • Good level of women employment • High women professional profile • Presence of effective equal opportunities legislation • Consolidated presence of cross-border commuters which is positive • Insufficient connection between training sector and labour market • Risk of tensions between labour markets • Margin for improvement for equal career opportunities for men and women</td>
<td>• Cross-border cooperation in the field of education • Cross-border educational and vocational guidance • Cross-border vocational training • Cross-border cooperation on the labour market</td>
<td>In case of measure 3.1, some SWOT conclusions are contradictory. On one hand we have positive migration stated as strength and on other hand the risk of labour market tensions is stressed out. The SWOT analysis did not mention that the transfer of work force is one sided because of the high inequality of wages. Because of that, the number of vocational training activities was 15 times higher as expected and was mainly one-sided. Instead of reduction of market tensions, some activities could increase market tensions.</td>
</tr>
<tr>
<td>3.2 Cooperation in culture, communication and research and between institutions for the systems harmonisation</td>
<td>• Minorities represent a possible channel to promote CBC • Good CBC development • Cultural heterogeneity • Presence of common Istrian-Venetian and MiddleEuropean elements • Apparent lack historical-cultural homogeneity • Linguistic difficulties • Lack of adequate upgrading of some resources</td>
<td>• Cross border cooperation for the systems harmonisation • Collaborations between institutions and creation of networks • Realisation of cultural, recreational and sport events • Development of common historical and cultural goods</td>
<td>Also in this case, many mistakes in setting up indicators were made. The SWOT conclusion mainly pointed out strengths/opportunities in this measure. Also because the cross-border cooperation between both areas was at the beginning, it was obvious that learning activities would be more frequent. Measure activities were also very broad, enabling a wide range of projects activities.</td>
</tr>
</tbody>
</table>
4.1 Special support for regions bordering candidate countries

<table>
<thead>
<tr>
<th>Measure</th>
<th>SWOT conclusion</th>
<th>Measure Action</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Fragile ecosystem, which must not be jeopardised by traffic</td>
<td>• Strengthening of cross-border</td>
<td>This measure could be seen as a horizontal measure. Strengthening of cross-border environmentally friendly transport systems and Intercultural cooperation were identified as topics that had to be addressed additionally. Measure 4.1 projects were mostly selected through regional direction.</td>
</tr>
<tr>
<td></td>
<td>• Scarce integration of cross border public transport and transport systems</td>
<td>environmentally friendly transport</td>
<td>Intercultural cooperation was based on minorities on both sides of border. Altogether 29 projects were implemented in case of this measure action, but the number of planned projects was not stated in CIP.</td>
</tr>
<tr>
<td></td>
<td>• Abundance of historical-cultural resources</td>
<td>systems</td>
<td>SWOT conclusions were implemented in measure actions, but focused only on minorities and transport systems, because the goal was concentration of funds.</td>
</tr>
<tr>
<td></td>
<td>• Cultural heterogeneity</td>
<td>• Intercultural cooperation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Presence of common Istrian-Venetian and Middle-European elements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Apparent lack historical-cultural homogeneity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Political factors have been preventing cooperation</td>
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</tbody>
</table>
For reviewing the programming quality and programme relevance, a quality assessment of the strategic and operational programme indicators must be made. The central indicators at programme level are hard to determine and vague. It is clear that an additional explanation of indicators would be needed. A closer look at indicators “Number of joint projects in the field of Transport” and “Increase of socio-economic organizations having cross-border contacts or co-operations” shows that it is hard to estimate the size and concept of the socio-economic organization. Also it is not clear what is represented by cross-border co-operation. Another weakness of indicators is the measuring of data. Cross-border turnover is measured only on a national level and the gathering of this data is very complex.

Programme specific indicators, especially implementation and result indicators are much more logically defined. Implementation indicators are mostly orientated to the number of operations/projects, which are easy to measure, however, complaints about lack of relevance can be made. Because of that, additional indicators were formed, measuring the output in metric data (km of road, m2 of buildings, No. of participants) which gave an additional review over the achieved results. Result indicators are clear and understandable, but complex and expensive to measure. In most cases, a database would have to be formed in order to measure the results. Impact indicators face mostly the same problems as programme indicators. With few exceptions, they are hard to determine and vague (e.g. % reduction of annual water related crisis).

The setting up of the indicator system was mainly driven by previous experiences and intuition rather than a real analysis of needs, capabilities and willingness in the eligible area. Output indicators were mainly quantified by the number of projects. As already mentioned before, result and impact indicators were set up, but not quantified. The appropriateness of the indicator system was analysed with the help of several indicator criteria:

- relevance of indicator – how relevant are the output, result and impact indicators,
- level of analysis – gave the indicators an overall evaluation of the achieved results or do they represent an in-depth analysis of achieved results,
- technical complexity- technically, how complex is the gathering of data,
- costs – financially, how expensive is the gathering of data.

Relevance of indicators: High/medium/low
Level of analysis: in-depth/overall
Technical complexity: High/medium/low
Costs: High/medium/low

<table>
<thead>
<tr>
<th>Table 3.6 Appropriateness of the indicator system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of indicators</td>
</tr>
<tr>
<td>Output</td>
</tr>
<tr>
<td>Result</td>
</tr>
<tr>
<td>Impact</td>
</tr>
</tbody>
</table>

As it can be seen from the table above the relevance of output indicators was low in the case of most output indicators but the data could be gathered through joint-programming activities and information from tenders and implementation procedures (management, monitoring, evaluation and control). The result indicators were vague and because of that the gathering of data would be already more complex and expensive. First of all an additional work force would be needed to gather information from different
institutions from the joint-programming stage to the technical and financial management stages in order to collect the data. Impact indicators are even more complex than result indicators and require the collection of data from different institutions in the fields of economy, finance, education, culture etc.

The implementation of the programme revealed also some unintended positive outcomes. First is the high number of beneficiaries, involved in the project. Altogether, more than 1000 eligible beneficiaries were involved in the project. The reason for that was the high number of projects under the Small Project Funds. These projects were so-called people-to-people projects and they brought the EU closer to people with tangible activities and results. Involvement of minorities was the second important positive outcome of the programme. Members of minorities on both sides of border played an active role in eliminating language problems and connecting ties between possible partners in their environment. In addition, the projects with minorities (especially under priority 4) broke the ice of cross-border cooperation at the beginning of the programme and this practice was also then successfully integrated into other cross-border programmes (IPA Slovenia-Croatia).

Learning effects and transmission of networking effects cannot be captured from programme documents, evaluation reports, tenders etc. Throughout the period 2000-2004 and then later 2004-2006 the standards for project selection, quantification of project staff or project methodology did not change significantly, minor corrections were made only to improve the application packages.

There were no activities to research the possible learning effects and transmission of learning effects of the programme. The responsible authorities (MA, JTS and Slovene authorities) are aware of that, as the interview revealed, since they stressed that the networking effect and learning from the project and partner experience were one of the strongest results of the programme implementation. However, there is a common belief that this is difficult to capture by research methods and therefore, no such research is needed. In terms of project management, the learning effects are not stimulated, considering the fact that preparation of project documentation (outsourcing) represents eligible costs and the fact that the authorities resisted the application of the full Lead Partner Principle.

At programme document level, only the transformation from JPD into CIP in 2004 brought some significant changes. In the beginning the nature of the projects allowed the partners a low level of cooperation. Sometimes, all that was needed was someone to sign a "Letter of Intent" and from that point on the level of cooperation was already achieved. However, at that time the level of cross-border cooperation was at the beginning and projects with joint activities, staff or funds were possible. Later on in 2004, three types of projects were introduced, joint, mirror and cooperation projects. Joint projects represented already a much higher level of cooperation, they were co-financed on both sides of the border and were implemented in close cooperation and on the basis of the same bilingual application form. That means that learning effects brought some changes into the project methodologies and the selection process of projects.

3.2.3 The level of complexity and experimentation achieved by co-operation

The level of complexity and experimentation is used for additional evaluation of the implementation effectiveness. Sometimes, indicators show that the programme goals, represented by indicators were achieved, but actually the implementation failed because of the nature of activities. The same goes for the complexity/experimentation of the projects. Output indicators of the projects can be achieved, but the main purpose of the project could not be achieved.
In case of Slovenia-Italy programme 2000-2006 most of the projects were of a learning nature. The level of project management experiences among project partners was rather low. The previous ties almost did not exist. Because of that, most of the projects were cooperation projects that included separate activities on both sides of border. Also in the period 2000-2004 the value of funds for projects was very low, not allowing any special level of complexity.

Only in the period 2004-2006, level of complexity reached a little bit of a higher level with joint projects. This type of projects involved the same level of cooperation in the preparation of the project. Still the level of complexity in case of joint projects was low. Only in the case of joint projects that had tangible results, some level of complexity was present. For example, in case of cross-border tourism infrastructure projects, a higher level of cooperation between partners was involved. Also additional activities and political cooperation was requested. In addition the implementation of the projects goals are related to higher risks. In this case we can say that some sort of complexity was achieved.

Table below represents a more structured & weighted analysis of indicators which are sufficiently operational, clear and INTERREG-specific, in order to capture different levels of experimentation.

### Table 3.7 Experimentation level of indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Achievement rate %</th>
<th>Level of experimentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1.1.1: Development of integrated monitoring system</td>
<td>75 %</td>
<td>high</td>
</tr>
<tr>
<td>Indicator 1.1.2: Integrated water cycle</td>
<td>125 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.1.3: Improvement of territory stability and reduction of risks</td>
<td>137,50 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.1.4: Integrated waste management</td>
<td>33,33 %</td>
<td>medium</td>
</tr>
<tr>
<td>Indicator 1.1.5: Enhancement and management of natural heritage</td>
<td>60 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.1.6: Enhancement of Protected Areas</td>
<td>70 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.1.7: Preparation of instruments for land use management and</td>
<td>0 %</td>
<td>medium</td>
</tr>
<tr>
<td>landscape management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.1.8: Regeneration of degraded areas</td>
<td>0 %</td>
<td>medium</td>
</tr>
<tr>
<td>Indicator 1.1.9: Renewable energy and improvement of energy distribution</td>
<td>80 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.2.1: Upgrade of transport networks and infrastructure</td>
<td>75 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 1.2.2: Development of cross border public transport networks</td>
<td>0 %</td>
<td>medium</td>
</tr>
<tr>
<td>Indicator 1.2.3: Projects and optimised management systems of transport</td>
<td>40 %</td>
<td>medium</td>
</tr>
<tr>
<td>and transport networks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.2.4: Cross-border cooperation among the administrations,</td>
<td>100 %</td>
<td>medium</td>
</tr>
<tr>
<td>institutions and organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.2.5: Upgrade and implementation of technological and</td>
<td>0 %</td>
<td>low</td>
</tr>
<tr>
<td>industrial facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.2.6: Enhancement of artistic and architectural heritage</td>
<td>3,33 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.1.1: Cross-border economic support, cooperation and creation of</td>
<td>10 %</td>
<td>low</td>
</tr>
<tr>
<td>networks among economic operators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 2.1.2: Cross-border cooperation among SME</td>
<td>13,34 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.1.3: Technological innovations in the cross-border SME</td>
<td>5,56 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.1.4: Innovative financial services</td>
<td>0 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.2.1: Promotion of tourism in the cross-border area</td>
<td>190 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.2.2: Renovation and enhancement of the touristic infrastructure</td>
<td>210 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.3.1: Enhancement of typical products and quality</td>
<td>210 %</td>
<td>medium</td>
</tr>
<tr>
<td>Indicator 2.3.2: Renovation and enhancement of the services</td>
<td>250 %</td>
<td>low</td>
</tr>
<tr>
<td>infrastructure in the primary sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 2.3.3: Modernisation and innovation in the activities of primary sector</td>
<td>567 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 2.3.4: Cross-border agricultural tourism</td>
<td>80 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.1.1: Cross-border cooperation in the field of education</td>
<td>88 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.1.2: Cross-border school and training programmes</td>
<td>88%</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.1.3: Cross-border vocational education</td>
<td>1500 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.1.4: Cross-border cooperation in the job market</td>
<td>25 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.2.1: Cross-border cooperation for harmonisation of systems</td>
<td>1233 %</td>
<td>medium</td>
</tr>
<tr>
<td>Indicator 3.2.2: Cooperation and networking between the institutes</td>
<td>1233 %</td>
<td>low</td>
</tr>
<tr>
<td>Indicator 3.2.3: Organisation of cultural, recreational and sporting</td>
<td>575 %</td>
<td>low</td>
</tr>
<tr>
<td>events and happenings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Annual report for 2007*
Level of experimentation:

- low – results represent existing activities, that are carried out on cross-border level
- medium – achieved results represent new knowledge on a theoretical level (strategies, plans,...)
- high – achieved results represent new knowledge on practical level (new products, systems,...)

As it can be seen from the table above, most of the projects have a low level of experimentation. Also there is no connection between the achieved results and the project experimentation level. Achieved rates in the case of the projects with a medium experimentation level vary from 0% to 1233%. If the achieved rate at project level is 0%, it means that no activities were carried out at project level. Some of the indicators are not relevant for medium experimental measures, as a project high in experimentation may fail to produce results planned by the programme and/or project, but has a strong learning effect. For example, for indicator 1.1.1 (high experimentation) 75% may not be relevant at all.

By comparison of the achieved results and central aims, shown by measure indicators it was determined whether the expectations of INTERREG III A were too ambitious or not. The following table serves as an evaluation tool for benchmarking the result achieved against the objectives of CBC.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actions (emphasis on cross border)</th>
<th>Selected implementation indicator</th>
<th>Achieved results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Environmental and territorial protection, conservation and development</td>
<td>Development of an integrated monitoring system</td>
<td>Interventions (monitoring systems)</td>
<td>75 %</td>
</tr>
<tr>
<td></td>
<td>Integrated water circuit</td>
<td>Interventions (treatment and purification)</td>
<td>125 %</td>
</tr>
<tr>
<td></td>
<td>Integrated waste management</td>
<td>Joint emergency plans</td>
<td>33,33 %</td>
</tr>
<tr>
<td>1.2 Development and strengthening of organisations, infrastructures and cross-border networks</td>
<td>CB public transport networks</td>
<td>Interventions (urban and suburban transport)</td>
<td>0,00 %</td>
</tr>
<tr>
<td></td>
<td>CB cooperation between administrations, institutions and organisations</td>
<td>Interventions (studies and researches on CB public transport systems)</td>
<td>0,00 %</td>
</tr>
<tr>
<td></td>
<td>Interventions (studies and researches on projects and systems of optimised management of traffic and transport networks)</td>
<td></td>
<td>66,67 %</td>
</tr>
<tr>
<td>2.1 Improvement in competitiveness and cooperation</td>
<td>Cross-border cooperation between SMEs</td>
<td>Interventions (advisory services for SMEs)</td>
<td>16,67 %</td>
</tr>
<tr>
<td>2.2 Cross-border cooperation in the tourism sector</td>
<td>Tourism promotion within the cross-border area</td>
<td>Interventions (initiatives for the territory's tourist promotion)</td>
<td>190 %</td>
</tr>
<tr>
<td>2.3 Cross-border cooperation in primary sector</td>
<td>Development of typical and quality products</td>
<td>Interventions (development of typical and quality products)</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td>Modernisation and innovation of enterprises of the primary sector</td>
<td>Interventions (cross-border rural tourism)</td>
<td>80 %</td>
</tr>
<tr>
<td>3.1 Human resources, vocational training and retraining and</td>
<td>Cross border cooperation in the field of education</td>
<td>Interventions (support devices and instruments to up-grade the educational offer system)</td>
<td>88 %</td>
</tr>
<tr>
<td></td>
<td>Cross border educational</td>
<td>Telematic desks</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
The table above serves to benchmark the results achieved against the central aim of enhanced cooperation (across borders) on issues of a common interest. Emphasis was put on the implementation indicators that represented a higher level of cross-border cooperation. If the SWOT analysis, common interests and achieved results are compared, we can conclude that common interests had no greater influence on the level of achievement of results.

The reasons for poor programme planning could be a shortage of time that is needed for cooperation of the activities and the complex cooperation processes. This reason could be verified with an overview of the previous cross-border programmes between Slovenia and Italy. The PHARE Cross-border programme was much smaller in terms of the size and value of projects. Because of that, the application forms were much easier, allowing participants less of an active role in the project preparation, meaning also a less active cooperation. Besides, most of the projects were mirror projects with separate activities on both sides of border. Tenders in the INTERREG IIIA period 2004-2006 were much more complex, requiring a more active cooperation of project partners for the first time. Also, for the first time joint projects (see the three types of the projects as explained in one of the previous footnotes) were introduced with shared activities and procedures. From interviews at project level we realized that these changes represented a big step forward and that cooperation with new partners brought unexpected problems, but also brought new knowledge to the partners involved in projects.

### 3.2.5 Intermediate conclusions

The gaps between planned and achieved results at measure level are very high. Measures, combined with environmental and spatial planning, administration and institution cooperation and SME’s were too optimistic, but on other hand the measures concerning cultural heritage, primary sector, tourism, labour market and special support for regions bordering candidate countries were too optimistic.

Only output indicators at measure level were quantified (achieved results). The relevance of output indicators is low, as it is shown in the chapter relevance of achieved results.

Financial implementation at measure level was almost equal over the whole period 2001-2006 with more or less the same amounts spent each year. The only exception is measure 4.1 were all the funds were already spent in 2001.
A possible reason for delay in measure implementation is late formation from the JTS. The only information about results achieved by the programme is the information about the number of implemented projects. There is no information collected on the level of experimentation, learning effects or project results. An analysis of the best practice projects shows, that to some extent a high level of experimentation was achieved in some projects and mostly in joint projects.

The planned and achieved results, measured by measure level indicators were basic and represented a poor insight into effective and sustainable co-operation. Still, a quick overview of measure activities and type of projects shows us, that the implementation of projects represents a foundation for more effective and sustainable co-operation in the future.

3.3. Project-level co-operation under the programme

3.3.1 Selection of the project sample

Projects were selected by the evaluator on the basis of selection criteria distributed by Panteia, since no responsible person was available within the Managing Authority at the time of evaluation. The shortlist of selected 10 projects was then commented upon by the MA and the JTS and a selection of 5 projects was confirmed by the MA and the JTS.

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

Based upon the structure of the ex-post assessment at programme level that has been outlined, a further in-depth evaluation at project level is to be executed. This represents a core step in further deepening the empirical character of the evaluation of the programme.

The selection of projects has been done in a way that optimally covers the “priority topics” that have been set out for INTERREG III Strand A. The appraisal of the projects has been carried out in strict compliance with the approach defined in the Inception Report.5

The distribution of projects and the degree of networking

Before looking at individual projects in the context of the evaluation questions, the character of the projects and the geographical distribution was analysed. The following figure shows the regional distribution of projects by the origin of the applicant.

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5 Panteia & partner institutes (2009), ibid. pp. 97 ff
The graphical picture above shows the regional distribution of projects, viewed only by project applicants. The results show that there were few (23 and 18) initiatives in Slovenia, and respectively 99, 103, 47 and 101 project initiatives in the Italian provinces. This however, means that the project partner activities were implemented also in other regions and not only in the applicant region, and if data on geographical distribution of all the project partners were available the graph would be quite different. However, the graph shows an imbalance in initiatives and strengths of the projects on the Slovenian side, assuming of course that most of the activities are usually implemented in the applicant’s region.

We see that there is a rather even distribution among the major participating regions in Italy – Venezia, Udine and Trieste. The geographically smallest partner in Italy - Gorizia is represented to a lesser extent. If we look at the situation in Slovenia, we see that Obalno-Kraška statistical region and Goriška statistical region are represented in very small numbers, only about 20 projects (only 2 public calls were published in the period 2004-2006, with less money for Slovenian side - only 4 mio EUR of ERDF funds).

Apart from the geographical distribution it is also possible to look at the intensity of networking. The programme has supported projects ranging from one (1) to 28 partners involved.

In combination with the number of funded projects it is possible to determine the respective intensity of networking (number of projects x number of project partners) and to depict the combination with the highest intensity of networking. The following graph shows this distribution. In the following graphs the intensity of networking and the networking index are shown.
There have been numerous projects with a smaller participation (1-7 partners), while projects with a greater number of partners (more than 15) are only very few. The highest number of partners can be found for projects with one or two partners. The networking (emphasis on projects with many partners) plays a major role at the project level. This is also further analysed in the following project studies.

Another way of showing the networking effects of the projects is shown in the graph below. The networking index (y axis) is the number of project partners (as shown on the x axis) multiplied by the number of projects with the same number of project partners. The highest networking effect is thus achieved by the projects with between 4 and 7 partners: there was a high number of such projects, possibly because such partnerships are relatively easy to be established and managed. Smaller projects
were more numerous, but did not involve many partners and therefore, did not contribute strongly towards networking. There is another peak within the projects with 11 and 12 partners: if we look closely at such projects, these were mostly the projects where clusters of partners already existed before and the project has linked together such a cluster with other project partners or a similar cluster from across the border.

The selection of projects for evaluation

The number of projects and the scope of themes under the Italy-Slovenia programme is rather large. In a pre-selection of projects the evaluators first looked at the themes and their relationship with the priority topics of the INTERREG Communication. Secondly, we explored the available project documents to determine projects that reveal interesting insight into the mechanisms to be analysed and could generate sufficient results for such project case studies. The pre-selection concluded with the following projects, shown in the table below.

Table 3.9 Pre-selection of projects for interviews

<table>
<thead>
<tr>
<th>Interreg-A Priority Topics (Communication)</th>
<th>Pre-selection of projects</th>
</tr>
</thead>
</table>
| Promoting urban, rural and coastal development. | a) TIPİ-NET  
  b) Bio-agricultural management and control  
  c) TRANSLAND 2007  
  d) The Karst District  
  e) Abitanti  
  f) Street Theatre Festival in Izola |
| Encouraging entrepreneurship and the development of small firms (including those in the tourism sector) and local employment initiatives. | a) Preparation of administrative and information centres in the protected areas of the eastern Alpine Arc  
  b) ITINERARI STORICI/HISTORICAL TRAILS  
  c) TERRA DI CASTAGNE/LAND OF CHESTNUT  
  d) SIGMA  
  e) Preparation and establishment of Gorizia museum network; project GMM  
  f) Ancient waters: Water way Venice coast  
  g) Coast to coast  
  h) Lipica Stud-farm - an exceptional cultural landscape  
  i) ZATOK  
  j) MIN-TOUR  
  k) Tourism without borders: travelling across colours, music and flavours  
  l) SABOTIN  
  m) LAND, ART and WINE  
  n) Information and training centre SITO, TAMPO and digital printers for the technological breakthrough of the region |
| Promoting the integration of the labour market and social inclusion. | a) Flexible services for early childhood  
  b) PROMO |
| Sharing human resources and facilities for research, technological development, education, culture, communications and health to increase productivity and help create sustainable jobs. | a) Cross-border cooperation in the provision of healthcare services  
  b) WELLGENE - Animal Welfare and Product Quality  
  c) VALO-PT  
  d) Exposure to inorganic and methyl mercury and potential impairment of DNA of women in childbearing age from a polluted area of the town Idrija and coastal area of Friuli-Venezia Giulia in Italy  
  e) PRO-HERIDATE |
| Encouraging the protection of the environment (local, global), increase energy efficiency and promote renewable sources of energy. | a) PALPIS  
  b) JEDIS  
  c) SIMIS - Integrated Monitoring System of the Isonzo/Soča River  
  d) 1001 Ponds - 1001 The story of life  
  e) Consolidating the safeguard and development of natural values in the Škocjan Caves Park area  
  f) Adriatic grayling |
| Improving transport (particularly measures implementing more environmentally-friendly forms of transport), information and communication networks and services and water and energy systems. | a) CROSS V  
  b) Transmission in recruiting - technology services for more effective development  
  c) MAPSHARING |
| Developing co-operation in the legal and administrative spheres to promote economic development and social cohesion. | / |
| Increasing human and institutional potential for cross-border co-operation to promote economic | a) Integration of disabled into normal living patterns  
  b) Good morning Europe  
  c) Cross-border cooperation of people with mental health problems in the field of |
The final selection of five projects to be more closely assessed was done in co-operation with the JTS. The selection has been oriented to the criteria of the terms of reference and the adequacy of the projects (stock of information and experience).

The finally selected projects are:
- 1001 Ponds – 1001 The story of life,
- Artists from two Minorities,
- Functional Adjustment of Fernetti Traffic Centre, in keeping with the new customs provisions, with special regard to the setting up of Fernetti – Sežana Logistic Platform at the time of Slovenian entry into the European Union (main works functional lot),
- VALO-PT – Development and enhancement of typical products in the cross-border area,
- Bio-agricultural management and control.

The analyses were primarily based on documentary analysis, pre-announced and co-ordinated phone interviews. For the project VALO-PT a 1-hour face-to-face meeting with the lead partner (Kmetijsko gozdarski zavod – Kmetijsko gozdarska zbornica Slovenije (Nova Gorica)) took place on the 18th of August, 2009. This meeting was attended by Andrej Stres.

Appraisal of the projects according to the evaluation criteria
The following chapter contains the reports of the four project case studies, based on document analysis and interviews with partners. The fifth project is presented separately in the next chapter. More technical background information about the single projects can be found in the Annex 2.

Project study 1: Artists from two Minorities

General Project information
"Artists from two minorities" is a cross-border project in the field of painting/artistry that sees the participation of the Slovenian minority in Italy and the Italian minority in Slovenia. The main objective of this project is to contribute to evoking among the people, the perception of the border area as, in fact, a single yet varied and composite cultural space where Minorities play a significant role, as an element of junction and contact between two distinct geopolitical areas and, also, as a bridge and a cultural mediator between peoples.

Level of cooperation
Project "Artists from two minorities" was a mirror project, the Beneficiary was Kulturni dom (Gorizia) together with two Italian and three Slovenian partners. In the case of the Interreg III A programme Slovenia-Italy the project can be described as a truly joint project. The project was jointly prepared, presented and implemented by partners on both the Slovenian and Italian side. Also, the project had common actions and activities that were represented by a collective and itinerant art exhibition that represented painters from both minorities. The project was a result of previous cooperation, but no diagnosis was made to indicate needs and problems.
As mentioned before, the project involved a functional lead partner Kulturni dom Gorizia and 5 project partners and the prevailing problems and needs were adequately addressed. On both sides of the border, representative minority bodies were involved (for Italian minority Unione Italiana, the highest representative body in Obalno-kraška region and ZKSD for Slovenian minority as main body, representing Slovenian artist in Italy). Also two galleries were involved where exhibitions took place. The leading partner has a long lasting experience with artists on both sides of the border and served as a coordinator of all activities.

The expectations of the project partners were homogenous regarding the project goals. Previous cooperation formed a basis for future cooperation. The aim was to connect people on both sides of border with the help of art. Minorities and their cross-border ties were used as a tool for convergence.

The degree of complexity was medium. The project included only the mutual exchange of experiences and some sort of tangible joint outcomes in art exhibitions that took place in 5 different places. The experimentation level of the project was rather low. Existing activities were transferred at a cross-border level.

The influence of the project was present at local and regional level. The project focused mainly on people and their everyday life. The aim was also to reduce the prejudices in the cross-border area. The project did not have any influence on political or administrative processes.

**Partnership and sustainability**

The total cost of the project was 27.778,00 EUR. Additional partner funding was needed for the implementation of the project. The interview with the leading partner showed, that the project would not be undertaken without INTERREG funding. Also the cooperation between partners existed before the project and at project level the partnership did not continue. Project partners planned additional exhibitions in Croatia and other parts of Italy and Slovenia, but all those activities ended later.

The interview with main project applicant (Mr. Igor Komel - we also use the term leading partner) revealed that without Interreg funding, the implementation of the project would not be possible. Maybe on a smaller scale and with less activities, the implementation of the project would be possible, but the project applicant made it clear that much more time would be needed for coordination (time limits of the programme represented a positive effect on the implementation process). Also the project application and selection procedure was clear and transparent. Project applicants had little knowledge of previous CB tenders (f.e. Interreg IIA) and this helped them overcome difficulties in the application process. Also the funding of the project represented 95% of the total costs, the partners were of the opinion that for cultural institution a 100% funding would be needed. Low total cost of the project reflected the difficulties of ensuring its own resources.

**Learning and indirect effects**

The nature of the project reveals, that the project did not enhance consciousness of common challenges and development perspectives. As already stated, the aim was to encourage inter-cultural understanding and the removal of the stereotype prejudice. In addition, together with other partners, the project helped them to obtain confidence in terms of tender applications. After the project, the project applicant was also successful in three other projects that applied on an Interreg IIIA tender. That showed also a sort of organisational learning amongst the applicants.
When talking about the needs of the project partners, the basic need is recognition of cultural work in their area. Minorities often face prejudices and have problems in preserving their heritage and culture. Cultural organizations and institutions play a vital role in this process. With cross-border cooperation project partners managed to draw attention to and represent their culture more efficiently in the majority environment.

Because of the nature of the project, we cannot refer to a greater know-how transfer, still some exchange of experiences was present. Project partners, that were involved in the project represented also all the stakeholders, that were involved in the implementation of the project. Because of that, we cannot say that any of the outside stakeholders benefited in terms of individual & organizational learning effects.

Project study 2: 1001 The story of life

General Project information
The project aim is the conservation and improvement of the pond network located on Karst and consequently the protection of the amphibian population, as it is one of the threatened species in Europe. Except for proteus, that lives underground, Karst amphibians have survived only thanks to the network of water biotopes (ponds). The object of the project is to improve the conditions of the environment and of the amphibious population, thus contributing to the enhancement of the pond’s related cultural heritage.

The project involves recording, conservation and presentation of more than 150 ponds. Also the project will consolidate the touristic attractiveness of the area.

Level of cooperation
The level of cooperation, achieved in this project was rather low, because the project was a mirror type project. Partnership consisted only of mainly public bodies and with the exception of the applicant who cooperated together on occasion. The partners previously did not know each other and no diagnosis of shared problems or needs was made. The size of the inside stakeholder was sufficient, involving representative bodies in terms of rural development, cultural heritage and spatial planning. Also, local municipalities as stakeholders of the ponds were involved. The applicant for the project was National Institute for Nature Protection (ZRSVN), responsible for the main objective, protection of the amphibian population.

From the interview with Ms. Mirjam Gorkič (ZRSVN) we realized, that the individual partner interests were homogenous. The project does not show a high degree of innovation in terms of new approaches of cooperation between the partners and new skills in this area. Also, the level of complexity of the project was low. Activities were carried out separately on both sides of the border, cross-border cooperation was only present in some sort of mutual exchange of experiences. The recovery of ponds was present only in Slovenia. The project did not involve any joint outcomes. The effects of the project were present at local, regional and national level. Local and regional effects were mainly in natural protection and conservation of cultural heritage in the cross-border Karst area. The national level was influenced by the transfer of ideas. Karst is present in most area’s in Slovenia and ponds can be fund in many of these area’s. Project Sources of life is in the implementation phase (IPA Slovenia-Croatia 2007-2013) and is almost the same
project as 1001 The story of life. This could be seen as a national level of influence. Also, at national level, the project represents the efforts to obtain biodiversity in Natura 2000 areas.

The wider influence on population living in the project partner area was mainly the acquisition of new knowledge on cultural heritage of the area and additional tourist attractiveness of the area.

**Partnership and sustainability**

The interview with the project applicant shows that the project could not be implemented without Interreg funding. The project applicant thinks that the funds were sufficient and that no additional partner funding beyond the level of co-financing was needed.

The project revels some cooperation advantages. First of all, the project could be seen as a part of many activities in the aim to promote, protect and develop the Karst area. The project is connected with other projects within the Interreg III A programme, such as Get to know Karst – Sgonico/Zgonik, Get to know Karst – Monrupino/Repentabor and Stari kal. Also, organizational learning was present because the partner had to cooperate in terms of activity implementation. In addition, the project was a mirror. Besides that, the cross-border project helped with the reduction of prejudices on both sides of border.

Until now, the cooperation between project partners was not transferred into new project partnerships. Still the applicant stated, that the communication with other partners is regular and that talks about new activities, based on protection of nature in Karst, are present.

The applicant had already some experiences with the Phare programme so that project management was not totally new for them. Still, some problems occurred and some programme deficiencies were reported. ZRSVN mentioned that the main problems were of an administrative nature, particularly the incomprehensibility and poor structure of the application forms, lack of clarity in the CIP and the lack of experience among the advisory staff.

**Learning and indirect effects**

The project connected stakeholders which previously did not cooperate. The tasks were also individually implemented and because of that, not much interaction was present. This means that the level of inter-cultural understanding was low. In terms of organizational learning, project management tasks mainly stayed in competence of the applicant partner who already had previous experiences.

The applicant and also other partners were later involved in other cross-border projects. Is this because of the funds or maybe because there is already an enhanced consciousness of common challenges, we don’t know. If you ask the partners, the answer is of course the consciousness of the common challenges. The truth however, is probably somewhere in between. But regarding the history of cross-border cooperation and the level of prejudices on both sides, that is normal for this phase.

The project represents a broader aim of activities under Natura 2000 and National programmes for biodiversity protection. So in terms of the protection of nature and biodiversity, the project increased the capacities for better tackling the major needs in the area. But all together, the activities of all partners were because of the nature of the project, very specific and in cases like spatial planning for example, the project did not increase the capacities for better tackling the major needs.
Most of the project partners were also involved in the implementation of activities. Learning effects of an outside stakeholder can be seen in transfer of good practice (similar projects) and new knowledge about reconstruction and conservation of pond networks (construction companies). Also, this knowledge was inter-regionally transferred to the Italian side, where the partners participated only in the soft themes (transfer of experiences, common promotion of pond in cross-border area).

**Project study 3: Functional adjustment of Fernetti Traffic Centre, in keeping with the new customs provisions, with special regard to the setting up of Fernetti - Sežana Logistic Platform at the time of Slovenian entry into the European Union (main works functional lot)**

**General Project Information**

The project aimed at the functional upgrading of cross-border traffic centres due to the entry of the Republic of Slovenia in the European Union and the new customs provisions by the creation of the Fernetti-Sežana freight yard. Two connected import-export sections were created in order to significantly reduce the operation time. From a technical point of view, the project consisted of two parts - main works and complementary works. The main works entailed the construction of the freight yard, an interconnecting shed between warehouses, re-organization of internal and external roads by re-asphalting of the tracks and the yards as well as renovation of public green space. The traffic centre was also equipped with specific IT technology (software, hardware and optic fibre) for the creation of the single freight yard. The initiative also required the drawing up of a survey on the implementation of a comprehensive development plan for the Terminal - starting with the examination of legislative and bibliographical documentation available regarding inter-port facilities and the transport system in general - and the reconversion of the enterprises operating inside the centre.

**Level of cooperation**

The project was implemented by the beneficiary Trieste Intermodal Terminal – Fernetti and its Slovenian partner, BTC Terminal Sežana d.o.o. The project was prepared by the beneficiary with only minor involvement of the project partner. The project actions were implemented mostly on the Italian side of the border and involved mainly just the restructuring of the physical infrastructure of the logistics terminal. The Slovenian partner was involved only passively, by was in attendance at some of the meetings where future developments of the Fernetti area was discussed, inspection of works and consultation on the new software equipment. The project was a result of common needs, but no joint diagnosis was made to indicate the needs and problems, only a study of needs in terms of hardware and software equipment was done, but already as a project activity.

The project involved only two organisations, basically of the same type and working at the same location, just on different sides of the border. The prevailing problems and needs were adequately addressed, but with little attention to long-term developments within the entire area. Namely, the demand for logistic services shifted after Slovenia joined the EU in 2004 and even more so after it joined the Schengen area in late 2007. The project was based on the contemporary problems and requirements of the users of the logistics terminal, i.e. companies transporting, exporting and importing goods, their administrative staff and the truck drivers. The beneficiary partner was coordinating and implementing all the activities and took care of timely notification of the other partners.

The expectations of the project partners were homogenous and were based purely on the desired physical improvement of the area; their communication and mutual involvement in the project did not
reach far beyond the everyday practices. The degree of complexity and experimentation level of the project was therefore low. Basically, the project just slightly "upgraded" the existing activities to a more frequent contact and provided funding for infrastructure that might have been implemented anyway by using some other sources of funding or the revenue from the logistics terminal.

In the opinion of the beneficiary the project was supposed to significantly increase the quality and standard of cross-border cooperation. It was also estimated that it would have a significant impact on cross-border integration by provision of infrastructure for joint logistics, improved customs services and greatly reducing times for the cross-border transport of goods. However, the influence of the project was present only on a local level; only if we take into account the better conditions for truck drivers and transported goods because of shortened logistics times, we can say that there is some effect on a regional level. Moreover, one has to note that after Slovenia joined the EU and Schengen area, the transport companies could use the same service also elsewhere if it was more effective but not necessarily right on the border. Thus, the lack of the analysis flawed the project. Unfortunately no data were obtained as to whether the Fernetti logistics terminal became more competitive on the basis of this project. The project was focused mainly on people working on the terminal itself and did not have any influence on political or wider administrative processes – only the speed of administration in the logistic services of the terminal had increased.

**Partnership and sustainability**

The total cost of the project was 2.012,342,11 EUR and was co-funded by the region. The interview (Mrs. Marzia Ursini, Terminal intermodale Trieste – Fernetti) showed that the project would not have been undertaken without INTERREG funding or at least with a significant delay. The cooperation used already well-established links with partners from the other side of the border, from joint meetings of the Customs officers to occasional meetings of the logistic services, but it did not continue with new projects or joint activities. The beneficiary assessed the application and selection procedure as clearly and transparently as possible but found the application process a bit bureaucratic and too long. They would like to implement some other activities and adjust more infrastructure but the actions were either ineligible or would go beyond the scope and possible funding of the project.

The project was not oriented at promotion of awareness of common challenges. It involved strictly the businesses that were already aware of the forthcoming changes of border regime, e.g. entering the Schengen area. The logistics businesses would probably invest in at least partial improvement of the facilities anyway to out-compete other similar businesses or transport routes. The project was implemented on time within the planned activities and results. The beneficiary later invested in software and hardware.

**Learning and indirect effects**

There was basically no learning effect, except for the improvements in software and data management as a consequence of the project. The partners had slightly different logistics concepts, but in general the understanding of the needs was the same. The project improved logistics services on the Italian side, but did not attempt to further capture and innovatively upgrade joint services or services that are consecutively performed on both sides of the border and where therefore the potential for improvement is probably the highest. The project involved only improvement of the infrastructure in the vicinity – i.e. in between of the two terminals, and some IT interconnection. No innovative methods for logistics, data processing, goods handling etc. were applied. However, increased exchange of experience, information
on modern approaches and skills has been taking place between the project partners and the companies that use the terminal since the project started. The knowledge has improved largely in terms of the use of IT on the Slovenian side. Nowadays, the project partners cooperate on the basis of day-to-day routines. Prejudices on working habits and organisational skills have decreased.

The impacts of the project are directly perceptible only in the immediate area of the project as there are less traffic jams due to trucks queuing at the border. The impact that is traceable in the wider area are shorter logistical processing times, thus improving the speed and economic viability of export/import to Slovenia and further East. Shorter logistical processing times also decreased the environmental impact, mostly through largely decreased air emissions from vehicles. The logistical time of the cross-border transport of goods has decreased, thus decreasing the delivery time and increasing economic competitiveness.

Project study 4: Bio-agricultural management and control

General Project information
The European Union identifies as a priority the growth of eco-compatible agriculture in the framework of promoting sustainable development. As in regards to rural development the CAP (Common Agricultural Policy) focuses on the development of organic agriculture. Regional Plans for Rural Development follow in the same direction, through the adoption of the so-called Agro-Environmental Measures: several farms in Friuli Venezia Giulia have taken part in one or more actions envisaged in the Agro-Environmental Measures, thus entering a system that leads to the certification of regional integrated productions. Similarly, in the past few years Slovenia too has engaged in experimental alternative production techniques, based on organic agriculture. In this context, cross-border cooperation represented an important element to tackle the issues related to vocational training. The project was based on the fact that the Italian side suffers from an evident lack of professionalism and upgrading in the specific field of eco-compatible agriculture, while on the Slovenian side the need exists to bridge the gap towards the farming, agricultural and food standards required by the EU in the framework of the enlargement. Additionally, in both areas the degree of IT technology adopted in farming management is extremely low. In this sense, the project intended to launch a training programme aimed at improving the professional skills of farming experts in supporting farms that adopt eco-compatible methods (with reference to integrated and organic agriculture), also through the creation of networks of Italian and Slovenian farms.

Level of cooperation
The project was implemented by CEFAP - Centre for Lifelong Agricultural Training and Education from Codroipo, in partnership with the following organisations:
- APROBIO - Association of Organic and Biodynamic Farmers in Friuli Venezia Giulia (Codroipo)
- Farm "Ermacora" (Pavia di Udine)
- Farm "Saccavini" (Remanzacco)
- Promotion and Development Consortium (Udine)
- State Vocational Training Institute of Agriculture and Environment "Stefano Sabbatini" (Pozzuolo del Friuli)
- SDPZI - Slovenian Regional Vocational Training Institute (Trieste)
- Nova Gorica School Centre - Agricultural Technical School (Šempeter pri Gorici)
- ZEKSP - Association of Organic Farmers of Severna Primorska (Tolmin)
It has to be noted that the partners from the Italian side form an informal cluster which regularly cooperates at provision of vocational training in the field of agriculture.

The initiative for the project came from the beneficiary who sought the Slovenian partners through its network of external experts. Cooperation was quickly established and several visits of the project partners occurred on both sides of the border for preparation of project idea’s. The expectations of the project partners were homogenous regarding the project goals. Slovenian experts provided insight on the contents of the course to be organised jointly, how to organise it in order to be of maximum use for the farmers, and when to organise it in order not to interfere with the farmers’ daily work. Assessment of the farmers’ needs was done only ad-hoc. Mainly the project focused on trends and opportunities in the agriculture.

Unfortunately, because the project was fully funded there were problems in paying Slovenian experts to come to lecture as well as to cover the travel and accommodation costs of potential Slovenian participants in the course. As a result, the training was performed for Italian participants only and in the Italian language only. The beneficiary highly praised the information and advice on content of the training and the expertise of Nova Gorica School Centre and the Association of Organic Farmers of Severna Primorska, and according to the interviewee (Mr. Paolo Iob, CEFAP) both the beneficiary staff and the training participants regretted that the training was not performed jointly. Although this would pose a challenge because of the organisation of translation services and such. There would be a direct exchange of experience between the practitioners of organic agriculture and those farmers that are interested to join.

The degree of complexity was low. After the initial cooperation on the preparation of the project proposal, there was almost no cooperation. Links have been established and occasional communication still occurs, though no other joint projects were implemented. The experimentation level of the project was rather low in terms of methods – it was a rather classical training with a series of lectures, but the content, organic farming and marketing of organic products was quite innovative.

The influence of the project was present only at local level in the wider Codroipo/Udine area where participants originated from. The project mainly focused on farmers and their everyday practices, the potential for innovative farming as well as the transfer of experience on EU agricultural regulations and standards across the border. The project did not have any influence on political or administrative processes but it pointed out the weakness of the programme – the inability to fund the partners from the other side of the border for some joint activities, despite the fact that they were implemented in Italy.

**Partnership and sustainability**

The total cost of the project was 60.000,00 EUR and additional partner funding was needed for the implementation of the project. The interview with the leading partner (Mr. Paolo Iob, CEFAP) showed that the project would not have been undertaken without INTERREG funding. The cooperation established new cooperation between project partners that did not know each other before. Unfortunately it did not continue with another joint project, but the project partners still keep in touch and look towards further opportunities for cooperation.

The interview with main project beneficiary (Mr. Paolo Iob, CEFAP) showed that without INTERREG funding, the implementation of the project would not be possible. It found the project application and
selection procedure to be clear and transparent and stated that the administrative aspects were at the level of everyday bureaucracy. The project beneficiary had little knowledge from previous cross-border tenders and during the application process helpfully built on the experience of the Slovenian partners which they obtained through projects funded by PHARE and the Small Project Funds. Low total cost of the project reflects the difficulties of ensuring funding from other resources as well as the lack of capacity for more complex projects (not only project idea, but also implementation). The project did not continue in any form, the course was not repeated and the beneficiary has no consistent information on use of knowledge by the training participants, e.g. in the form of introduction of organic farming and labelling of organic produce.

Learning and indirect effects
The project was implemented almost unilaterally on the Italian side of the border. It improved the knowledge of the Italian partners despite low involvement of the Slovenian partners and helped to decrease prejudices in terms of language skills, communication capacity and knowledge. Despite that, the project did not enhance consciousness of common challenges and development perspectives e.g. in the field of rural development: it was oriented too much into vocational training only.

The content of the training was integrated in other courses and seminars regularly performed by CEFAP. The beneficiary does not have precise information on the use of information from the training in other activities of project partners, but has confirmed that the project strengthened their cooperation, although mostly through administrative coordination of the training activities.

The project brought also some organisational learning, but more or less only at the level of the awareness of the requirements of EU funding sources, the need for strong project idea’s and the capacity for sound implementation of such projects.

There was no greater know-how transfer, but mostly the project resulted in very specific knowledge and the exchange of experiences, not only between the project partners, but also amongst outside stakeholders, mainly farmers from the Codroipo/Udine area who benefited in terms of individual & organizational learning effects.

3.3.3 Good practice projects with particularly strong territorial cooperation demonstrating the Community added value of INTERREG programmes

VALO – PT project

A) General Information

1. Name of the project:

VALO-PT – Development and enhancement of typical products in the cross-border area

Keywords:
Cross-border agricultural cooperation, typical agricultural harvests and products, farming, agriculture, countryside development, agricultural tourism, local products, sustainable, connecting, protection, strategy

Cooperating regions according to the Nomenclature of Territorial Units for Statistics NUTS 3.level:
Obalno-kraška statistical region
Goriška statistical region
province of Gorizia
province of Trieste

Programme strand:
Interreg III A

Duration of the project:

Funding:

<table>
<thead>
<tr>
<th></th>
<th>Total cost of project</th>
<th>Pct. of Interreg funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLOVENIA</td>
<td>317,787,00 €</td>
<td>90%</td>
</tr>
<tr>
<td>ITALY</td>
<td>327,000,00 €</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>644,787,00 €</strong></td>
<td><strong>95%</strong></td>
</tr>
</tbody>
</table>

B) PROJECT AIM

Project was introduced with the plan to improve the situation of farms and foster agricultural competitiveness on the basis of a sustainable and environmental-friendly development, in keeping with environmental protection. The goal of the project was to connect the crumbled farms in collaborating regions on both sides of the border.

Project applicants were the Gorizia Province (ITA) and Kmetijsko gozdarski zavod (KGZ) Nova Gorica (SLO).

Both applicants have formally prepared similar projects in the area. Gorizia province for instance took part in many other INTERREG programmes like TRANSPLAN – Cross-border spatial planning (2003-2006); "Conspace: Common Strategy Network for Spatial Development and Implementation" (2003-2005), project Eurego (2004-2005), etc. KGZ Nova Gorica was previously also involved in EU funded programmes of more local nature like Introduction of ecological farming (2000-2001), Research of autochthon Slovenian sorts of cherries and plums, tolerant and naturally resistant towards economically important illnesses for integrated or ecological farming (2002) or Learning centre for milk processing on farms (2000-2001), etc.

Partners of the project were:
- CIA - Confederation of Italian Farmers (Gorizia)
- Doberdo del Lago - Doberdob Municipality
- Duino Aurisina - Devin Nabrežina Municipality
- Fogliano - Redipuglia Municipality
- Gorizia Municipality
- Monfalcone Municipality
- Monrupino - Repentabor Municipality
- Ronchi dei Legionari Municipality
- S. Dorligo della Valle - Dolina Municipality
- Sagrado Municipality
- Savogna d’Isonzo – Sovodnje ob Soči Municipality
- Sgonico - Zgonik Municipality
• Wine Protection Consortium "Vini Collio" (Cormons)
• Farmers' Association (Trieste)
• Forestry and Agricultural Institute - Forestry and Agricultural Chamber (Celje)
• MOISIR - Committee for the Enhancement of the Dairy Products Manufactured in the Kras Plateau of Trieste Province
• Trieste Province
• ROD - Development Agency (Ajdovščina)
• TERGESTE DOP - Committee for the Enhancement of Trieste Extra Virgin Olive Oil (Trieste)
• UAG - Association of Venezia Giulia Farmers (Gorizia)
• ZRS - Science and Research Centre - University of Primorska
• Scientific and research centre Koper
• Farmers association (SLO)
• Association Coldiretti
• Beekeepers of Trieste consortium

VALO – PT project was applied by the project applicants Gorizia Province (IT) and KGZ Nova Gorica (SI). It was approved under Priority 2: Economic cooperation and Measure 2.3 Cross-border cooperation in the primary sector.

**Activity description:**
Services and initiatives aimed at making developing agricultural, fish and forest quality products, also processed (environmentally friendly and typical products in particular); developing and protecting fauna and cultivated plants, which are peculiar to the environments concerned; promoting collective structures for harvesting, promotion and selling of products.

The work carried out for several years in this territory has revealed the need for a joint analysis and a targeted development of typical agricultural produce (PT) in the cross-border area, especially of high-quality, organic, traditional and typical products. The main objective of VALO-PT was the setting up of a single cross-border data bank for typical products. The primary sector of this area has therefore acquired greater external visibility by means of special events, information material and the creation of several information centres that farms can refer to. Several sectors were involved: meat, milk, fruit-growing, olive-growing, vegetable-growing, vine-growing, medicinal herbs and typical dishes. By ensuring high quality, a much larger number of users than the present ones could be achieved, whilst promoting the image of the cross-border area. A considerable increase in the number of new jobs was also possible in the field of environmental-friendly, organic and typical food production. This project intended to diversify the supply, the enhancement of local production and the actions aimed at the enhancement of high added value products, especially of typical local and traditional products, which make their recognition easier and at the same time consolidate the territorial visibility.

On Slovenian side of the border small farms are being prevalent and the purpose of the project was to present farmers with extra income possibilities by means of creating a recognised brand of regionally typical products and products of a higher quality, which ensure added value. The same needs have appeared on Italian side as well. Even though the agriculture on Italian side has been better oriented towards the market there was a need for a more active promotion of gastronomic specialities of the area to better develop the supplementary activities (above all tourism) in the primary sector.
Areas have also become much more closely market-connected by the abolishing of former ideological borders which was an extra reason to go on with the project, due to expansion of the market and the acquisition of new experiences.

The plan was to continue with the activities after the project finishes. Activities have included gaining new contacts, meeting future partners, examination and inventory of typical harvests and products, exchange of experiences and knowledge and forming of marketing activities by creating a common brand. This way the project introduced a basis for the following projects which first of all included the possibilities of agricultural harvests and products, connecting to potentially bigger customers, creating a brand and its registration.

Expected results of the project were quite broadly planned and included the creation of a strategy for chosen typical local products (TPI) for each area; creation of technologies of producing and processing the chosen TPI; education of producers and processors of TPI, vendors of typical dishes and potential customers will be undergone; publication of a book and other promotional materials (booklets, brochures and posters), set-up of common web pages about TPI and creation of area marketing strategy originating from TPI; education of experts in the field of typical harvests and products; creation and equipping of INFO points about TPI; organization of exhibitions of TPI in Slovenian-Italian area and presentation of the project’s results to the wider public.

Quantitative display of results:
- 8 strategies were created
- 7 technologies created in Slovenia and 5 in Italy
- 75 educational activities were carried out in Slovenia and 27 in Italy; 50,000 enlightened customers in Slovenia and 80,000 in Italy
- 3,000 books, 160,000 booklets, 40,000 brochures, 22,000 posters, 1 webpage, 1 territorial brand Kras-Carso
- 4 expertise meetings in Slovenia, 4 in Italy
- 5 INFO points in Slovenia, 3 INFO points in Italy
- 1 exhibition and 1 presentation of the project in Slovenia, 1 exhibition and 4 presentations of the project in Italy

C) POLITICAL AND STRATEGIC CONTEXT

Political strength of the project lies in both parties applying the project and them both being relatively large and important political organisations - Gorizia Province as an administrative division of Friuli-Venezia Giulia Region and KGZ Nova Gorica as a regional body of KGZ Slovenia. The relative importance and also territorial size of the project does promise a high potential of success at implementing its strategies and activities.

The project is also connecting regions and organizations from two countries that were a few decades ago divided by two different political ideologies. Because geographical, economical and demographical areas were never that clearly divided, it was always natural for the regions to act cooperatively in many different fields of interest. Slovenian accession to the EU made cooperation logistically and technically easier and the VALO PT project is one of many positive results.
The VALO-PT project is one of a high strategic importance for cooperating parties because of its implication of strategic sustainable development of currently marginalized areas. Small farms do not stand a very good chance of being economically successful in the long-term by acting independently on the markets. By being connected in an organized network with a cover brand of regional harvests and products, with a much wider range of possibilities of sharing knowledge and experiences and also developing complementary activities, that chance is much more realistic.

The biggest political and strategic advantages are a high level of inclusion of marginal border areas, creation of a common brand, protection of typical harvests and products and complementary activities on farms.

**D) IMPLEMENTATION**

The strong attribute of the VALO PT project is the width of spectrum of cooperating partners which has assured a high level of involvement on different levels, including local and regional authorities, associations, institutes, committees, universities and development agencies.

During field work, a need for an integral and comprehensive development of typical agricultural harvests and products sprung up. There are different products with long years of tradition and high quality in the cross-border area. For the first time it happened that different expert institutions, organizations and local communities were connected in a project, that encompasses the whole Slovenian border area and all important areas of agricultural harvesting and processing. The project was exercised in Italy in a similarly integral way. The key feature of the project was that two wholesome processes were connected in a joint project where they were dealing with an area which was historically, nationally, culturally and economically connected.

The project has been implemented all over the entitled regions in Slovenia (Obalno-Kraška and Goriška statistical region) and in Italy in the entire region of Friuli Venezia Giulia. However, there were no effects of the project outside of the entitled area.

Activities of the project were organized in 7 phases:

1. **Phase (April 2005 – November 2006):**
   Designing strategies with a development plan and a register for chosen agricultural harvests and products.
   This phase was conducted simultaneously in Slovenia and Italy.

2. **Phase (April 2005 – December 2007):**
   Designing technologies and processes for the chosen TPI’s.
   In this phase technologies of producing and processing of individual chosen harvests and products were designed. It was conducted simultaneously in Slovenia and Italy.
3. **Phase (May 2005 – April 2007):**

Education actions realization
Motivational and technological lectures, workshops and customer informing were organized for targeted publics in Italy and Slovenia.


Publications, common territorial brand Kras-Carso and the rest of the materials about TPI’s were designed.
A book about TPI in the cross-border area was published. Booklets and posters from individual areas were created for marketing of TPI. Common territorial brand Kras-Carso which represents TPI’s was designed, common webpage and a marketing strategy of the whole area, basing on local TPI’s.

5. **Phase (January 2006 – December 2007):**

Organisation and execution of meetings for experts from individual areas.
The purpose was to promote the project and exchange experience among cross-border partners. This phase was implemented simultaneously in Slovenia and Italy.

6. **Phase (April 2005 – November 2006):**

Designing and equipping of INFO points.
INFO points were designed and equipped on well visited tourist spots, where booklets and posters of TPI were presented.

7. **Phase (January 2006 – December 2007):**

Organisation and execution of TPI exhibition on both sides of the border and presentation of project’s results.

The direct targeted groups are farms which produce or process agricultural harvests and products and vendors of typical dishes who will be able to raise the level of quality and improve marketing activities.

The indirect targeted group are consumers who will have better quality of products and more information available, and also all the inhabitants of the border area through improved recognisability.

**E) EFFECTIVENESS**

Goals of the project:

- Creation of a common brand Kras-Carso which will cover all the typical regional harvests and products and will help to market complementary farm activities.
- Protection of traditional local and regional harvests and products to avoid copying by competition.
- Further connection to VALO-TET project.

Cooperation is being continued through some individual projects. Strategic project VALO-PTET is being prepared in perspective of the Slovenia-Italy 2007-2013 programme and also many other types of common activities, like educational activities, meetings and conferences for knowledge exchange. However, there is no institutionalized cooperation which would include the signing of a memorandum or special contract of cooperation.
F) SUSTAINABILITY

VALO-PT project was an important part of the wider cooperation through the INTERREG III A Slovenia-Italy between KGZ Nova Gorica and its partner Gorizia Province together with all partners. All of them were connected at least in some perspectives but are more often than not quite strongly connected. In three additional projects KGZ Nova Gorica was the applier:

- WELLGENE – animal health and quality of products in centres for genetic multiplication by means of new methods and technologies of management.
- TIPI-NET – Network of points for assessment of typical harvests between Alps and Adriatic Sea.
- CIS – Establishing of Italian-Slovenian service centre for collection, analysis, assessment of quality and sale of milk (cow, goat or sheep) and further processing using innovative technologies assisting to agricultural economies.

In 23 projects KGZ Nova Gorica has been the partner at the Slovenian side of the border for the area of agriculture and countryside:

- TEMPO – Nature, culture, sport without borders – theme paths in Slovenia and Friuli Venezia Giulia
- Revival and assessment of quality fruit sorts as a contribution to biotic diversity and biological diversity and biological fruit harvesting on the cross-border area.
- ORTOCOGOMAR – Promotion of typical food usage.
- The road of the empress – Roads of good taste and culture between Veneto, Friuli and Slovenia
- Quality typical products – Assessment of typical local and traditional agricultural-food products.
- Color gardens
- AGRISLOVE.NET – Assessment of cross-border offer by establishing an information network
- Tourist farms without borders – cross-border cooperation among tourist farms.
- Kartosis – System for promotion of tourist farms on Slovenian and Italian side of the border
- AGROMIN – Minority farming – analysis and assessment of typical harvests and products on cross-border territory
- LACIO DROM (SREČNO POT) – Waterways meet and join into “good and beautiful” life in the heart of Europe.
- PRADA – Introduction of a system for assessing the infection with peronospora on individual territories
- TROPLO – Establishment of cross-border cooperation at composting by-products of olive tree growing.
- Reteimpragricola – Pilot project for preparation of cross-border network of agricultural economies and establishment of system for direct sales of unique products with the quality signature.
- P.A.I.V. Doclisonpramaggiore – Project of integrated research activities for renovation of wine-growing economies in area of DOC Lison Pramaggiore and improvement of the quality of harvests and their success on market
- OviLatVeSlo – Project for preparation of research about cross-border sheep milk, techniques of harvesting and quality, and establishing a tracking system.
- BULLABIIILITY – Usage of innovative lab techniques for genetic improvement of fertility and usage of different kinds of milk for cheese-producing.
- NATURA PRIMORSKE – Natura 2000 for better quality of life
- Expert for guiding production processes and environmental management in countryside
- Expert judgment of beer quality from smaller private breweries in Friuli Venezia Giulia and Slovenia
- Complementation of scientific cognitions and research methods for extensive milk production
- SAPES – Knowledge and tastes at the border

Because of all the projects connecting regions along the Slovenian-Italian border we can establish that the VALO PT project has been successful at introducing a long-term relationship amongst the partners. Another strategic project of this sort, the VALO-PTET, is currently being prepared in the scope of the Slovenia-Italy 2007-2013 programme.

Since the project was very successfully executed and implemented it can be transferred to other territories in Slovenia, Italy or other cross-border areas as well as in the rest of Europe. There is an option for broadening the existing programme or creating a similar one which can be based on experiences and knowledge acquired with the VALO-PT project. Methodology, results and experiences with designing and executing the project will be useful in other areas and fields.

The only down side is the fact that no institutionalized cooperation sprung out of albeit all of the individual projects on different scales.

G) CONCLUSIONS

The VALO-PT project finished at the end of 2007 with quite successful results. Most of the planned actions were carried out during its duration and in some of the areas the expectations were sometimes even exceeded. It has also increased the awareness of the common challenges and problems.

Cross-border knowledge and information exchange (mostly among professors, agricultural counselors and experts) has also been one of the up-sides of the project during its entire duration and it has mostly been carried out during workshops and seminars. Bilingual workshops for agriculturists were also organized where opinions were exchanged among the farmers and experts from individual fields (wine, cheese, fruit, olive-oil,… producers). This way information and trends about agricultural production and processing as well as marketing of agricultural products from both sides of the border could be exchanged. An informal network was established through cooperation on different levels and it is desirable to be continued and more formally institutionalised. Organisational learning has been achieved by most of the involved parties.

The project has also greatly improved the transparency of the cross-border market.

One of the project’s biggest positive features was the improvement of the situation in the fields of cross-border communication, partnership building, information exchanging and building in an all-encompassing network. The future goal has to be to continue the positive trend of partnership cooperation and knowledge exchange. One dimension of the project that was left unexplored and unexploited is the possibility of a more institutionalized cooperation which would assure more strategic, homogenous and long-term projects to be carried out instead of smaller individual projects.

Regarding the socio-cultural effects of the project it can be said that the project has integrated different individuals and farms from both areas. Improved communication and cooperation resulted in the exchanging experiences and knowledge and consecutively in adapting to the general strategy of the project. Economic results will be visible in longer term but should not be questionable if implementing the strategy in a consistent way.
There are also many different possibilities for the VALO-PT project to develop and continue on some different levels and in areas which were also included but not that strongly exploited. Tourism is probably the one activity that has to be further exploited because it is already quite developed in both regions but poorly connected. Positive results are also the improvement of the administrative procedures and the realisation of projects for for instance, improvement of processes of searching for project partners and contact persons as well as better expertise about project management and possible sources of project co-financing.

Both partners are satisfied with the results of the project achieved so far. All partners were enabled to contribute to the course and results of the project. Satisfaction with the project is one of the main reasons why VALO-PT project is being upgraded through the VALOPT-ET PROJECT.

3.4 Analysis of factors that determine the character of the programme

3.4.1 Important contextual factors characterising the INTERREG IIIA Italy-Slovenia programme

The INTERREG IIIA Italy-Slovenia programme was evaluated for its contextual characteristics according to the typology of the programmes jointly developed under task 4 of the ex-post evaluation, and compared to the average of strand A programmes. The lower the score the better the preconditions are for cross-border cooperation. The typology includes geographical, political, administrative, economic and historic factors shaping cross-border cooperation. The following figure depicts the position of the INTERREG IIIA Italy-Slovenia programme in relation to the average Strand A programme.

Figure 3.4 The taxonomic position of the INTERREG IIIA Italy-Slovenia programme

In the North, between the joint border with Austria and Gorizia and Nova Gorica, the border runs along mountain ranges and across mountain valleys, first at very high altitudes (along Kanin, Rombon etc.) and then gradually lowering as the mountains lower (Matajur, Sabotin) and descend further to the sea.
In the North, there are only a few border crossings, some of them (Predel/Predil) having the characteristics of a mountain pass. There is also a small fraction of sea border, clearly defined by a bilateral treaty (Osimo Agreement, 1975), but from the entire Interreg programme it can be said that it is negligible. Thus, the Interreg IIIA IT-SI can be be characterised as a high & low mountain border programme, scoring a 4, belonging to programmes with weaker accessibility across the border than the average of INTERREG A programmes (score 3,5). However, further South from Gorizia and Nova Gorica, the geographical factors do not influence the crossing of the border to such extents and there are several urban agglomerations along the border where the settlements are merged or are gradually merging together: Gorizia and Nova Gorica; Sežana, Fermetič/Fernetti and Opicina/Opčine; Hrvatini/Crevatini and Muggia/Milje. Thus, the southern part of the border could score a 3 (mixed mountain-river-green border).

In terms of political nature of the programme, the INTERREG IIIA IT-SI can be seen as an external programme (score 3), thus, the area is less administratively and politically integrated than the mean (2,05) INTERREG IIIA Strand. There is one category in typology, the mixed external & internal border programme, that could apply to this programme if it not only had administrative and political, but also historical criterion: in the period 2000 – 2004 it was implemented on the external border of EU, but since Slovenia joined the EU in 2004, it operated as an internal programme; in that period, the sharp effect of the border was gradually softening due to preparation towards entering the Schengen regime in late 2007. The length of the border is 235 km, from which 175 km is across land, 31 km across rivers and 29 km across the sea. There are 76 road-border crossings and 1 rail-border crossing.

The level of cross-border economic disparities is quite higher (scoring 2,29) than the mean INTERREG IIIA Strand (1,76). The differences in GDP are still great, although they are decreasing as the Slovenian side of the programme area is catching up economically. Cross-border economic activity in the past was mostly limited to export-import exchange between Italy and the former Yugoslavia and influx of labour force from Slovenia to Italy, especially in certain sectors (low-skilled physical work, home care, medicine). Research and cultural exchange were quite strong already in the past. There are also differences in administrative organisation and the size of the smallest administrative units. Friuli – Venezia Giulia and Veneto are two regions with a regional government and administration, while the regions in Slovenia (Goriška and Obalno-Kraška) are purely statistical units on the NUTS III level, thus, corresponding to the NUTS III level of the Italian provinces of Udine, Gorizia, Trieste and Venice. Local authorities at municipal level in Italy and Slovenia differ in power and size: while the municipalities in Italy tend to be very small, in Slovenia the situation is quite diverse, with some very small municipalities (e.g. Komen) comparable in size to the Italian ones as well as some larger ones (e.g. Koper). The different powers can influence the level of cooperation between local authorities on both sides of the border.

The programme area can be characterized according to the ex-post typology as the area with few common historic ties and different cultural and linguistic circumstances; the score (3) according to this criterion here is much higher than the mean in the INTEREG IIIA programme. The historic ties were stronger in the past, for example through Venetian dominance in the coastal towns and provision of supplies (timber, agricultural products) to the Venetian markets until late 18th century. Until 1918 the regions of Venezia Giulia and Slovenia were part of the Austro-Hungarian Empire, a time characterised by a multi-ethnic nature of empire, increase in education and cultural activity and high economic activity related to trade and the blossoming of the Trieste port. After the 1918, with the Treaty of Versailles most
of the programming area was annexed to Italy (except for the Municipality of Kranjska gora which was integrated in the Kingdom of Yugoslavia). It could be said that this was the beginning of a degradation of historic ties: they got gradually degraded by long-lasting distrust due to repression of the Slovenian population during fascism, the new border after the 1945, territorial disputes around Trieste and initially quite tough border regime. Culturally the programme area is on the one hand influenced by the Mediterranean culture (apart from the mountainous North) and on the other hand by the “Mitteleuropean” character originating in multiethnic times of Austro-Hungarian Empire. Minorities (Slovenian minority in Italy and Italian minority in Slovenia) have played a strong role in cultural exchange and promotion of the language, with schools in their language, strong cultural and sports organisations and exchanges. Because of bilingualism, they could act as strong vehicles for cross-border cooperation.

Table 3.10 Contextual criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>A 1.1 - geographic type of land</th>
<th>A 1.2 - The political administrative nature of the common border</th>
<th>A 1.3 - The &quot;density of border crossing possibilities&quot;</th>
<th>A 1.4 - The &quot;level of cross-border economic disparities&quot;</th>
<th>A 1.5 - The &quot;existence of common historic ties&quot;</th>
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<tr>
<td>Italy - Slovenia</td>
<td>4,00</td>
<td>3,00</td>
<td>37,25</td>
<td>2,29</td>
<td>3,00</td>
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<td>Mean strand A</td>
<td>3,50</td>
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<td>% of the mean</td>
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<td>146,56</td>
<td>79,91</td>
<td>130,23</td>
<td>187,10</td>
</tr>
</tbody>
</table>

In conclusion, the Italy – Slovenia programme is among those Strand A programmes with the least favourable contextual conditions, with the largest differences in language, culture and historic ties, administrative and political situation and economic disparities. The criterion “existence of common historic ties and converging cultural and language settings” is the one where historically there was more cooperation within the programme area and is therefore, the key area for improvement.

3.4.2 Historic factors determining the character of cross-border co-operation

The previous formal co-operation tradition is 31-years long. In 1978 the Working Community Alpe-Adria was created which included the entire programme area; it stimulated cultural and educational, as well as economic exchange between certain regions of Italy, the former Yugoslavia (Slovenia, Croatia) and Austria. However, the Osimo Agreements, signed in 1975 and ratified in 1977 could be seen as a precursor of cross-border cooperation⁶: they consisted of an agreement of promotion of economic cooperation between Italy and the former Yugoslavia, a Protocol on free trade zone, provisions for easier cross-border migration (increased number of border crossings, special provisions and passes for daily migrations of local population - approx. 230.000 beneficiaries in Slovenia and 500.000 beneficiaries in Italy) and protection of minority rights. Twelve bilateral committees were formed and most of them still successfully operate today; the Committee for protection of Adriatic Sea is nowadays trilateral as it includes Croatia. As a result the Agreements stimulated cooperation, cross-border activities and travelling and if viewed in the perspective of ”Iron Curtain” that ran roughly between the old and new Member States, it has softened its effect and made the differences much smaller compared to other borders between the old and the new members. In addition to Alpe-Adria, local initiatives appeared such as "Odprta meja – Confine aperto" (a day of outdoor activities along Val Rosandra/dolina Glinščice with

⁶ For the purpose of this report, only the aspects of Osimo Agreements that are important for cross-border cooperation are taken into account. The report does not refer to or comment the decisions on the borderline between the two states that is defined in the Agreements.
free movement across the border) around which more and more coordination and cooperation evolved on the local level.

In 1995 Italy and Slovenia established cooperation in the Interreg IIA - Phare CBC Programmes 1995-1999, based on a decision by the European parliament that the INTERREG initiative should be complemented by the Phare cross-border programmes in order to extend the cross-border co-operation approach to the external borders of the European Union. The 1995-1999 programme helped to improve and intensify cross-border co-operation in the joint border regions. The 2000-2006 programme provided support for cross-border cooperation during the enlargement of the European Union; it also introduced the Structural Funds concept and supported the transition from the PHARE procedures to the ERDF procedures as part of the pre-accession learning process for the local and regional authorities in Slovenia, and joint programming for the regional authorities in Italy.

The Osimo Agreement represents a comparatively weak inter-state agreement, which promotes decentralised co-operation among territorial authorities and provides them with very limited legal solutions for further structuring their co-operation. It comprises only part of the Interreg programme area; however, in the entire programme area it is possible to use specific cooperation provisions in domestic law. The Agreement has promoted migration and economic exchange and went as far as to establish provisions for free trade zone (Fernetti-Fernetiči which was never implemented), but it does not contain specialised provisions for decentralised cooperation or specific legal solutions for support of cross-border economic activity. However, they still provide strong support for cross-border activities and bilateral coordination within the existing legal framework. Besides that, there are numerous twinning agreements between the local authorities that stimulate cross-border cooperation, mostly between the municipalities right on the border (for example Gorizia and Nova Gorica, Dolina/San Dorligo della valle and Hrpelje-Kozina, Koper and Trieste).

The programme operational structure could be defined according to the typology as permanent structure without a formal basis for achieving/promoting co-operation on a multi-thematic basis & project-level and ad-hoc co-operation on specific topics. The MA and JTS were established, but within the existing structures of the Friuli – Venezia Giulia region, not as a separate legal entity.

### 3.4.3 Intermediate conclusions

**Programme level**

*Context factors characterising cross-border & transnational programme areas*

There is less physical cooperation in the Julian Alps in the North of the programme area due to mountainous terrain. Physical cooperation and communication getting ever more easier in the area where cross-border urban agglomerations exist or are being formed (Gorizia - Nova Gorica; Sežana, Fernetič/Feretti - Opicina/Opčine; Hrvatini/Crevatini - Muggia/Milje). Cooperation across the sea border is virtually negligible.

Until 2004 the IT-SI border was an external EU border. In Slovenia, the programme was implemented and managed as PHARE, based on PRAG procedures; as a result there were great differences between the two sides of the border, such as different procedures for the selection of the projects and the monitoring of implementation.
After 2004, ERDF funding provisions applied, but because of great differences in the administrative structure it was impossible to implement the programme completely jointly, e.g. with joint calls for proposals (2 calls were published simultaneously in Italy and Slovenia), application of “functional Lead Partner” Principle, single contracts with the Beneficiary etc. The differences that hamper closer cooperation and joint implementation of the programme are: differences in capacity of the administration; lack of administrative/legal provisions for cross-border contracts, employment (hampering also JTS staffing), payments and control of implementation. Introduction of the Euro in Slovenia in January, 2007 at least made financial management of the programme easier.

The cooperation between the authorities was increasing during the programme implementation, although just on an informal basis, to improve the cross-border character of the programme. The improvement and increase in communication made a difference as it improved the capacity for cooperation and made the two sides work more closely together on putting an emphasis on consensus-building for common goals. In 2004 the programme was revised and calls for proposals were harmonised in terms of provisions, content and schedule (of course only for measures for which the funds in Italy were still available) and the authorities held regular meetings to select projects and exchange the experience with contracting, monitoring and control.

The density of border-crossing possibilities is higher in the Central and in the Southern parts of the border according to the geographical character of the area. Due to provisions of Osimo Agreements the potential for crossing the border was quite high for the inhabitants in the designated “Osimo belt” along the border. In December, 2007 Slovenia entered into Schengen area and the number of border-crossing possibilities greatly improved, especially in the more urban areas.

Economic disparities are small, smaller than one might expect for an external EU border since the two Slovenian statistical regions participating in the programme are in economic prosperity second only to the Ljubljana region. The introduction of the Euro in Slovenia decreased disparities due to the floating exchange rate. The participating Italian regions have a high degree of entrepreneurship that could stimulate development of business networks and SME cooperation.

Historic ties in the programme area are being gradually re-established. The language barrier is quite prominent, but less so in the bilingual area South of the border.

Minorities could play a significant role in programme implementation on both sides of the border, not only in the bilingual area, but in the entire programming area.

Historic factors determining cross-border / transnational / interregional co-operation
Cooperation in the previous INTERREG II programme was weaker and implemented with mixed ERDF/PHARE funding. However, there were older structures for cross-border cooperation, such as Osimo Agreements and the Alpe-Adria initiative. These are working towards re-establishment of economic as well as cultural networks that existed before the 1920’s when there was no state border and no cultural differences in the programme area.

No specific legal instruments that would ease INTERREG implementation existed before the INTERREG implementation. Osimo Agreements between Italy and the former Yugoslavia eased the border conditions
and stimulated economic and cultural activities as well as possibilities for daily migrations across the border.

There were no prior permanent co-operation structures except for the 12 Osimo committees and the Alpen-Adria (Alps-Adriatic Working Community) initiative.

**Project level**

*Context factors characterising cross-border & transnational programme areas*

In the mountainous North, projects were mainly focused on sustainable use and tourism development of the area along the border. Projects with closer physical cooperation were implemented along the border with the highest concentration in the Gorizia/Nova Gorica area, while in the other parts of the programme area the cooperation is scarcer and more indirect, e.g. through studies.

In general the projects were more readily implemented in the vicinity of the border; this might be the result of greater cross-border mobility of the inhabitants of the "Osimo belt" that enabled networks to be established already before the programme implementation.

The projects were gaining in cross-border character with time. Cooperation progressed and the projects became more elaborate: at the beginning, Slovenian partners played a minor role in the projects (e.g. just participation at events, no responsibility for project actions) and projects on Slovenian side were smaller and simpler. Later on, especially with the change of selection criteria and procedures due to reprogramming of the programme, projects were implemented that were mirror projects (same activities on both sides of the border) or even joint projects. Here, the Small Project Funds played an important role as a capacity-building tool on the Slovenian side of the border.

Implementation of the projects was gradually getting easier and was also due to changed border regime after Slovenia entered the EU in 2004 and after it entered into the Schengen area in December, 2007; free movement of goods and people made implementation of some of the project activities (e.g. participation at trade shows, food festivals) much easier.

Between project partners, economic disparities as well as differences in experience with larger projects and markets are quite large. The Slovenian partners mostly being less experienced. On the other hand, in some circumstances it is the Italian local authorities – municipalities are at a disadvantage because of their small size and limited funds for large-scale projects. The experience and level of cooperation gradually grew and some of the projects provided examples of best practices for the preparation of new projects in the programme area or in other regions as well as for the preparation of the programme for the 2007 – 2013 period.

Historic ties are more prominent in the areas right on the border, especially in the more urban ones and are being strengthened through common currency and market. The language barrier is still quite prominent, but is being decreased by learning the languages or using English. Cultural differences still remain. Most of the projects with a truly cross-border character were quite local, focused on activities such as joint development and spatial planning, joint marketing and branding of agricultural products and joint tourism development where language barrier is easily overcome for mutual benefit.

*Historic factors determining cross-border / transnational / interregional co-operation*
Projects are building on ties that are either new or existed only ad-hoc (mostly as cooperation of municipalities and academic communities), on a very basic level, for example as visits, exchange lectures and joint festivals.

There were no specific legal instruments that would enable a system of single calls for proposals for both sides of the border or direct cooperation of project partners e.g. in the form of Lead Partner Principle. As a result, agreements were made in 2004 that enabled coordinated calls for proposals and had the degree of cooperation as one of the evaluation criteria: however, these were still voluntary agreements, not special legal instruments.

Links between academic institutions existed and twinning activities between the municipalities, but mostly between the ones directly on the border. Some joint activities were implemented, such as “Confine aperto – Odprta meja” (Open Border Day).

3.5 Re-considering the “depth & intensity of territorial co-operation”

The synthetic indicator (real rate defined in the typology as indicator A3.1) aims to measure the depth and intensity of co-operation and is composed of several variables: Intensity of shared diagnosis, partnership and decision-making power, management structures, nature and location of joint projects and impact of projects. The detailed definition of those indicators is given in the Inception Report of the project.

The aggregation of the sub-variables has been defined as the so-called ‘real rate’, a normative synthetic indicator (arithmetic mean) measuring the performance of an INTERREG programme. Furthermore, a separated historical criterion has been added to estimate, by regression analysis, how historical ties have had an impact on the performance (Real Rate). The Real Rate for the INTERREG IIIA Italy-Slovenia programme is 32.91, as shown in the table below; it does not include the historical criteria. Those have been used to estimate the influence of history and experience in co-operation on the performance of the programme, i.e. to observe the differences between a predicted (expected) rate and the ‘real rate’ as such. In fact, considering also the historical criteria, the expected rate would be 82; one can therefore see that the programme is clearly underperforming considering the length of its historic cooperation.

Table 3.11 The performance of the INTERREG Italy – Slovenia programme measured by the synthetic indicator

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sub-indicator label</th>
<th>Value</th>
<th>Criterion average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Historical Criteria (not included in the “Real Rate”)</td>
<td>si01</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td></td>
<td>si02</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>si03</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Σ</td>
<td>124</td>
<td>127</td>
</tr>
<tr>
<td>2. Criterion: Joint identification of needs</td>
<td>si04</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td></td>
<td>si05</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Σ</td>
<td>100</td>
<td>141</td>
</tr>
<tr>
<td>3. Criterion: Governance and Partnership</td>
<td>si06</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>si07</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>si08</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Σ</td>
<td>150</td>
<td>183</td>
</tr>
</tbody>
</table>

4. Criterion: Nature and location of joint projects

<table>
<thead>
<tr>
<th>No.</th>
<th>Programme Name</th>
<th>si10</th>
<th>si11</th>
<th>Σ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>54</td>
<td>05</td>
<td>146</td>
</tr>
</tbody>
</table>

5. Criterion: Density of common actions

<table>
<thead>
<tr>
<th>No.</th>
<th>Programme Name</th>
<th>si10</th>
<th>si11</th>
<th>Σ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>06</td>
<td>07</td>
<td>14</td>
</tr>
</tbody>
</table>

6. Criterion: Impact of projects

<table>
<thead>
<tr>
<th>No.</th>
<th>Programme Name</th>
<th>si10</th>
<th>si11</th>
<th>Σ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>30</td>
<td>0</td>
<td>30</td>
</tr>
</tbody>
</table>

Gross Score  si 4-18  494
Real Rate (RR) 32,91

Table 3.12 The synthetic indicator of Italy-Slovenia programme compared to the strand A

<table>
<thead>
<tr>
<th>Programme Name</th>
<th>Real Rate (RR)</th>
<th>External Border Programme</th>
<th>Internal Border Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Old in EU15</td>
<td>New in EU-25</td>
</tr>
<tr>
<td>D-DK - Fyn-KERN</td>
<td>78,51</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>I-Albania</td>
<td>76,56</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Gibraltar - Morocco (UK)</td>
<td>73,07</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Average INTERREG strand A</td>
<td>72,03</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9 Panteia (and partner institutes) 2009, Ex-post evaluation INTERREG III - interim report on task 4, p. 265

According to the typology of the Strand A INTERREG programmes the INTERREG Italy – Slovenia programme was categorised into the cluster 5, in which the Programmes with less favourable cross-border framework conditions, where ERDF-support is very concentrated on the priority topics and where the depth & intensity of cooperation, is low/very low or medium.

Table 3.13 Comparison of the INTERREG Italy – Slovenia programme with the cluster

<table>
<thead>
<tr>
<th>No.</th>
<th>Programme Name</th>
<th>Real Rate (RR)</th>
<th>External Border Programme</th>
<th>Internal Border Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>A24</td>
<td>D-DK - Fyn-KERN</td>
<td>78,51</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A50</td>
<td>I-Albania</td>
<td>76,56</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A48</td>
<td>Gibraltar - Morocco (UK)</td>
<td>73,07</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Average INTERREG strand A</td>
<td>72,03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A39</td>
<td>FIN-RUS Karelia</td>
<td>71,31</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A53</td>
<td>Italy-Adriatics</td>
<td>69,84</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A11</td>
<td>D-PL - Saxony-Poland</td>
<td>61,38</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A57</td>
<td>Poland-Ukraine-Belarus</td>
<td>59,93</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A54</td>
<td>Czech Republic-Poland</td>
<td>59,34</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A58</td>
<td>Lithuania-Poland-Russia</td>
<td>58,48</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Average Cluster 5</td>
<td>56,21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A12</td>
<td>D-CZ - Saxony-Czech Rep.</td>
<td>55,48</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A59</td>
<td>Hungary-Slovakia-Ukraine</td>
<td>53,05</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A61</td>
<td>Slovenia-Hungary-Croatia</td>
<td>49,32</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A60</td>
<td>Hungary-Romania-SerbiaMontenegro</td>
<td>35,03</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A30</td>
<td>E-MRC - Spain-Morocco</td>
<td>33,46</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A18</td>
<td>I-Slovenia</td>
<td>32,91</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A55</td>
<td>Poland-Slovakia</td>
<td>31,82</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

9 Panteia (and partner institutes) 2009, Ex-post evaluation INTERREG III - interim report on task 4, p. 265
The characteristics of the programmes in this cluster are the following:

- no significant levels of cross-border economic disparities or low levels of cross-border economic disparities (only Slovenia-Hungary-Croatia, FIN-RUS Karelia & I-Slovenia),
- mostly below-average / clearly below-average density of border crossing possibilities & partly above average density of border crossing possibilities (only Slovenia-Hungary-Croatia, Hungary-Slovakia-Ukraine, Saxony-Czech Rep. & Czech Republic-Poland),
- mix of old external border in EU15 (i.e. in 2001/2002) becoming new internal borders in EU27, new internal borders in EU27 and external EU-borders (except D-DK - Fyn-KERN),
- clearly above-average concentration of ERDF-support on a limited number of "priority topics" listed in the INTERREG III Communication, but sometimes also average / slightly below-average concentration (Italy-Adriatics, I-Albania, D-PL - Saxony-Poland, Saxony-Czech Rep. i.),
- the depth & intensity level of co-operation achieved under the programmes is mostly at a low/very low level & partly at a medium level (only Fyn-KERN, I-Albania, Gibraltar-Morocco, FIN-RUS Karelia),
- heterogeneous situation with respect to an existence / non-existence of common historic ties and of converging / non-converging cultural and linguistic settings.

Most of the programmes (except for Fyn-KERN between Denmark and Germany, Italy – Slovenia and Slovenia – Hungary - Croatia) in this cluster have established various forms of cooperation in the programme area quite recently since the 1990’s. All of the programmes in this cluster except for Fyn-KERN are external border programmes in one respect or another (see above).

Most of the programmes in the cluster, except the programmes Gibraltar - Morroco (UK), I-Albania and D-DK - Fyn-KERN score below the average “Real Rate” of the INTERREG A, the Italy-Slovenia being the penultimate in the cluster and in fact the penultimate of not only all the INTERREG A, but all INTERREG programmes. Only the Poland-Slovakia programme has a lower “Real Rate” (31,82) in this cluster and among all the INTERREG (not only A, but also B and C strand) programmes, only 3 other programmes have a “Real Rate” lower than 50: these are Spain-Morocco (33,46) and Hungary-Romania-Serbia & Montenegro (35,031), both scoring just about 35 or under, and Slovenia-Hungary-Croatia, scoring just under 50 (49,23).

The box-whisker plot in the Annex 5.5.1 shows a comparative distribution of the programme and cluster values across the distribution of the Real Rate. Only 2 programmes from this cluster are on or above median value and only 3 are above the average, thus the average “Real Rate” of this cluster is much lower than the average of INTERREG A. Only 5 out of the 16 programmes in this cluster are between the 25th and 75th percentile; all the others (i.e. more than two thirds) are in the 25th percentile, the lowest quarter of all INTERREG A programmes. The plot clearly shows that according to the synthetic indicator the Italy – Slovenia programme is seriously underperforming not only within its cluster, but also among all the INTERREG IIIA programmes, thus we can conclude that the Italy – Slovenia programme belongs to the group of worst performing programmes in the context of INTERREG A.

The 5 programmes that are above the 25th percentile are either along internal borders (Fyn-KERN between Denmark and Germany – this also has the highest RR in this cluster) or along “old” external borders of EU15. Of the programmes along “old” external borders of EU15, Saxony-Poland is under the average for INTERREG A, but above the average of the cluster, and Saxony-Czech Republic is just under the average RR of the cluster; Spain-Morocco and Italy-Slovenia are the only programmes along the “old” external borders of EU15 that are seriously underperforming. As can be seen from the table, the
Real Rate is lower in the programmes that were at the beginning, in 2000, implemented completely outside of the EU and are now, after the enlargement, either along new external borders of the EU25 or newly internal borders between two new Member States.

The INTERREG Italy – Slovenia programme was below average value for each of the 6 criterions that compose the synthetic indicator. The closest to the average value is the value for the historic criteria and the largest deviation from the average value is the value for the 5th criterion, “Density of common actions”.

The Italy-Slovenia programme scored under average in the 2nd criterion “Joint identification of needs”, compared to the other strand A programmes. It got quite a high score for the first sub-criterion, identification of shared needs / problems through already existing national /regional development plans, a joint SWOT-analysis during the programming phase involving a broad range of stakeholders from the co-operation area. However, such a high score could be questioned; it is true that there were already existing structures and programmes present on both sides of the border, but the identification of needs did not involve a vast variety of stakeholders and (as it seems from the interviews) it was based on summing up the existing regional documents, thus not really focusing on transboundary issues but rather regional issues that were similar across the regions. Besides, the cooperation and involvement was quite weak in 2000, but got stronger in 2004 during mid-term evaluation and re-programming prior to Slovenia joining the EU. Financial analysis reveals that some of the intervention codes that were identified as important and needed (e.g. rail) and therefore allocated funds, had a low implementation rate and a small number of projects; this shows that the programme did not reflect the needs of the beneficiaries.

The 3rd criterion “Governance and Partnership” shows the weaknesses in the partnership that is otherwise well-established. Although the partnership and cooperation for implementation, management and monitoring of the programme was quite developed and was strengthening during the programme implementation, the programme management was not implemented jointly. There was a Managing Authority, but was composed only of Italian members, and the JTS was established late during programme implementation, in November 2003. Moreover, the financial management and preparation of calls for proposals were completely separate, although since 2004 coordination of dates and deadlines (also content) for calls for proposals as well as promotional workshops has been established. In the Programme Monitoring Committee the representatives of NGO’s and cross-border structures participated, but did not have voting rights. The programme was prepared jointly by the representatives from both sides of the border, but the Memorandum of Understanding was signed only late December, 2004; as the comprehensive agreement was reached rather late during programme implementation, it probably facilitated the programme management process only at the very late stage, basically during the phasing-out and preparation for the new programming period. Thus, the 3rd criterion scored even lower.

The 4th criterion, “Nature and location of joint projects” shows an interesting distribution of the implementation of the programme. It seems that the funds initially allocated to each of the four priorities matched well with the “demand” of the approved projects. The programme concentrated quite well on 12 intervention codes, however, for some of them there were only a few projects; the balance of allocated funding and actual expenditures within each priority can therefore, be explained by a higher number of

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10 This is the sub-indicator SI08; it should be lower as the formal agreement was reached late, towards the end of the programme.
projects per certain intervention codes than expected. The Functional Lead Partners were distributed across all the NUTS-3 regions in the programme\textsuperscript{11}, but the number of Functional Lead Partners was considerably higher in the Italian regions, especially in the initial phase of the programme (until 2004). The programme did not stimulate complex, joint actions with practical results: one third of the funds were spent on studies, and most of the projects were implemented mostly on one side (e.g. most of the projects under the waterways intervention code) or failed to produce tangible results or actual impacts on both sides of the border. The studies may have laid the foundation for future joint projects or more harmonious spatial or rural development, but this will be reflected (if at all) in the 2007 – 2013 programming period. Pilot projects with tangible results were rare, most of the projects included the exchange of experience, demonstration of good practices or mirror actions along the border. The number of truly joint projects increased significantly after reprogramming in 2004, but this means that prior to that the number of such projects was extremely low.

This is clearly shown also by the 5\textsuperscript{th} criterion, “Density of common actions”, where the Italy – Slovenia programme extremely underscores. Only the Hungary–Romania–Serbia & Montenegro programme performed worse. In the interviews, the Slovenian partners often referred to their position in the 2000 – 2004 period of the programme as the period of “paper partners” – when they were partners on paper, but not in the activities themselves except for occasional participation at events. Joint projects were mostly relatively small and implemented in the areas immediately along the border and between the partners that have cooperated before. This might be an indication that the programme either included too large an area or did not promote cooperation extensively enough in the entire area; or that the capacity of the potential beneficiaries to match with new partners and/or implement joint projects was very low.

The 6\textsuperscript{th} criterion, “Impact of projects” is seriously undervalued. The analysis at project level shows that the public administrative units were often project partners and seriously involved in implementation of the projects\textsuperscript{12}. This was probably supported to a large extent by the fact that the “regia regionale” system in Italy somewhat stimulated their involvement and that private organisations (companies) were not eligible as beneficiaries for funding. In the calculation of this criterion, the value of the sub-indicator SI19 which shows the number of persons directly involved in and reached by all approved projects compared to the total population living in the eligible area, was zero. However, the projects have reached quite a large number of people, especially those that were not involving studies, but practical activities implemented by local population (e.g. the “1001 pond” project), and the programme became clearly recognisable among people as the means of EU action for development of border regions; thus, the value of this sub-indicator should be higher. The value of zero could be explained by either a poor monitoring system or the bias of the calculation method: while the programme area is quite large, involving also the Veneto region, the projects were often concentrated along the border itself (thus having higher share of involvement of population); perhaps in some of the projects (e.g. some of the waterways projects or projects dealing with waste water treatment), especially the ones implemented before 2004, the participants (and perhaps even the beneficiaries) did not perceive them as cross-border projects.

The synthetic indicator is a very good tool for the assessment of the success of a programme and in the case of the programme Italy – Slovenia it yielded the results as expected from the interviews and the

\textsuperscript{11} The sub-indicator SI10 could therefore be higher, but in any case it does not reflect the uneven distribution of Lead Partners among the NUTS-3 regions

\textsuperscript{12} Their involvement is the subject of the sub-indicator SI18a. As a result, the information used for calculation of this sub-indicator should be reviewed as the involvement of authorities is probably higher than the estimate.
study of programme documents. However, this programme is a bit specific due to the combination of PHARE/ERDF funding and Slovenia entering the EU halfway through the programme; the indicator fails to capture this change, i.e. the historic dimension of the programme itself and its evolution. Moreover, the geographic distribution of projects could have been taken more into consideration – not only as the share of NUTS-3 level regions with Functional Lead Partners, but also as the distribution among the regions and between the two sides of the border. In the case of Italy – Slovenia, the analysis would probably show a concentration of projects in the immediate vicinity of the border, with a high level of joint projects, high visibility and impacts, but a relatively low concentration of funds; probably the distribution of funds would be equal among the regions, this being an indication that funds were distributed also to financially larger projects with a low level of joint activity/cross-border cooperation and impact. In addition, it would be interesting to capture the effect that the minorities have on programme implementation: in the case of Italy – Slovenia, they seem to have quite strong catalytic effects in terms of project initiatives and partnerships as well as helping to overcome language barriers.

As in regards to the relationship and influence of historic variables on the "Real Rate", the Italy – Slovenia programme was one of the 10 out of the 57 responsive INTERREG IIIA programmes where the deviation between the RR and the ER is larger than +10, showing that the actual depth & intensity of cooperation achieved (RR) is clearly below what could have been expected if historical variables had been taken into account (ER); this could be explained by the fact that it is implemented along the external border and by the complex PAHRE/ERDF funding system. However, it is noticeable that among the 4 strand A programmes that are the Real Rate “outliers” with a Real Rate of 35 or lower and the Italy – Slovenia programme has the largest difference between the Real Rate and Expected Rate; besides the Spain-Morocco programme it is the only programme on the “old” external border of the EU15 that is seriously underperforming. The underperformance is even more explicit if one considers the relatively high density of the border crossings in the non-mountainous part of the border, long cooperation and high cross-border mobility compared to other borders between the former Eastern and Western Europe/EU-15. Moreover, it is one of the three programmes (besides Fyn-KERN and Slovenia – Hungary – Croatia) in the cluster that have a considerably longer cooperation than the other programmes where this was mostly established in 1990’s. This shows that the programme did not benefit from and/or build upon the duration of previous cooperation and that it was other factors that had a stronger influence. This is even more explicit when one considers that besides the Alpe-Adria the Osimo Agreements provide a legal framework for cooperation and that in 1977 they largely opened the border and improved mobility of the people in the area along the border.

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

The main factors fostering integration of the programme area are:

- involvement of the minorities and their organisations,
- previous cooperation of the neighbouring municipalities/schools/institutes and
- joint promotion of the programme after the 2004 reprogramming.

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13 See also Panteia (and partner institutes) 2009, Ex-post evaluation INTERREG III - interim report on task 4, p. 253
14 The historical criterion used in the calculation should actually be higher: the value of SI1 increased to 46, the value of SI2 increased to 50; since the 12 Committees that work permanently on the basis of Osimo Agreements could be seen also as permanent structures, based on public law, value of SI3 could be reconsidered.
Due to the large language differences, the participation of minorities were one of the key factors for overcoming the language barrier. Previous cooperation between different stakeholders largely increased the quality of the projects, the degree of joint implementation and the sustainability of the results, largely because of good knowledge of the needs, potentials, possibilities of the cross-border partners and mutual trust. This could explain why the Gorizia/Nova Gorica area with its long tradition of cooperation has a comparatively larger number of projects, though not necessarily large ones. With joint promotion the knowledge of the programme, its objectives, the meaning of cross-border cooperation and the desired/eligible projects was greatly increased amongst the potential beneficiaries. It seems that prior to that the perception among the beneficiaries was that the programme was a source of funding where having a cross-border partner was just one of the requirements of the calls for proposals, not a starting point for a joint cross-border project and development of the entire area.

The main factors hampering integration of the programme area are:

- language barrier, also between the programme implementation bodies on both sides of the border,
- differences in system of selection of projects, their implementation and monitoring, as well as separate funding sources and payment systems,
- different number of layers of authorities involved,
- misconceptions and prejudices on both sides of the border.

Due to the difference in language, the participating Slovenian authorities felt that they were lagging behind the Managing Authority and JTS in the programming and evaluation process, both in the meetings and in terms of reporting. Translations were ensured, but they were not always timely enough or not of good enough quality. Language skills are also very important for evaluation: for the ex-post evaluation the Slovenian authorities felt that it was biased, probably simply because the evaluating team did not have the language capacity to assess the situation on the Slovenian side (e.g. project reports, general socioeconomic data etc.). At project level, some partners found it hard to be more active in the implementation of certain activities because of the language barrier.

Until 2004, separated sources of funding prevented more active involvement of cross-border partners as the Lead Partner principle could not be fully endorsed; cross-border partners were therefore, limited to participation in the events, seminars and as such. This has largely changed with the reprogramming and the switch from the PHARE/ERDF to the full ERDF funding; the financial control and payment systems were still separate, but there were provisions for mirror and joint projects in calls for proposals, so that cross-border partners applied separately in Italy and Slovenia during the same call, were selected through a coordinated process and implemented a mirror/joint project through two separate contracts and reporting and monitoring systems. However, this approach came too late to significantly improve integration across the project area. The large difference in the project selection system before 2004 was another factor that hampered integration: while the one Intermediate Body on the Slovenian side may have acted through calls for proposals and perhaps too sternly, there were several Intermediate Bodies on the Italian side acting at the level of regions through the system of “regia regionale”, thus often selecting projects that satisfied the needs of the region or province, but not necessarily having a cross-border character. There might even be a difference in interpreting the state aids, with a more relaxed regime on the Italian side and stricter regime on the Slovenian side.

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15 Based on the interview with the Slovene Intermediate Body, Tatjana Rener, 18. 8. 2009
There structure of the authorities is different in the two participating countries: in Italy, there is the regional level (regions of Friuli – Venezia Giulia and Veneto), province level (e.g. province of Triest, of Venice etc.) and the municipal level (e.g. municipality of Triest, of Muggia etc.), and there were several Intermediate Bodies for the implementation of the programme. In Slovenia, the regions are just statistical units and the authorities involved were at state level and at municipal level, with only one Intermediate Body. As a result, the implementation was more centralised in Slovenia and it seems that the Slovenian central (state) authorities found it hard to relate to different levels of authority and different numbers of authorities, i.e. the Italian regions being an equal programme partner to them.

Positive factors fostering an integration of the programme area could be further promoted through further joint promotion of the programme and especially presenting success stories, examples of good practices and promoting the project partners that performed well. This would also largely help to decrease prejudices, help build mutual trust and help build successful new partnerships that would really add value and ensure cross-border integration. The involvement of the minorities could be further strengthened by involving them in support for bilingual activities and documents (translation services, rental of places for the venues, assistance at organising the venues etc.). Obstacles for further integration of the programme area could be decreased by ensuring the same criteria and approach are used on both sides of the border. The easiest way to do this is by joint calls for proposals, joint evaluations and the selection of projects, establishment of full Lead Partner Principles and clear rules of reporting and monitoring that are equal for all the beneficiaries. Moreover, the Managing Authority should stimulate the dialogue among the authorities involved in the programme preparation and implementation; one of the options is by steering regular meetings with revolving responsibilities of the participating authorities (e.g. each time one of the authorities is in charge of some task).

On the Slovenian side, the understanding of the mechanisms of the EU funds and the methods for their implementation is lower; in addition, just as potential beneficiaries got used to PHARE, the funding switched to ERDF and different rules of implementation. They are now gradually gaining the understanding of the EU programming cycle and that the programmes, their priorities, as well as rules for implementation change with every programming period. The interviews have shown that there were prejudices present on both sides of the border concerning the attitude, work ethics, capacity of the partners etc. In some sense the method of implementation of the programme in 2000 – 2004 might have additionally strengthened some of these prejudices; the stakeholders felt that only “paper partnership” was needed for the projects to have a cross-border character and that such “paper partners” were exploited for the Lead Partner’s gain. This makes the Functional Lead Partners search among the already well-known potential partners although some other, not well-known potential partners might be more suitable for adding value to the project or might be capable of delivering good project results. Such mental barriers are still an obstacle for implementation of the programme, especially the prejudices; the interviewees admitted that the long-lasting prejudices are very persistent, but in their opinion at least some of them were getting weaker through the direct cooperation and joint implementation of the projects.
3.7 Extrapolating results on effectiveness and impacts to all INTERREG programmes

In previous parts of the chapter 3 an in-depth analysis of the character of the programme, its financial effectiveness and success at achieving the goals as well as the comparative analysis of the degree of depth of cooperation (synthetic indicator) were analysed. On the basis of that and the results of the tasks 1 and 2 of the ex-post evaluation of INTERREG, the results of the Italy – Slovenia programme were reviewed in terms of how representative and important they are in the patterns of INTERREG.

The typology analysis showed that the Italy – Slovenia programme was quite an outlier among the Strand A programmes and very different from other programmes on external borders of the EU. Most of the findings from the in-depth analysis confirm the hypotheses of the ex-post evaluation activities under Taks 1 and Task 2, but some of the findings might be rather unique.

The relative “openness” of the implementation of the INTERREG programme based on the quite open regulatory framework provides for a variety of approaches to INTERREG implementation. As a consequence, diverse approaches on each side of the border to the implementation of the Italy – Slovenia programme was possible (e.g. calls for proposals vs. "regia regionale", regional decisions on priority projects for funding). The implementation of Italy – Slovenia underpins the points made by the European Court of Auditors in their Special Report (2004) that programmes (their priorities, measures) are often based on other concerns, not on a baseline analysis of the programme areas, that measurable indicators are often lacking and that some projects consist of bringing parallel sub-projects on both sides of the border under the same roof with not much of a Trans-European interest. Moreover, the monitoring system proved to be inadequate, substantial care and investments (at least on the Slovenian side) in the monitoring system, largely due to poorly set indicators. All of this confirms one of the conclusions of the Task 1, that there are differences in understanding about the objectives and rationale for INTERREG cooperation across Europe, and that much depends on the history of the cooperation area, the rationale and agenda for cooperation, and the mindsets of the actors involved. The effects of history and mindsets of the actors involved are clearly reflected also in the prejudices that are still present in the area and can hinder search for partners.

The Italy – Slovenia programme lagged behind with the implementation and that reflects in its total expenditures. According to the conclusions of the Task 2, a slow start is quite a characteristic of all the programmes, their success then varying depending on the rate of expenditure within the initial years.

There have been reports on many problems with the joint management of the ERDF/PHARE funding streams (due to their different regulatory regimes). However, it seems that despite the struggle the rate of expenditure was not affected by the switch from the PHARE/ERDF funding to the completely ERDF funding despite the fact that reprogramming was needed for this and therefore, the whole implementation system has changed extensively. It also appears that the PHARE period was a capacity building period for the Slovenian side, which is in line with the conclusions of the Task 1 and 2 on INTERREG as a learning process.

The Italy – Slovenia programme has underperformed if one looks at the planned and the achieved results. As the Task 2 shows, this was the case for several programmes, and the problems with understanding of the objectives, the needed results and devising the right indicators are quite spread across the programmes. Nevertheless, the Italy – Slovenia programme had, in the opinion of the
INTERREG III ex-post evaluation. In-depth evaluation of the PROGRAMME: INTERREG IIIA Italy - Slovenia

Interviewees, strong socio-economic effects that were not captured by indicators and monitoring – improved networking, longer-term planning and transfer of knowledge on EU standards and practices in the time of Slovenian accession to the EU as well as removing the prejudices. This confirms the conclusions of the Task 2 that INTERREG has strengthened the cooperation culture and has had some impact on the social and economic cohesion of the programme area.

### Results of the in-depth analysis of the Italy – Slovenia programme

<table>
<thead>
<tr>
<th>Description</th>
<th>Already suggested by the results of tasks 1 and 2</th>
<th>Strength of evidence for INTERREG (clear - with uncertainty - no evidence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concentration of budgets and the expenditure rate determine major characteristic results; private funding was avoided.</td>
<td>yes</td>
<td>Clear evidence from the typology</td>
</tr>
<tr>
<td>Deviations between allocated budget and expenditure for some of the intervention codes.</td>
<td>no</td>
<td>Clear evidence from the financial analysis. This could be the consequence of lack of joint analysis (see below).</td>
</tr>
<tr>
<td>Reprogramming was needed on 2004 due to accession of Slovenia to EU and mid-term evaluation findings</td>
<td>no</td>
<td>Clear evidence from the programming documents</td>
</tr>
<tr>
<td>Indicators were changed on the basis of mid-term evaluation</td>
<td>To some extent</td>
<td>Clear evidence from the programming documents</td>
</tr>
<tr>
<td>Complexity increased after reprogramming (new models of projects were introduced, selection process was changed).</td>
<td>no</td>
<td>Clear evidence from the programming documents and the analysis of the projects.</td>
</tr>
<tr>
<td>The gaps between planned and achieved results on measure level are very high.</td>
<td>yes</td>
<td>Clear evidence from the synthetic indicator</td>
</tr>
<tr>
<td>Monitoring system was inadequate (poorly set indicators on different programme levels, lack of quantification of initial values)</td>
<td>yes</td>
<td>Clear evidence from the analysis of the programme and the typology</td>
</tr>
<tr>
<td>Implementation of the programme was delayed initially.</td>
<td>yes</td>
<td>Clear evidence from the financial analysis</td>
</tr>
<tr>
<td>In general, there was low level of complexity and experimentation within projects.</td>
<td>To some extent</td>
<td>Clear evidence from the analysis of the projects</td>
</tr>
<tr>
<td>The length of cooperation prior to INTERREG did not increase the success of programme implementation</td>
<td>yes</td>
<td>Clear evidence from the typology analysis and synthetic indicator</td>
</tr>
<tr>
<td>Language barrier is still an important obstacle</td>
<td>yes</td>
<td>Clear evidence from the interviews and reports</td>
</tr>
<tr>
<td>Minorities have an important role in promoting cross-border cooperation and integration.</td>
<td>no</td>
<td>With uncertainty – evidence is indirect (analysis of project partners of successful projects, interviews with the beneficiaries and authorities)</td>
</tr>
<tr>
<td>Combination of PHARE/ERDF funds affected the approach and consequently success of implementation</td>
<td>To some extent</td>
<td>Clear evidence from the programming documents and interviews</td>
</tr>
<tr>
<td>Lack of joint analysis and identification of needs negatively affected success of the programme (allocation of budget, density of common actions etc.)</td>
<td>yes</td>
<td>Clear evidence from the financial evaluation, typology and synthetic indicator</td>
</tr>
<tr>
<td>Impact of projects yielded intangible results through learning processes and raised awareness of the EU and EC.</td>
<td>yes</td>
<td>Clear evidence from the increasing complexity of the projects, interviews with the beneficiaries, repeated success of some beneficiaries.</td>
</tr>
<tr>
<td>Differences in implementation structures and systems on both sides of the border influence the success of the programme and attitude of the beneficiaries.</td>
<td>yes</td>
<td>Direct evidence from the analysis of projects – many satisfied local/regional needs and failed to provide cross-border results or impacts.</td>
</tr>
</tbody>
</table>
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 regulatory and policy framework of the Italy – Slovenia programme, just as other INTERREG IIIA programmes during the programming cycle 2000-2006, consists of The initial Communications on INTERREG III (2000/C 143/09), 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), as well as Commission Regulation 438/2001 on administration and control systems of structural funds interventions. In addition, for Slovenia rules on the use of PHARE funds applied for the projects selected in the 2000 – 2004 period. During the implementation, only minor deviations occurred at the project level, but as shown by the implementation reports, only a few projects had the co-financing withdrawn or reduced.

The programme strategy and implementation were set up in such a way to fully comply with the rules of these Communications and Regulations as well as with other EU policies and principles. The CIP for the 2004 – 2006 period shows clear coherence and integration of EU policies and rules on competitiveness, public procurement, EU environmental policy, equal opportunities, partnership, resources concentration, coordination, additionality, complementarity and subsidiarity.

In the Italy-Slovenia programme the diagnosis of needs was based more on the gathering of ideas and opinions from the programme area than on the systematic analysis. Joint preparation of the programme was already in place in 2000, but it was limited to occasional discussions on strategy and potential priorities and measures. During reprogramming in 2004 – 2006 the cross-border strategy and CIP were prepared in a truly joint process, while before that the initiative was predominantly from the Italian side.

Coherence with other Community and national policies and programmes

Other programmes and Community as well as national policies were analysed for potential complementarities and to ensure coherence, such as LEADER, EQUAL, Rural Development Programmes, Italian National Development Programme, Slovene National Development Plan etc. In this way the coherence with mainstream Structural Funds interventions (Objective 1, 2, 3) was ensured and overlapping of funding was prevented by different ways of the mainstreaming of the priorities and measures.

No direct interaction or coordination with other INTERREG programmes (e.g. other INTERREG IIIA programmes, ESPON or INTERACT), and some other Community Initiatives (e.g. URBAN) could be seen from the programme documents, and the interviews confirmed that there was no structured or organised coordination with the rest of the “World of INTERREG” at the level of the Managing Authority. An exception in terms of the coordination with other Community Initiatives was the participation in some of the INTERACT activities and the fact that some of the major projects on joint spatial planning built on the ESPON results where the experiences were shared with other programmes. The Programme Italy –
Slovenia overlaps in terms of the eligible area with the programmes Italy – Austria, Austria – Slovenia and since 2004 with the programme Slovenia – Hungary – Croatia; in some cases the establishment of consistent monitoring and control processes for all INTERREG IIIA programmes implemented in Slovenia by the National Agency for Regional Development (Managing Authority of SLO-HUN-CRO programme and Intermediate Body of other programmes) in 2004 could be seen as a process of coordination with other INTERREG IIIA programmes. Furthermore, there was no cooperation with other cooperation structures, such as for example Alpe-Adria or Osimo Agreement Committees.

The INTERREG-Communication acknowledges the difficulties that exist due to differences in operational rules that exist between the ERDF and PHARE funds on external EU borders. The programme did not manage to overcome these difficulties and it seems that it built only poorly on previous experiences in this respect; however, reprogramming on the basis of mid-term evaluation and purely ERDF rules greatly improved effectiveness of the programme. The programme concentrated funding and intervention on only a few priority topics. The majority of the projects had scored poorly in cross-border character in general and the ones implemented in individual countries with only poor (“paper”) partnership from the other side of the border did not have significant cross-border impacts.

Concerning the general guidelines of the Structural Funds, the programme mostly supported projects that helped to improve the competitiveness of the programme area and to develop and introduce sustainable development policies; the number of projects to promote equal opportunities for men and women is negligible and there were not many projects that would directly help create jobs. Increase in competitiveness was stimulated more indirectly, through networking, introduction of standards and joint marketing, cross-border infrastructure and similar measures.

Relationship between the authorities and with external organisations and networks
Economic and social partners were involved to a lesser extent, especially in the programming phase. The programme supported involvement of partners such as academic institutions as well as NGO’s. The programme implementation was designed so that it stimulated involvement of regional and local authorities; in Italy, the regional authorities were both acting as Intermediate Bodies and as beneficiaries which made the programme less transparent and probably less effective. It is likely that the fact that private organisations could not be beneficiaries of the projects decreased the involvement of the private sector, particularly SME’s, so the programme contributed to increasing the competitiveness of the private sector only indirectly, through projects like business incubators. It is possible that a greater involvement of SME’s could also increase the level of experimentation and innovation.

Cooperation between the authorities in charge of the preparation of the Italy – Slovenia programme was constantly improving. In initial programming in 2000, Slovenian authorities played only a minor role, while their role and participation increased during reprogramming in 2004. Regional authorities in Italy have become an important means of introduction of cross-border cooperation on the regional and local level. It seems that the authorities from both countries communicate in less formal ways and also communicate more often.

Diagnosis of needs was done through the collection of project ideas from regional and local authorities, sectoral organisations, academic networks and similar bodies. In this way the programme was coherent with their needs, however, this has sometimes led to weaker coherence with INTERREG Communication and objectives as well as the neglect of the cross-border character. According to the Managing Authority
and Slovenian Intermediate Body, an informal network of the authorities and successful project partners has been formed: the project partners regularly check out the information on funding availability through direct contact with the authorities, and they present their experiences with the programme on the promotional workshops organised by the authorities before the calls for proposals.

**Public reputation**
The Italy – Slovenia programme has become widely recognised as a source of funding, mostly for local projects with a certain degree of cross-border character. It has greatly increased visibility of the EU and EU funding; people often do not recognise the programme as such and do not know its mechanisms and programming documents, however, they are aware of the EU funding and their wide accessibility for organisations with project ideas. The perception was slightly biased, though, on one hand the funding can be easily obtained as long as one has an atypical project idea and a project partner from the other side of the border and on the other hand the bureaucratic burden of project monitoring and reporting is so heavy that it rarely pays off to apply for funds\(^\text{16}\).

Overall, the programme is more recognised through its projects than as a programme as such, and the knowledge of its implementation mechanisms is quite basic. The programme was well presented on the website [http://www.interreg-it-si.org](http://www.interreg-it-si.org) as well as the websites of the Intermediate Bodies (regions and provinces in Italy, NARD in Slovenia), professional organisations such as Chambers of Commerce, but at the time of the programme implementation the internet did not reach a wider audience. Numerous projects, especially those that were implemented by educational organisations (e.g. universities), as well as Regional Development Centres have established websites with at least basic information on their projects which can still be accessed today\(^\text{17}\) and therefore provide a good insight into the programme implementation and the project success stories; this is important also because the share of internet users has increased and the information might be used for preparation for project proposals for the 2007 – 2013 period. The Catalogue of co-financed projects within the 2000-2006 period and documentary film were prepared.

The media frequently reported on the projects, but they mostly put the results of the projects or project partners in the limelight and the programme Italy – Slovenia itself is often rarely mentioned. The projects were well covered both by the newspapers and the television, especially the regional studios of the national TVs (TV RAI –Trieste branch and TV Koper – Capodistria) In Italy, the regional newsletter “Il Piccolo” covered the use of funding with articles on availability of funding and the conditions for applications as well as on individual projects.

In Slovenia, the regional newspaper “Primorske novice” as well as the national “Delo” reported on the programme and its objectives mostly after the promotional workshops and when large infrastructure projects of strategic importance were publicly presented, such as the joint planning of a railway corridor and the reconstruction of border crossings\(^\text{18}\). In the latter case, the information focused on the need for cross-border cooperation for projects of transnational importance. There was basically no critical reporting on the programme itself; however, there were general criticisms on the capacity and ability to use Structural Funds (also in presentations in local media, e.g. Municipality newsletters, TV Primorka in Slovenia).

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\(^\text{16}\) Personal comment from Irena Cunja, a journalist of Radio Slovenia – Radio Koper/Capodistria
\(^\text{18}\) Source: www.primorske.si, www.delo.si and Irena Cunja
4.1.2 Intermediate conclusions

The programme was systematically embedded in the regulatory framework.

The programme was implemented according to the letter of regulation and in general it could be said that it was implemented in the spirit of the political debate in 1999/2000. However, the cooperation between the authorities from both sides of the border was weak and this reflected in the results of the programme as well as mostly weak project partnerships. After the mid-term evaluation in 2004, the programme was largely changed and cooperation strengthened, both at programme and project level.

No direct interaction or coordination with other INTERREG programmes (e.g. other INTERREG IIIA programmes, ESPON or INTERACT) and some other Community Initiatives (e.g. URBAN) could be seen from the programme documents, and the interviews confirmed that there was no structured or organised coordination with the rest of the “World of INTERREG” at the level of the Managing Authority. Two activities might be taken as an exception to that: participation in some of the INTERACT activities and the establishment of consistent monitoring and control processes for all INTERREG IIIA programmes implemented in Slovenia by the National Agency for Regional Development (Managing Authority of SLO-HUN-CRO programme and Intermediate Body of IT-SL and AU-SL) in 2004. In addition, some of the major projects on joint spatial planning built on the ESPON results where the experience was shared with other programmes.

The possible barrier was self-sufficiency of the programme authorities which seemed to focus on the immediate results rather than long-term benefits for the cross-border region. The authorities involved in the programme preparation seem to have been understaffed, not in terms of number of people, but in terms of people who would be able to handle the programme preparation both in conceptual and organisational terms. The consequence was lack of synergies and complementarity between the INTERREG programmes.

No direct interaction or coordination with other INTERREG programmes (e.g. other INTERREG IIIA programmes, ESPON or INTERACT), any other Community Initiatives (e.g. URBAN), mainstream Structural Funds interventions or other EU funds (e.g. Rural Development Programmes) could be seen from the programme documents, and the interviews confirmed this. However, it must be noted that Slovenia was not eligible for some of these funding sources (e.g. LEADER) at the beginning of that programming period.

Other programmes and Community as well as national policies were analysed for potential complementarities and to ensure coherence, such as LEADER, EQUAL, Rural Development Programmes, Italian National Development Programme, Slovene National Development Plan etc. Possible barriers could be lack of understanding of the benefits the synergies between the programmes could bring, lack of foresight on consequences of double financing as well as dispersion of the Managing Authorities on the Italian side and inexperience on the Slovenian side. The consequences are quite weak and project results and funding of projects could have been funded from other sources, especially in the field of rural development.

The inter-institutional coordination was poor at the beginning, but has gradually improved over time, especially after significant changes in the programme in 2004 which were done jointly. Local authorities,
sectoral organisations, academic networks were consulted on the programme, but not systematically. However, they participate in the Monitoring Committee.

The Italy – Slovenia programme has become widely recognised as a source of funding, mostly for local projects with a certain degree of cross-border character. It has greatly increased visibility of the EU and EU funding; people usually do not recognise the programme as such and do not know its mechanisms and programming documents, however, they are aware of EU funding and their wide accessibility for organisations with project ideas. Overall, the perception is positive, though a myth has been created of a bureaucratic burden of project monitoring and reporting. The projects funded from the programme have reached a high visibility in the region and are widely recognised as “EU projects”, thus giving them also some sort of branding.

4.2 The intrinsic performance of the programme

4.2.1 The overall governance and management system of the programme

Funding

The overall public Programme financing was a bit more than 101.010.372,00 Euro. There were different rates of co-financing of the projects from Italy and Slovenia. In Italy, 46% of co-financing came from ERDF and 54% from national sources (out of which 60% from the State and 40 from the Regions and other public bodies). In 2000 – 2004, PHARE funding was used in Slovenia and contributed to an overall 75% of the co-financing, while since 2004 Slovenia too has used ERDF funding: 75% of co-financing came from ERDF, 20% national budget, 3% from local budget and 2% from other public institutions' sources. Although both sides used ERDF funds, these funds were still implemented through completely separate budgets. Consequently there were separate transfers of funds on both sides of the border. In Slovenia, the National Agency for Regional Development (NARD) pre-financed the projects both for the national and the ERDF share, while in Italy the funds were allocated after certification of expenditure. During their reprogramming phase, in 2004, it was estimated that approx. 25 million Euro would be activated by the private sector for interventions such as establishment of infrastructure, studies, and assistance to economic agents, innovative actions for labour market and economic stimulation and support to culture and communication.

Project selection process

In the period 2000 – 2004, projects in Italy were selected as defined in the Joint Programming Document on the basis of collection of project ideas and matching the programme objectives and regional needs, the so-called “regia regionale”. In the same period, in Slovenia the PHARE funding was distributed through public calls to 21 large projects that were in line with the INTERREG Programme and were supposed to have strong effects on the cross-border area, and through 3 Small Project Funds which had public calls for proposals for projects ranging in sizes from 10.000 to 50.000 Euro of co-funding. The 49 projects were approved and co-financed.

In 2004 the system changed on the basis of the mid-term evaluation which showed that the previous system of selection of projects was inefficient and did not have a strong cross-border impact. In Italy, the projects were selected either through “regia regionale” or through calls for proposals, while in Slovenia the projects were selected through calls for proposals only. An evaluation of project selection criteria can thus be made only for the period 2004-2006 on the basis of clear criteria for project selection
included in the CIP and PC. The project selection had two separate stages: pre-evaluation and joint selection. Projects were categorised into 3 categories:

- Joint projects: projects with joint Italian-Slovene management (preparation, presentation, implementation) of the project (highest level of cross-border cooperation),
- Mirror projects: are carried out separately but with co-ordinated and complementary activities. The project proposal submitted must be connected to another project already financed and completed or still under implementation (either with INTERREG funds or with other Community, national or regional funds) (medium level of cross-border cooperation),
- Cooperative projects: the minimum requirement is active cooperation/participation in the project and carrying out activities, as described in the partnership agreement (lowest level of cross-border cooperation).

The “Regia regionale” procedure was a specific selection criteria process. In this case, responsible regional authorities proposed a project of a regional institution and assured that the project costs and activities are complement with the programme. This procedure was implemented only in the Region of Friuli Venezia Giulia.

In case of joint calls for proposals in the 2004-2006 period, the partners had to “geographically split” the project and apply it on each side of the border and clearly note the category of the project and the link to the project proposal on the other side of the border. If one of the project parts (i.e. the “geographical” part of the project on one side of the border) was not selected, the entire project, i.e. both “geographically split” parts were rejected. The authorities from both sides of the border issued separate calls for proposals, but they have coordinated the content of the calls and the deadlines for application in order to enable such an approach. This approach greatly increased the level of cooperation, but did not enable the real Lead Partner Principle; only a “functional” Lead Partnership was established as the project partners cooperated, but in fact implemented the projects completely separately on each side of the border. Consequently, the quality and rate of implementation varied considerably on both sides of the border, especially as the partners could act quite independently in cases of changed circumstances.

The pre-evaluation was done by the Intermediate Bodies (IBs) with support of the Joint Technical Secretariat (JTS) and consisted of the examination of the administrative compliance, the assessment of the eligibility and project consistency with the CIP and PC, the environmental evaluation and the technical – economic evaluation (quality assessment). The projects that did not pass the administrative compliance and verification of eligibility and coherence with the programme, project quality, were rejected already in the Pre-selection phase. The pre-evaluation phase was highly consistent as the selection criteria were focused and the short list of indicators made the selection process very transparent.

The pre-evaluated project proposals were then forwarded together with the Pre-evaluation Reports to the Steering Committee (SC) which was in charge of the joint selection. The actual Selection Committee was composed of the JTS members from Slovenia and Italy. All members had long standing experience in the preparation of projects and project cycle management and were involved in the implementation of Interreg II A programme 1994-1999. Their average level of education was B.Sc. On the Slovenian side, all the members of the committee had knowledge of the Italian language so that linguistic barrier was
not a problem, although the interview with JTS revealed that communication was mainly in the English language.

Selection was based on the quality assessment in the Pre-evaluation Reports and the following criteria as defined in the PC: cross-border quality, impact on cross-border integration, environmental effect and equal opportunities. A detailed scoring system with a maximum of 100 points, including criteria for each measure, balanced among the selection criteria was defined in the PC. The scores were then converted into a ranking system with letters A, B and C, conversion depending also on the type of project (joint, mirror or cooperative) to help support the truly cross-border projects.

The selection process was of medium quality and sufficiency. The evaluation criteria were quite straightforward and clear and the process of selection clearly defined. There is sufficient variety of criteria that capture all the programme-relevant aspects of a project, but the number of impact criteria matched by a project can be hard to determine and can be under influence of personal criteria. Moreover, a high number of impact criteria can mean insufficient focus. Even if the selection is consistent, there is a lack of objective and priority criteria (used only in the case of equal scores). Moreover, it seems that they failed to capture the cross-border effect and sustainability well; 50 (i.e. half) points were allocated to project quality, 30 to cross-border quality and 20 to impact on cross-border integration. It is possible that the list of cross-border impact criteria for each measure actually blocked deeper analysis of the project effects as it enabled a “tick-the-box” approach, as this evaluation was based on number of impact criteria that were matched by a project (high impact: 5 or more impacts, medium impact: 3-4 impacts, low impacts – 1-2 impacts – thus it was quite easy to get quite a high score). Environmental and equal opportunities indicators (both valued neutral/positive/focused) were used only in case of equal score of a project. However, it is important to note that only 6% of projects, i.e. 22 out of 364 were classified as joint projects, but they involved 18% (169 out of 926) of the project partners and used 11% of the total volume of ERDF-funding allocation and 14% of the total cost volume of ERDF funding. Thus, it can be said that the joint projects managed to involve more partners from the programming region and were more successful at the use of allocated funds, this showing that stronger cooperation improves project implementation.

The Steering committee selected the projects on the basis of the scores and on the basis of evidence and scoring of partner projects (i.e. “geographically split” part of the same project). Because of the well-established “regia regionale” system on the Italian side quite a number of project partners as well as some representatives of the Slovenian authorities view the calls for proposals on the Italian side not as a competition striving for quality, but more of a formality through which projects matching the Slovenian ones are sought. Programme relevance of the project selection process can be estimated as sufficient. The programme objectives have been captured in the selection process, but high deviation of numbers of projects at measure level shows that a creation of criteria on a priority basis would be needed. With priority criteria, an equal selection of projects could be achieved, but on the other hand this might decrease the average project quality. No consistent data on share of approved projects compared to the total number of applications could be obtained, also because sometimes joint projects are earmarked as 2 separate projects. In the interviews, the beneficiaries complained that the entire selection process from the call deadline to the notification of results and the signing of the contract is too long. As a consequence the partnerships might weaken while waiting and some of the activities might be at risk due to the delay of their implementation.
Regarding comparison with INTERREG strand A in general, comparison with the horizontal analysis (Ex-post evaluation INTERREG III, Interim Report on task 2) shows that the Italy – Slovenia programme was evaluated as follows:

- The process of assessment is somewhat based on clear, listed criteria (weighted) and formalised in an assessment manual,
- Project selection is formalised and predictable to a small extent. The assessments undertaken by the JTS or expert appraisers are robust, such that the final decision of the Steering Committee tends to be an endorsement,
- it is true only to a very small extent that there is extensive information for applicants on the rules and scoring scale, the weight of each criterion are available which make the whole process transparent and allow applicants to have clear expectations,
- it is true only to a very small extent that partnership is an important aspect of the decision making process and there is wide participation, e.g. with voluntary, environmental, social and private sector representatives on Selection Committees.

**Calls for proposals**

The quality of the calls for proposals can be marked as appropriate; they were compliant with the Programme Complement and other regulatory frameworks. Calls for proposals were forecasted well in advance and once published widely publicised in the local, regional and national media, both on paper and electronically. The applications had to be submitted in paper and electronic form. The application package was quite easy to understand and transparent in terms of the selection process and criteria; moreover, the basic legislative framework was summarised and the responsible bodies were presented. However, the selection criteria could be more specified and an indicative list of eligible costs was not included (all eligible costs were presented in the “Guidelines for project submission”, ch. 8 application package for Slovenian calls for proposals).

The pre-designed application forms were logical, but in some cases (questions in chapter Additionality, complementarity and synergy) additional explanations would be needed (only the first and second public tender from 2004-2006 were checked). The application forms contained also questions on project compliance and integration into national, regional and local development policies and a short description of project compliance with Programme objectives and other Structural Funds was requested. The electronic forms were quite criticised by the applicants not in terms of clarity, but in terms of practical use: they were not adjusted to all types/ages of MS Office software and sometimes seemed to contain “bugs” which made copying and pasting, break into paragraphs etc. a bit difficult. However, on the basis of experience with each call for proposals, the MA and IB’s adjusted the procedures and improved the application forms to give more support to the project applicants in the phase of project preparation.

The communication with target groups was specified in the Communication Action Plan and Programming Complement (CIP). The established dissemination modes were very good. The Communication Plan contains a short overview of target groups, communication strategies, technical rules on information and publicity, instruments for communication, a financial plan and responsibilities for implementation of the plan. The advisory assistance provided by JTS to project applicants was oriented mainly into Information Desks, Website and Communication Campaigns. Information desks included one-to-one information at JTS and at the so-called Info Point level, located in the NARD’s Regional office in Štanjel. No special telephone helpdesk was established, but the Info Point served also as a telephone helpdesk. On the
website, a cross-border forum was established to inform potential applicants, but the number of posts shows that this instrument was not successful.

Communication campaigns involved mainly presentation meetings, information days and workshops, usually organised in different areas before public tenders and were organised in a coordinated manner on both sides of the border. Some of the former project beneficiaries/project partners were invited to present their experience both with applications and with project management. The interviews with project Functional Lead Partners revealed, that the assistance provided by the JTS was sufficient and regular, only that the received information (Communication campaigns) was too basic and usually focused only one main programme characteristic. Overall, the potential applicants were satisfied with the presentations, although some of them found that the differences between the 3 categories of projects are too fuzzy in some borderline cases. Some also expected very clear answers on very practical questions (e.g. is my suggested activity eligible), but often such answers cannot be given because much depends on the content and consistency of the entire project (workshops were organised, too for beneficiaries of approved projects with special attention to eligibility of costs, requirements regarding information and publicity rules, reporting requirements,…).

Programme Implementation Structures

The programme was implemented by structures that were established on the basis of the Regulation EC No. 1260/99 and was formalised through the JPD and the CIP that formed an agreement framework that considerably facilitated the joint programme management process. There is no specific inter-state agreement, but domestic law is used to conclude cross-border agreements. A Memorandum of Understanding was signed in December, 2004.

In the context of the Ex-post evaluation of INTERREG III, the programme is classified as one with a well-developed partnership, where representation of national, regional/local authorities, economic/social partners and existing cross-border structures is ensured, but with limited decision-making powers: National and regional/local authorities have voting rights, whereas cross-border structures, economic/social partners do not have voting rights. The overall programme management structure is not joint and is highly centralised: there is no joint Managing Authority, Paying Authority, or joint bank account. Administrative and financial management is delivered individually by state-level administrators that are supported by a Joint Technical Secretariat. The permanent structures of the Programme are without a legal basis and help co-operation on many themes and project level co-operation on specific topics. Programme management tasks were delivered only partly in a decentralised manner: in Italy, the programme was implemented by regional authorities, while in Slovenia it was implemented by a national authority, partly through its regional office. The difference in the administrative tiers between the countries did not cause problems at operational level, however, it had an impact on the project selection process through “regia regionale” on the Italian side where the same authorities functioned as Intermediate Body that pre-selected project proposals. Some of them were proposed by various sections or offices of these same authorities or institutions established by them (e.g. research institutes, advisory services etc.). The following table contains brief overview of the programme structures.
### Programme Management Structures of the Italy – Slovenia Programme

<table>
<thead>
<tr>
<th>Structure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Authority (MA)</td>
<td>Friuli-Venezia Giulia autonomous region - Regional Directorate for International Relations and Local Autonomies, Service for International Relations and European Integration, located in Trieste overall responsibility for managing the programme</td>
</tr>
<tr>
<td>Paying Authority (PA)</td>
<td>Friuli Venezia Giulia autonomous region - Regional Directorate for International Relations and Local Autonomies, Financial Service for Accountancy</td>
</tr>
<tr>
<td>Intermediate Bodies (IB)</td>
<td>IB in Friuli Venezia Giulia: Friuli Venezia Giulia autonomous region - Regional Directorate for International Relations and Local Autonomies, Service for International Relations and European Integration IB in Veneto: Region of Veneto - Directorate for Community Programmes</td>
</tr>
<tr>
<td>Intermediate Bodies (IB)</td>
<td>IB in Slovenia: National Agency for Regional Development (NARD) in Ljubljana, Štanjel Regional Office</td>
</tr>
<tr>
<td>National Authority (NA)</td>
<td>National Agency for Regional Development (NARD) in Ljubljana responsible for the programme implementation on the Slovene territory the national counterpart of the Managing and Paying Authority in the partner State</td>
</tr>
<tr>
<td>Joint Technical Secretariat (JTS)</td>
<td>Ad-hoc structure re-uniting private consultants, based in Trieste (IT), with relays working closely with the partner regions</td>
</tr>
<tr>
<td>Monitoring Committee (MC)</td>
<td>Representatives of both Member States, including national, regional and/or local representatives chosen by means of direct consultations between members of the Italian Regions and of the Republic of Slovenia: - representatives of the Authorities, - representatives of the social and economic partners, - representatives of the NGOs, - representatives of the environment and equal opportunities authorities The Commission participated in advisory capacity. The members of the MA were in general selected by respecting the principle of equal opportunities. Decisions were taken on an equity and unanimity basis, but only the representatives of national and regional authorities have voting rights.</td>
</tr>
<tr>
<td>Steering Committee (SC)</td>
<td>Representatives of both Member States, including national, regional or local representatives. Representatives of the Commission and of the EIB could participate as observers.</td>
</tr>
</tbody>
</table>

The Monitoring Committee worked on the basis of its own Rules of Procedure taking into account the institutional, legal and financial regulations of Italy, Slovenia and the EC. The Monitoring Committee performed the tasks according to Art. 35 EC RE n. 1260/99 and to art. 28 of C (2000) 1101 such as confirming or adjusting the PC, verification of the programme implementation and the achievement of the programme and measure objectives, consideration of the mid-term evaluation and the annual and final implementation reports, approval of the framework for the Joint Technical Secretariat’s tasks etc. It appears that the Monitoring Committee worked in a highly formalised manner. Interviews with the Programme Authorities showed that the Monitoring Committee was meeting regularly and performed its tasks as defined in CIP, but was not strong in terms of making its own proposals and/or influencing the decision-making process strongly. Although it had relatively strong formal powers, these were not used extensively. One possible reason is that voting powers were given only to the representatives of the national and regional authorities - the MC members (though not necessarily the same persons or sectors) that are involved also in the preparation and implementation programme and might therefore be more restrained from criticism, while NGO’s, social and economic partners would probably be more proactive and critical.

The Steering Committee worked on the basis of Communication C (2000) 1101 and was the working body of the programme, responsible for guidelines for the Managing Authority, implementation and control of the Programme. The Steering Committee could propose the criteria for evaluating and selecting the projects to be submitted to the Monitoring Committee, it ratified the operations for pre-evaluating projects carried out by the Intermediate Bodies and formally selected the projects for co-
funding on the basis of pre-selection process. In addition, it reviewed the annual reports and the mid-
term evaluation report to be forwarded to the Monitoring Committee and approved the calls for proposals
and selected the projects for co-financing.

The Managing Authority operated on the basis of the regulations of the Structural Funds, the Guidelines
for the Community Initiative INTERREG 2000-2006 and the Practical Guide for Preparing New, and
Amending Existing INTERREG III Community Initiative Programmes as a result of Enlargement. Although
they acted within the same authority, the Friuli – Venezia Giulia Autonomous Region, the Managing
Authority was completely separated from the Paying Authority as they were established within
completely different sections. The Managing Authority was the communication point with the European
Commission. In the interviews the Slovenian authorities expressed concern in this respect: as the Desk
Officer in charge of the Italy – Slovenia programme is Italian and in their view there might be bias from
the side of the Commission and lack of consideration of critical comments from the Slovenian side and
other stakeholders from the Programme area. During this ex-post evaluation we could not assess
whether this is true or not due to the lack of documentation on formal complaints/opinions, or whether
this is just a reflection of the persistent prejudices in the programme area. The interviews with the MA,
JTS, Slovenian authorities and project partners showed that the MA was quite detached from the
operational level and came into contact with the project partners and other stakeholders mostly only
through promotional activities and wrap-up activities of larger projects. As a result the stakeholders feel
that the MA was not in touch enough with the needs, capacity and opinions of the stakeholders of the
programme area and that only its consultation with the Steering Committee, Monitoring Committee, JTS
and participation at promotional activities was not sufficient to adjust the programme objectives and
implementation mechanisms to the needs and potentials of the programme area. However, the level of
cooperation is clearly improving and the MA views the implementation of the programme as a learning
process.

The Joint Technical Secretariat was established in Autumn 2003 to assist the MA, PA and IB’s during the
implementation of the programme. It was basically a unilateral, ad hoc structure located in Trieste at the
Regional Directorate for International Relations and Local Autonomies – Service for International
Relations and European Integration and was limited in language capabilities to support the
implementation on Slovenian side of the border. One JTS member was based at the IB in the Veneto
Region, and one Slovenian JTS member was an employee of NARD and based at the IB in Štanjel. The
key problem for establishment of a separate body and direct employment of people from both sides of
the border were administrative barriers for employment of foreigners. In the programming period 2007 –
2013 this problem has been partially solved and the JTS is now an independent unit employing a mixture
of people from both sides of the border. JTS assisted with operational management of the programmes,
technical aspects of calls for proposals and of their implementation and evaluation, promotional activities
and monitoring of project implementation, including support to the 2nd level financial control
coordination group. It was in charge of drawing up the annual reports and the programme
implementation reports (in both languages) and of managing independent tasks and services such as, for
example, interpreting, translation and evaluation services, including the organisation, the logistics and
the interpreting service for all common meetings and events. In addition, it worked as a secretariat for
the INTERREG III A Italy-Slovenia Monitoring Committee and Steering Committee, including the
preparation and dissemination of documents and of the minutes of the meetings in both languages. In
the interview, the Slovenian authorities complained of negligence of the language issue: at the meetings
of various committees or authorities the translation was sometimes not ensured or it was done ad-hoc by
some of the participants, and the translations of some of the documents (e.g. ex-post report) was of poor quality.

On a positive note, it is noticeable that the relationships between all the authorities involved in the programme cooperation have become more relaxed, less formal and more frequent. Throughout the programme implementation, cooperation has increased, e.g. of calls for proposals, information activities and promotional material, selection of the projects and exchange of experience on monitoring and financial aspects of implementation.

Financial management and monitoring of the programme
The Paying Authority was the Autonomous Region of Friuli Venezia Giulia which also represented the Programme to the Commission and carried out its tasks together with the other Programme partners. The functioning and the responsibility levels of all the partners to the Paying Authority were defined in the Memorandum of Understanding signed between the parties. In Slovenia, the NARD Financial Department was in charge of the verification of expenditures, currency conversions, claims to Payment Authority and, with the assistance of the Ministry of Finance, distribution of funds from the budget. In the Veneto Region, Veneto Region Accountancy and Taxes Directorate, took care of the financial implementation of the programme. In the interviews, the final beneficiaries said that they found the payment procedures a bit complicated and too long.

A single bank account could not be established, so the programme was financially implemented separately on both sides of the border. The procedures and the authorities responsible for financial implementation were defined in JPD, CIP, and Memorandum of Understanding signed by all the parties. Financial performance of the programme was monitored through the monitoring system of the MA in Italy and NARD in Slovenia. Rules on State Aid were strictly observed. The annual reports show that the monitoring of the implementation of the programme was ensured and appropriate actions were taken on time, both in terms of irregularities and the n+2 rule. In cases when irregularities were discovered with the first and second level control, recalculations of costs were done or, in more critical cases, the contracts were terminated and redistributed to other projects. Contracts were terminated with some projects also to ensure n+2 rule. In 2005, for example, 3,5 million Euro were taken from 2 large projects on integrated waste management selected through “regia regionale” and were allocated to 8 smaller projects. The n+2 rule was thus generally observed (only one exception). It seems that 2005 was the most critical year of programme financial implementation, possibly due to the accumulation of implementation lags from the initial years of the programme and stricter and more consistent control.

Examination of the ongoing performance was conducted separately on each side of the border. The Managing Authority has established a monitoring system for the Italian side of the border into which data on project performance were entered every 3 months. On the Slovenian side, NARD established its own monitoring system, ISARR, which included financial aspects of the projects. This enabled quick reaction in case of irregularities and/or danger to the n+2 rule. The ongoing performance was monitored in a coordinated way at regular meetings, so there was no risk of unplanned deviations. Both monitoring systems, however, failed to capture any other indicator than project-level, i.e. input and output indicators. The ISARR was initially designed to aggregate data from project level and produce impact indicators, but the system did not work and failed due to its complexity. The Italian monitoring system did not contain indicators beyond the project level.
The system of indicators envisaged in the CIP was inappropriate as some of them proved to be immeasurable or difficult to follow. As a result the indicators were later changed, but there is no information on their final values. In the annual reports, only the “physical performance indicators” were presented, which means that the expected and the actual number of projects being implemented that year within each measure was shown. It seems that the programme authorities failed to recognise the importance of the verifiable impact, context and typological indicators, and preferred to follow the project-level indicators because they are easy to measure and are illustrative. As a result it is impossible to evaluate the achievement of the objectives of the programme or the effectiveness on the level of priorities and measures; only overall financial effectiveness and effectiveness in terms of number of implemented projects and number of participating partners can be evaluated.

Evaluation system
Evaluation of the programme was done by ex-ante and mid-term evaluation of the JPD and ex-post evaluation of the CIP 2004 – 2006, as required by the Council Regulation (EC) No 1260/1999. In addition, to these evaluations, five thematic mid-term evaluations were done between 2004 and 2005 by external evaluators:

- thematic analysis of the Slovene component funded from PHARE Fund,
- evaluation of protection and enhancement of environmental resources funded by the Programme,
- Effectiveness of interventions eligible for funding for the construction of networks (material and other) to overcome the limitations in the cross-border area,
- Quality of partnership in the definition, design, presentation and implementation of interventions eligible for funding under the CIP INTERREG IIIA Italy – Slovenia,
- mapping of the results of Italian and Slovene projects funded by the programme.

No ad-hoc assessments, auto-evaluation, or innovative practices were performed. Only the results from the mid-term report were used and largely integrated in the “reprogramming” of the CIP in 2004, e.g. in terms of joint implementation, tendering procedures, Lead Partner Principle (largely resisted by the authorities, but then applied in the form of “functional” Lead Partner) etc. One of the reasons that the evaluations have limited effects might be the poor availability of the evaluation reports – either because of poor management or the language barrier. The ex-ante report is not available at all, the mid-term evaluation report and the five thematic reports are publicly available in the Italian language only and the ex-post evaluation report is available only in a draft Italian version. It is possible that the mid-term evaluation was effective also because it was performed by an international team which included also local experts who were able to review project documentation and communicate in Italian, Slovenian and English. According to the Slovenian authorities, for example, the ex-post evaluation was done by an expert team without Slovenian language skills and was therefore biased to documents and interviews in the Italian language, thus compromising the quality and relevance of results. On the basis of complaints, additional focus groups were organised in Slovenia and the report improved, but the final version is still not available and thus cannot be used for current programme implementation.

4.2.2 The Community added value and the sustainability / durability of the programme
The stability of the programme could be evaluated as medium-level: halfway through the project implementation, the extensive reprogramming was done. The reasons were partly external and partly internal: in 2004 Slovenia joined the EU and thus switched from PHARE to ERDF funds and application of the same Community regulations as in Italy, and the mid-term evaluation showed that extensive changes are needed to improve joint management of the programme, allocation of funds and control of
implementation. In the following years, there were minor financial adjustments as the funds released by poorly implemented projects through decrease of allocated funds or termination of contracts were redistributed, sometimes to different measures than previously planned. In this way, the observance of n+2 rule was ensured. As a result, a relatively high rate of financial implementation compared to other INTERREG programmes was achieved (87.21%), however leaving 6.224.555,00 Euro unused.

Within this ex-post evaluation 5 projects were surveyed, however, they were selected among the best ones and their number is too small to represent all the projects funded by the programme. The five project case studies show that sustainability is low: most of the projects finished when funding ended and only a few manage to remain sustained and further use the results. By far, the largest effect was networking and the exchange of information. The interviews with the beneficiaries and the authorities have shown that only a small share of the projects continue, either by obtaining funding from further CBC programmes or from other forms of Structural Funding or from other sources. Rarely the projects are further copied as best practice examples to other regions. Most of the projects were thus neither robust nor durable. The mid-term evaluations showed that overall the projects had low durability and effects. However, the key effect is that although they mostly failed to produce significant cross-border effects, the projects produced quite durable ties amongst project beneficiaries and their partners, and project partners are more likely to prepare another project and apply for funding. Some of the interviewees have pointed out that through cooperation on the project they have learned useful methods, approaches and skills and they use them in their present work. It is likely that the programme has had far more intangible effects than could be assessed by this evaluation.

Financial sustainability

The most financially successful were the cooperation between the organisations that produce direct effects for businesses and local economies, for example incubators, agricultural co-ops and such. In most of the projects these types of organisations have proven to be dynamic, creative and strongly networking with the partners and have created a sort of a bridge between the EU policy and their members and/or users. Moreover, such organisations have mostly existed before and just used the programme to fund additional or different activities than usually so, introducing approaches that are new to the region or parts of the region (e.g. technological park, eco-agriculture, certification of products etc.). Although it is impossible to measure the financial effect that the INTERREG funding had on these organisations, there is evidence that these organisations have been further financially successful either because of attracting new members and/or users to use their services and/or intensive use of project results to create new project ideas or by using the experience from their project to create new products for their members or new projects.

The least financially sustainable are the projects involving only research organisations and projects for provision of public services for environmental protection, such as waste water treatment and waste management. The projects involving research organisations may have finished with important results for basic science, but it might be impossible to produce useful and financially viable applications or develop them further. Moreover, it seems that these projects could attract national funding and there is a chance of double financing from national funds, too, for the same activity or part of it. However, it is impossible to assess the financial sustainability of these projects in the light of experience and project management skills gained by the institutions that will be further used for linking with the businesses and for using other co-financing sources. Environmental protection projects mostly involved studies related to feasibility and establishment of environmental infrastructure. Part of the reason for such projects to be
financially unsustainable is the fact that costs of establishing as well as operating the environmental infrastructure and the costs of environmental services are often poorly captured in costing their services for their users, also due to wide availability of state funding for such projects in the past. This fact and the fact that there are numerous actors involved (Public Utilities, concessionaries, local/regional authorities, inhabitants) might also be the reason for relatively poor overall performance of these projects. Funding for several such projects was either reduced or fully withdrawn as they failed to be implemented on time. Such projects also had low cross-border effects and could be probably better implemented as parts of large environmental infrastructure projects co-financed from the Cohesion Fund.

Community Added Value
The programme underperformed compared to the other Strand A programmes and has overall provided little community added value: mostly the Community Added Value was provided through the cooperation and networking and through transfer of skills related to EU policies and standards. 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 partnership despite different structures etc.),
- The socio-economic value added (mobilization of cross-border endogenous potentials, opening up of labour markets etc.).

The political value added can be assessed as high: the programme has largely helped to increase the visibility and awareness on Community policies and principles. Some of the principles were put in practice, most notably elimination of prejudices, equal opportunities and support to the minorities. Knowledge on the principles and objectives of EU funding were increased, although the programme itself is not widely known. While previous cross-border activities were mostly based on cultural exchange and scientific cooperation, supported by political cooperation activities, the INTERREG Programme has introduced wider opportunities for cooperation. As a result, extensive networks were established and skills and knowledge have been exchanged – on the Slovenian side most often on EU standards, policies and approaches to address certain issues, while on the Italian side most often on good practice cases established in the previous political system (e.g. agricultural advisory service).

The institutional value added can be assessed as low. The Lead Partner Principle was not applied and even so-called “joint projects” were not implemented jointly. Mirror projects have shown very clearly the impact of different administrative processes as projects have been often implemented differently (at least in timing) on both sides of the border. The administrative partnership has improved after the 2004 reprogramming and switch to ERDF Funds on both sides of the border, and significant improvement has been achieved in cooperation of the programme implementation structures (MA, JTS, IBs, MC, SC,...) but the programme itself did not offer innovative solutions or support to overcoming administrative differences. The Slovenian side of the programme felt that the programme was unevenly implemented because of the “regia regionale” system where the regional level in Italy often acted both as IB and as beneficiary. Overcoming the administrative barriers was left to the creativity of project partners and often prevented the implementation of the project according to the original project proposal. For example, in the project “Bio-agricultural Management and Control” the beneficiary gave up the idea of organising a joint training of Italian and Slovenian farmers as originally planned because it is administratively too difficult to handle the costs of the Slovenian participants, thus the training was done...
for Italian farmers only. However, to look on the bright side, the programme provided the opportunities for the experiences in which institutional differences (including different no. of administrative tiers in both countries) and administrative barriers were tested within a structured cooperation framework, so solutions for these will be sought in the future. In addition, flexibility of the institutions has probably slightly increased as they have learned different, possibly simpler approaches and systems of running and operating organisations and services, and different, more efficient and innovative uses of IT (e.g. in farm management) were observed. For certain the partners improved communication skills and responsiveness.

The socio-economic value added can also be assessed as low. Cross-border endogenous potentials were not mobilised and the labour market has not opened up, both because of administrative barriers (acknowledgement of degrees, specific job profiles etc.) and because of poor knowledge of the potential and poor language skills. There is increased cooperation, but mostly it remained on the level of exchange of experience and consultations on project ideas and innovative problem solving, not really on true cooperation and joint development of products and services. However, it would be interesting to observe the work and successes of the project partners in the future compared to similar organisations that did not participate in the INTERREG-funded projects. It is possible that gradually the networking effect will reflect on not only in improved products and services, but also in the provision of these products and services across the border. This process might not be fast enough to contribute to the achievement of INTERREG objectives as stated in the Commission Communication, but it is the beginning of progress made in that direction.

The programme has funded several projects that improved the dissemination of concepts of EU relevance through learning process and facilitated policy transfer, the VALO-PT project and the projects involving minorities being one of the best examples of that. Institutional adaptation was only a minor issue: many of the environmental projects were essentially projects focussing on institutional adaptation to changed environmental policies (e.g. wastewater management as adaptation to Water Framework Directive), but their success was relatively low.

4.2.3 Intermediate conclusions

The formal cooperation is deep, but the interviews showed that there is lack of everyday, informal communication and regular updates on a day-to-day basis.

Decision-making was done jointly at programme level and since 2004 also at the level of project selection. Implementation was not really managed jointly as the JTS was established in late 2003 and did not have a balanced representation from both sides of the border.

The monitoring and evaluation systems failed to capture the actual situation in the programme area and the effects of implemented projects. Monitoring data was gathered on a three-monthly basis from the beneficiaries, but it seems it was not used for measuring success or to obtain "early warning" on failures. The Slovenian monitoring system was too complex to be useful. Mid-term evaluation significantly improved the programme, while the ex-post evaluation seems to be biased on the Italian side, most likely because of availability of data and documents and the language used.

There was no joint financial management. However, with timely financial monitoring n+2 issues were largely avoided – there was only 1 case.
Prior to 2004 there was regional selection of projects on the Italian side, without the calls for proposals. The selection processes and criteria remain vague and it seems that the regional authorities (Intermediate Bodies) were very responsive to the needs of the provinces and municipalities, as well as some regional agencies/institutes. After 2004 transparency increased significantly, with coordinated calls for proposals and selection criteria.

The Community Added Value was quite low, mostly the cooperation added to the transmission of skills related to EU policies and standards.

There was a switch from ERDF/PHARE funding to pure ERDF funding with a major change in the programme and its implementation, which improved the programme implementation, also because it was to a large extent based on findings of the mid-term evaluation.

The projects had produced quite durable ties amongst project beneficiaries and their partners, however, they mostly failed to produce significant cross-border effects. By far the largest effect was networking and the exchange of information.

The most financially successful are the cooperation between the organisations that produce direct effects for businesses and local economies, for example incubators, agricultural co-ops and such. The least financially successful are the ones between research organisations and the ones for public services for environmental protection; often there is a chance of double financing from national funds as well, for the same activity or part of it.
5 Overall final conclusions and policy recommendations

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

The overall depth & intensity of strategic/programme-wide and project-level co-operation is not very strong in the programme Italy – Slovenia. The intensity is increasing gradually, from the joint meetings in the beginning to joint promotional activities since 2004 and the coordinated project selection process to joint calls for proposals for the 2007 – 2013 period. There is a general sense of dissent from the Slovenian side that they have not been heard enough and that a large share of money was spent without serious cross-border impact. From the Italian side, the cooperation is viewed as "as good as could be at that time". It seems that previous co-operation traditions have not influenced this overall depth & intensity of co-operation, partially due to the language barriers, and prejudices, but mostly due to complicated and diverse implementation structure (differences in system of selection of projects, their implementation and monitoring, as well as separate funding sources and payment systems). However, there were also several factors fostering the cooperation, such as involvement of the minorities and their organisations, previous cooperation of the neighbouring municipalities/schools/institutes and joint promotion of the programme after the 2004 reprogramming.

In relation to the "priority topics" as laid down in the INTERREG III Communication, the Italy – Slovenia programme concentrated on Promotion of urban, rural and coastal development; Cooperation on research, technological development, education, culture, communications, health and civil protection; Protection of the environment, energy efficiency and renewable sources of energy and Basic infrastructure of cross-border importance. Many of the projects that dealt with urban/rural development were focusing on spatial planning and territorial integration of the area, so numerous studies were funded. The projects dealing with sustainable rural development, agriculture and joint promotion of agricultural products and standards (e.g. VALO-PT) were among the most successful ones as they built on previous cooperation. As the private organisations were not eligible, the projects targeting SME development were only few and failed to really attract SME’s. The projects targeting labour market & human resources were only a few and mostly supported various studies, therefore their effect was insignificant. There was only a very small number of projects targeting transport, and the Rail intervention code was the most underrepresented one; mostly they dealt with cross-border transport infrastructure and not with public transport, e.g. cross-border integration of local bus services or similar. The projects dealing with the marine waterways were mostly implemented only on the Italian side of the border. Most of the projects in the field of environment dealt with waste management and waste water treatment; these were usually also the projects that assisted the project partners to meet their own needs (e.g. compliance to the upcoming legislation) and did not have significant cross-border effects.

At the strategic level as well as at project level, there was not much effect and the wider community added value is low since most of the projects were implemented predominantly on one side of the border and had little cross-border character and impact. The actual added value could be seen in the quite strong participation of the minorities and in the establishment of joint databases of environmental data which could, if maintained and managed properly, largely improve spatial planning and environmental management, including risk management. Joint implementation of the programme that would lead to
more effective territorial integration is hindered by different administrative and legal systems, both on the programme level and on the local level; the fact that at the beginning this programme was funded jointly by ERDF and PHARE further complicated its implementation. However, their awareness of EU policies and funding approaches has increased significantly and there is improvement in terms of networking and successful beneficiaries are “upgrading” the past projects into larger ones with more partners and more cross-border integration characters. The major benefit is also the transmission of knowledge of EU policies, approaches and good practices from the Italian side to Slovenian side of the border; this made the transition process smoother in the participating regions and made the potential beneficiaries ready for ERDF funding and rules much earlier.

When the Italy – Slovenia programme was compared to the other Strand A programmes, it could be noticed that the level of experience and the capacity to grasp the approach, the programming and project cycle management and to understand the objectives of Structural Funds are an important factor of success. This kind of knowledge and skills is higher in the Old Member states, leading also to higher success of the programme. This might be further supported by the rating of Saxony-Poland and Saxony-Czech Republic programmes in the light of the capacity of Saxony as a former GDR region. It will be interesting in the future to see the performance of the programmes on the new external borders or between new Member States, i.e. whether they will be able to catch up or even outperform the programmes between the EU15.

5.2 Short- and medium-term policy recommendations

Some of the weaknesses were already addressed in the provisions on the Territorial Co-operation Objective for the 2007-2013 period. Most noticeable are the joint calls for proposal and introduction of full Lead Partner Principle. In addition, the objectives and indicators are much better set and structured, but the link between the baseline analysis and objective-setting could still be stronger. Projects to be funded will have to be considerably stronger in their cross-border outreach, but there are some fears on the Slovenian side that for the strategic projects that are to be selected for funding directly at the programme level, the amount of funding will be much larger on the Italian side as the programme area has vastly expanded on the Italian side.

It is recommended that in the programme preparation phase, the baseline analysis of the programme area should be done jointly and by a team that shares the language skills of both/all languages spoken in the area. More care should be dedicated to “translation” of the results of the baseline analysis into the objectives, priorities and measures, and the potential beneficiaries should be consulted on the results and planned objectives. In this way designation of measures and activities for needs and/or beneficiaries that “do not exist” will be avoided.

Moreover, projects with strong potential for knock-on effect and copying of good practices should be strongly supported. The “1001 pond” project is now being copied to the Slovenia – Croatia programme area; it involved numerous local communities with an extensive number of participants, from school children to local craftsmen, so its socio-economic effects are likely to be higher than could be estimated just by using the indicators.

In addition, the projects to be supported should be larger in size and have stronger practical components, i.e. pure studies and research without practical implications should be avoided. In this way, serious applicants and strong partnerships will be stimulated that could lead to actual, tangible cross-
border effects. Simple monitoring mechanisms should be used instead of elaborate systems and vast quantities of data.

Lessons learned from the implementation of the programme with mixed funding sources (ERDF + some enlargement funding mechanism etc.) should be applied to other programmes that are being implemented along the EU external borders and much attention should be given to the capacity of the authorities as well as the potential beneficiaries and individuals living in the programme area.

Last, but not least, the evaluation should be on-going and performed by a team that shares the language skills of both/all languages spoken in the area. In this way all relevant documentation in all languages could be thoroughly revised and interviews with the MA, JTS and project beneficiaries will be easier to conduct and better at capturing all the opinions. Most important of all is to react immediately in an appropriate way to the findings of the evaluation and modify the programme and/or its implementation mechanisms accordingly, including the JTS and Intermediate Bodies if necessary. In this way it could happen that the cycle of programme changes will be shortened to 2 years; it is true that this could cause dissatisfaction amongst the potential beneficiaries, but on the other hand the changes – if needed - will be smaller than with just one mid-term evaluation, and the success will easily be larger.

5.3 Long-term policy recommendations

One of the key factors of success is to establish true joint preparation of programme documents and build trust amongst participating authorities. This means gradually establishing a pool of people with good communication and analytical skills that could work in bilingual environments, in a flexible way and that would find easily to work both formally and informally within a nationally mixed/international team. Second, planning should be done jointly, on the basis of joint analysis; the objectives, priorities and measures as well as selection criteria should be devised jointly and supported by stakeholder consultation processes on both sides of the border. It seems that a truly cross-border JTS that is capable to communicate, network and support the beneficiaries from both sides of the border is one of the keys to success. Here, work exchanges (e.g. a month spent working at another JTS) between the JTS’s of various programmes could substantially increase the capacity and flexibility of the JTS and add to the networking and exchange of experience on the European level. In the long term it is essential to establish a pool, not just a team of JTS’s in order to ensure sufficient capacity and flexibility of the programme management structures to respond rapidly to the situation in the programme area and the needs and/or requirements of the stakeholders.

Since the “translation” from the analysis results to the objectives setting seems to be particular problem, it would be wise to involve a third, neutral party – a skilled facilitator (person, team, group) that would assist the process, the options on how to do this being open (e.g. experts outsourced by the EC to assist several programming processes at the same time, experts outsourced regionally by MA). Currently it seems that the selection of projects based on calls for proposals gives better results than just decisions taken on the basis of perceived needs; however, with proper joint analysis and objective setting the needs would be jointly and more appropriately detected and therefore the joint direct selection of the projects would be possible and would be fair and corresponding to the needs of the programme area as well as to the programme objectives. It is recommended that the programme focuses on a few topics/priorities with a genuine cross-border / territorial character that could really bring some structural change in the programme area.
Territorial cooperation should be focused on regional stakeholders other than various authorities, therefore participation of private organisations and private funding should be allowed and the participation of local and/or regional authorities avoided or discouraged (in Italy – Slovenia, for example, many beneficiaries were the municipalities which used the INTERREG to fund compliance with environmental standards) and focus should be on “soft” activities with high potential for multiplication and high promotional impact among people (e.g. through local services, local economy and organisations). Moreover, the projects with high level of experimentation should be supported regardless of risk of failure, especially because of all the beneficial side effects like networking, increased skills and competitiveness. All of the above would greatly stimulate the beneficial effects and increase the added value from territorial co-operation in comparison to other Structural Funds programmes, as an improved exchange of information, improved language skills and sheer experiences within different environments, processes and legislation improve the capacity of all involved.

More attention should be paid to the language issue, ensuring that the projects and project partners are capable of dealing with all the languages of the programme area. This will also help at reporting moments and to eradicate misconceptions and prejudices.
ANNEX 1 The Real Rate: position of the Italy – Slovenia Programme and the cluster in the overall distribution

Key:
red cross: Italy-Slovenia programme (RR=32,91); yellow boxes: other programmes of the cluster
red box: average strand A (RR=72,03), red dot: average of the cluster (RR=56,21),
black line: median strand A (76,56), green boxes: 25th – 75th percentile
whiskers: 10th and 09th percentile
ANNEX 2 Project background information

Project study 1: 1001 Ponds – 1001 The story of life

**Date and time of Interview:** Thursday 13. 08. 2009 13:00-14:30 (via telephone).  
**Name of interviewee:** Mrs. Mirjam Gorkič (National Institute for Nature Protection – Regional Unit Nova Gorica / Zavod Republike Slovenije za varstvo narave, Območna enota Nova Gorica).

**General project information**

**Name of the project:** 1001 Ponds – 1001 The story of life.  
**Measure:** Measure 1.1 – Protection, preservation and development of the environment and the territory.  
**Priority topic(s):** Sustainable development of the cross-border area.  
**Duration:** 01. 06. 2005 – 15. 12. 2007.  
**Type of project according to COM Communication 28. April, 2000:** rehabilitation of public spaces including green areas  
**Intended results:** The project aims at the conservation and improvement of the pond network located on Karst and consequently the protection of the amphibians’ population, for it is one of the most threatened species in Europe.  
**Cost and co-funding:** total cost 297.642,00 EUR, ERDF cofinancing 222.080,25 EUR.  
**Lead partner and partners:**  
Zavod Republike Slovenije za varstvo narave, Območna enota Nova Gorica  
Delpinova 16, 5000 Nova Gorica, Slovenia  
Tel.: +386 (05) 330 5313, +386 (05) 330 5302  
Fax: +386 (05) 330 5310  
E-mail: zrsvn.oeng@zrsvn.si  
**Partners:** Comune / Občina Sgonico – Zgonik, Comune / Občina Monrupino – Repentabor, Associazione sportiva e culturale dei Corpi Forestali del Friuli Venezia Giulia – Tutori Stagni e Zone Umide / Športno in kulturno društvo Gozdarske straže Furlanijski Julijanski krajine – Varuhi kalov in mokrišč, Center za kartografijo favne in flore (Ljubljana), Razvojni center – Zavod za razvoj podeželja (Divača), Razvojno društvo “Pliska” (Dutovlje).

Project study 2: Artists from two Minorities

**Date and time of Interview:** Wednesday 19. 08. 2009 13:30-14:30 (via telephone).  
**Name of interviewee:** Mr. Igor Komel (Kulturni dom Gorizia).

**General project information**

**Name of the project:** Artists from two Minorities.  
**Measure:** Measure 4.1 – Special support to regions bordering candidate countries.  
**Priority topic(s):** Special support to regions bordering candidate countries.  
**Type of project according to COM Communication 28. April, 2000:** preservation and dissemination of culture  
**Intended results:** The project resulted in 10 traveling exhibitions (Goriza / Gorica, Nova Gorica, Udine / Videm, Trieste / Trst, Muggia /Milje, Roma / Rim, Koper-Capodistria / Koper, Piran-Pirano / Piran, Ljubljana, Portorož / Portorose).  
**Cost and co-funding:** Total cost: 27.778,00 EUR, contribution to the Kulturni dom 25.000,00 EUR, contribution to the 25.000,00 EUR.
Lead partner and partners:
Kulturni dom (Gorizia)
Via I. Brass 20
34170 GORIZIA, Italy
Tel.: +39 (04) 813 3288
Fax: +39 (04) 815 36014


Project study 3: Functional Adjustment of Fernetti Traffic Centre, in keeping with the new customs provisions, with special regard to the setting up of Fernetti – Sežana Logistic Platform at the time of Slovenian entry into the European Union (main works functional lot)

Date and time of Interview: Monday 24. 08. 2009 10:00-11:30 (via telephone).
Name of interviewee: Mrs. Marzia Ursini (Terminal intermodale Trieste – Fernetti).

General project information

Name of the project: Functional Adjustment of Fernetti Traffic Centre, in keeping with the new customs provisions, with special regard to the setting up of Fernetti – Sežana Logistic Platform at the time of Slovenian entry into the European Union (main works functional lot).

Measure: Measure 1.2 Development and strengthening of cross-border organisations, infrastructures and networks.

Priority topic(s): Sustainable development of the cross-border area.


Type of project according to COM Communication 28. April, 2000: support for business, commerce, cooperatives, mutual associations and services for SMEs; creation of business centres, technology transfer facilities.

Intended results: Creation of Fernetti – Sežana freight yard with two connected import-export sections in order to significantly reduce the operation time.

Cost and co-funding: 2.012.342,11 €, cofinancing entirely from the Italian funds (50% ERDF, 50% from the Friuli-Venezia Giulia Autonomous Region)

Lead partner and partners:
Terminal intermodale Trieste – Fernetti
Localitá Fernetti 34016 Monrupino (TS), Italy
Tel.: +39 40 219 9111
Fax: +39 40 219 9988
www.fernetti.it
e-mail: info@fernetti.it

Partners: BTC Terminal Sežana.

Project study 4: VALO-PT Development and enhancement of typical products in the cross-border area

Date and time of Interview: Tuesday 18. 08. 2009 09:00-10:00 (face-to-face interview).

Name of interviewee: Mrs. Darja Zadnik (Kmetijsko gozdarski zavod – Kmetijsko gozdarska zbornica Slovenije (Nova Gorica).

General project information

Name of the project: VALO-PT Development and enhancement of typical products in the cross-boreder area.

Measure: Measure 2.3 Cross-border cooperation in the primary sector.

Priority topic(s): Economic cooperation.


Type of project according to COM Communication 28. April, 2000: support for business, commerce, cooperatives, mutual associations and services for SMEs; creation of business centres, technology transfer facilities.
Intended results:
- for each area we select a strategy of typical agricultural products,
- produce technologies of production and processing of selected typical agricultural products,
- carried out the education of producers and processors of typical agricultural products, providers of typical dishes and potential users,
- issued the publication (book) and other promotional material (leaflets, brochures and posters), a joint website of the typical agricultural products and on the typical products made the whole area of marketing strategy,
- organized to train experts in the field of typical agricultural crops and products,
- organised and equipped info points of typical agricultural products,
- organized the exhibition and present the results of the project,
- qualitative definition of the results.

Cost and co-funding: Total cost: 644.787,00 EUR, Italy 327.000,00 EUR, Slovenia 317.787,00 EUR. The share of co-financing amounted to 95 %.

Lead partner and partners:
Kmetijsko gozdarski zavod – Kmetijsko gozdarska zbornica Slovenije (Nova Gorica) in Slovenia
Pri Hrastu 18, 5000 Nova Gorica, Slovenia
Tel.: +386 (05) 335 1200, +386 (05) 335 1260

Provincia / Pokrajina Gorizia in Italy
Via Vittorio Alfieri, 34
34170 Gorizia (Friuli-Venezia Giulia), Italy
Tel.: +39 (04) 8152 0504


Project study 5: Bio-agricultural management and control

Date and time of Interview: Friday 18. 09. 2009 14:00-15:00 (via telephone).

Name of interviewee: Mr. Paolo Iob (CEFAP – Centro per l’educazione e la formazione Agricola permanente, Codroipo).

General project information

Name of the project: Bio-agricultural management and control.

Measure: Measure 3.1 Human resources vocational training and re-training and innovative initiatives on the labour market.

Priority topic(s): Human resources, cooperation and systems harmonisation.


Type of project according to COM Communication 28. April, 2000: support for business, commerce, cooperatives, mutual associations and services for SMEs; creation of business centres, technology transfer facilities.

Intended results:
- Organisation of a training programme aimed at improving the professional skills of farming experts in supporting farms that adopt eco-compatible methods (with reference to integrated and organic agriculture), also through the creation of networks of Italian and Slovenian farms,
- bridging the gap between the farming, agricultural and food standards required by the EU in the framework of the enlargement,
- Increased use of IT for farm management.

Cost and co-funding: total cost 60.000,00 €, cofinancing entirely from Italy (50% ERDF, 50% from the Friuli-Venezia Giulia Autonomous Region)
Lead partner and partners:
CEFAP – Centro per l’educazione e la formazione Agricola permanente (Codroipo)
Via Zompicchia 10/1, I–33033 Codroipo (Udine), Italy
Tel.: +39 (04) 329 08397
Fax: +39 (04) 329 04278
info@cefap.fvg.it www.cefap.fvg.it

Partners: APROBIO – Associazione produttori biologici e biodinamici del Friuli Venezia Giulia / Zveza bioloških in biodinamičnih proizvajalcev Furlanije Julijske krajine (Codroipo), SDZPI – Slovenski Deželni Zavod za Poklicno izobraževanje / Istituto regionale slovno per l’istruzione professionale (Trieste), Istituto professionale di stato per l’agricoltura e l’ambiente / Državni poklicni zavod za kmetijstvo in okolje “Stefano Sabbatini” (Pozzuolo del Friuli), Consorzio promozione e sviluppo / Konzorcij za promocijo in razvoj (Udine), Azienda Agricola / Kmetija “Ermaçora” (Pavia di Udine), Azienda Agricola / Kmetija “Saccavini” (Remanzacco); Tehniški šolski center Nova Gorica – Srednja poklicna in tehniška kmetijsko – živilska šola (Šempeter pri Gorici), ZEKSP – Združenje Ekoloških Kmetov Severne Primorske (Tolmin).