**MC- WP - 2009 - 03**
**Document identification Page**

Meeting: Written Procedure – June 2009

Subject: Annual Implementation Report 2008

Decision related: Decision on approval of Annual Implementation Report 2008 (1.1.2008-31.12.2008) for INTERACT II Programme

Date of Issue: 15 June 2009

Date of Decision: 3 July 2009

**Explanatory note for the Members of the INTERACT II Monitoring Committee on the approval of Annual Implementation Report 2008**


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

This programme was submitted to the European Commission by the Federal Chancellery of the Republic of Austria on behalf of all EU Member States and subsequently approved on 4th December 2007 (decision C (2007) 5833). However, the Austrian Federal Chancellery resigned as Managing Authority in December 2007. The programme was therefore submitted for modification following the Monitoring Committee decision of 4th March 2008 to select the Bratislava Self-Governing Region as the new Managing Authority. This modification was approved by the EC on 20th June 2008, (K(2007)5833) with Programme No. CCI 2007 CB163 PO 015.

On behalf of the current chair of the INTERACT Monitoring Committee the Annual Implementation Report for 2008 is sent to you for approval in accordance with Article 67 of Regulation 1083/2006.

A draft decision is attached.

ANNUAL IMPLEMENTATION REPORT 2008


# INTERACT 2007-2013


Good Governance of Territorial Cooperation Programmes


Operational Programme

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


Programme No. CCI 2007 CB163 PO 015.

# INTERACT II - ANNUAL IMPLEMENTATION REPORT 2008

# Identification

| OPERATIONAL PROGRAMME | Objective concerned: European Territorial Cooperation |
| --- | --- |
| | Eligible area concerned: Article 6 pt. 3 lit. b of Regulation 1080/06 of the European Parliament and the Council |
| | Programming period: 2007-2013 |
| | Programme number (CCI No): CCI 2007 CB163 PO 015 |
| | Programme title: Interact 2007-2013 |
| ANNUAL IMPLEMENTATION REPORT | Reporting year: 2008 |
| | Date of approval of the annual report by the monitoring committee: 3 July 2009 |

# 1. Introduction

This report covers the activities of the INTERACT 2007-13 programme (INTERACT) taking place from 1.7.2008 to 31.12.2008, as well as some previous preparatory activities.

The implementation of INTERACT started after a transition period from 1.1.2008 to 30.6.2008. INTERACT Operational Programme (OP) was originally drafted and submitted to the European Commission by the INTERACT I Managing Authority, the Federal Chancellery of the Republic of Austria on behalf of all EU Member States. Following the INTERACT I Managing Authority´s decision to step down and the Monitoring Committee (MC) decision of 4 March 2008 to select the Bratislava Self-governing Region as the new Managing Authority (MA) the programme, INTERACT had to be modified and re-approved. Continuity of service delivery during the first half of 2008 was however made possible through INTERACT I, which financed the continuance of the INTERACT Points (IPs) and Secretariat (IS) activities. The European Commission (EC) and the Member States participating in the programme strongly supported this transition.

Even in the period subject of this report, INTERACT staff had to invest many energies in re-establishing the delivery structures, hiring new staff and coordinating with the new Managing Authority. Many efforts were made by the existing and new staff of the Points and of the Secretariat to support this joint learning process. Only part of the activities related to the programme set-up could be finalized in this period (e.g. the communication plan), while others will be finalized during 2009 (e.g. description of the management and control systems).

In line with its mission, INTERACT activities of this reporting period focused on good governance for European Territorial Cooperation programmes, as well as IPA CBC with Member State participation. INTERACT could capitalise on the significant existing expertise in the fields of regional development, cross-border cooperation, transnational cooperation, inter-regional cooperation and network programmes developed through the INTERACT I, INTERREG III, and neighbourhood programmes with the EU Member States. The ultimate purpose of INTERACT activities is to provide support to the stakeholders to implement European Territorial Cooperation programmes more effectively and efficiently.

To achieve this, INTERACT activities have to be focused on the real needs of its target groups, stakeholders of the European Territorial Cooperation programmes, such as Managing Authorities, Joint Technical Secretariat (JTS), Certifying Authorities and Audit Authorities, as well as national-regional institutions concerned. For this reason the programme has based its activities and strategic orientation on the inputs and needs expressed by the members of the networks established at regional (regional networks), programme (thematic networks) and European level (Monitoring Committee, European Commission services, National Contact Persons).

INTERACT services and activities are developed in a continuous exchange and mutual information flow with the European Territorial Cooperation stakeholders, structured in formal and informal networks. INTERACT collects and manages information, by means of networks such as:

- The representatives of the countries represented in the INTERACT Monitoring Committee who provide advice and strategic guidance.
- The National Contact Persons network, which informally discusses the general challenges of territorial cooperation.
- The INTERACT thematic networks and groups established, focusing on specific themes in territorial cooperation, e.g. financial management, communication, evaluation etc.
- The regional networks, where programmes meet to discuss and develop action plans on specific issues with the INTERACT Points.

The success and relevance of the guidance provided by INTERACT directly depend on the inputs provided by the members of these networks and our target groups in general. European Territorial Cooperation can create additional demands on management due to the multinational environment. The exchange of good practice and the management of the knowledge created is therefore a key to success and lies at the heart of all INTERACT services. This is a mutual benefit: INTERACT builds its content on the target groups' knowledge, and these groups benefit from knowledge from other parts of the network.

At the same time, expertise is provided by European Territorial Cooperation programme managers also outside these networks e.g. in the case of ad hoc services on a very specific issue. INTERACT has

created an internal pool of INTERREG III experts, who have experience in the field of programme management.

The main focus of the activities was on:

- Generating new knowledge and facilitating the exchange of know-how among the stakeholders of the INTERACT target groups, specifically through seminar activities, the networks established, online dissemination tools and written guidance.
- Contributing to the increase of efficiency and effectiveness of the programmes, specifically through the expertise provided through seminar activities and written guidance, as well as the expert networks established.

In this reporting period, the INTERREG III programmes started the closure process while at the same time all European Territorial Cooperation programmes launched full activities. INTERACT services aimed at supporting the programmes in the challenges they had to face and at responding to the needs they expressed, focusing especially on:

- Financial requirements connected to programme closure.
- Financial and new regulatory requirements, especially connected to the increased requirements e.g. in financial control.
- Programme management in the starting phase, especially the greater strategic orientation and focus on Lisbon and Gothenburg agendas of the programmes, but also in the set-up of the programme structures and procedures.
- Capitalisation on INTERREG III, visibility and knowledge management.

The INTERACT Points had to respond also to additional specific requests of programmes:

- Involving Candidate and Potential Candidate Countries (IPA CBC with Member States participation for INTERACT Point Vienna).
- New Member States (all Points).
- ENPI cooperation with Member States (INTERACT Point Turku).
- Transnational programme specificities (INTERACT Point Viborg).
- The Mediterranean dimension (INTERACT Point Valencia).

In this period, the INTERACT Secretariat focused its activities on:

- Supporting and coordinating the Points.
- Supporting the new Managing Authority.
- Setting-up a communication plan and strategy.
- Setting-up the quality management system.
- Starting the knowledge management activities.

The Managing Authority, on the other hand, had also to establish its operative structures, set responsibilities and tasks, and organise and streamline the internal procedures, in order to assure smooth implementation of the above mentioned activities.

As mentioned in the OP, the INTERACT Programme consists of two priorities: service development and delivery and the Technical Assistance. In the next sections, the implementation of both priorities will be analysed; service delivery in section 3 and Technical Assistance in section 4. However, for logical sequence reasons, the activities of the structures of the Programme will be mentioned in section 3 as well, even if they are financed under the Technical Assistance.

# 2. Overview of the Implementation of the Operational Programme

## 2.1 Achievement and analysis of the progress

The delivery of activities in the second half of 2008 covered most of the types -interventions- foreseen in the OP. As will be visible in the table below, Information Resources (Knowledge base documents and tools), Coordination (Network Coordination and exchange and transfer), Dissemination and Publicity and Quality Management started already in this period. Please find below the indicators table corresponding to the number of actions carried out in 2008 (column "2008") and the total expected for the whole period (last column). More details on the contents will be described in section 3.1.3 onwards.

### 2.1.1 Information on the physical progress of the Operational Programme

No quantifiable indicators have been mentioned at programme level in the Operational Programme. Quantifiable indicators have only been defined at priority levels which are presented in details under Chapter 3.

*Table 1: Information on the physical progress of the operational programme level*

| INDICATORS | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Knowledge base** | | | | | | | | | | | |
| Indicator 1: Studies | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 24 |
| | Baseline | | | | | | | | | | |
| Indicator 2: Surveys | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 48 |
| | Baseline | | | | | | | | | | |
| Indicator 3: Material sets | Achievement | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 360 |
| | Baseline | | | | | | | | | | |
| Indicator 4: Web resources | Achievement | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 9 |
| | Baseline | | | | | | | | | | |
| Indicator 5: General Information services | Achievement | 0 | 207 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1800 |
| | Baseline | | | | | | | | | | |
| Indicator 6: Technical dossiers on good governance | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 12 |
| | Baseline | | | | | | | | | | |
| **Tools** | | | | | | | | | | | |
| Indicator 7: Refined and updated tools | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 30 |
| | Baseline | | | | | | | | | | |
| Indicator 8: New tools developed | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 30 |
| | Baseline | | | | | | | | | | |
| **Network Coordination** | | | | | | | | | | | |
| Indicator 9: Two tier network set-up and coordination | Achievement | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1 |
| | Baseline | | | | | | | | | | |
| Indicator 10: Enhancement and maintenance of | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 12 |
| | Baseline | | | | | | | | | | |

external networking | | | | | | | | | | |

## Exchange and Transfer

| Indicator 11: Seminars and workshops | Achievement | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 240 |
| | Baseline | | | | | | | | | | |
| Indicator 12: E-Workshops | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 14 |
| | Baseline | | | | | | | | | | |
| Indicator 13: Advisory services | Achievement | 0 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 180 |
| | Baseline | | | | | | | | | | |
| Indicator 14: Thematic networks | Achievement | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 24 |
| | Baseline | | | | | | | | | | |
| Indicator 15: Framework for laboratory groups and pilot networks | Achievement | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 12 |
| | Baseline | | | | | | | | | | |
| Indicator 16: Conferences | Achievement | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 10 |
| | Baseline | | | | | | | | | | |

## Dissemination and Publicity

| Indicator 17: Web Portal | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1 |
| | Baseline | | | | | | | | | | |
| Indicator 18: Newsletter | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 24 |
| | Baseline | | | | | | | | | | |
| Indicator 19: Promotional activities | Achievement | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 500 |
| | Baseline | | | | | | | | | | |

## Quality management

| Indicator 20: CooG and other permanent work groups set up and meeting regularly | Achievement | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 24 |
| | Baseline | | | | | | | | | | |
| Indicator 21: Quality Assurance Manager employed | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1 |
| | Baseline | | | | | | | | | | |
| Indicator 22: Manuals describing standardised core processes | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 4 |
| | Baseline | | | | | | | | | | |
| Indicator 23: A certification scheme for contributors (thematic or pilot networks) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1 |
| | Baseline | | | | | | | | | | |
| Indicator 24: Staff trainings | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 6 |
| | Baseline | | | | | | | | | | |
| Indicator 25: Focus groups with stakeholders | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 6 |
| | Baseline | | | | | | | | | | |

## Technical Assistance

| Indicator 26: All units of the managing system set up | Achievement | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | 5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 5 |
| | Baseline | | | | | | | | | | |
| Indicator 27: Key committees meeting regularly | Achievement | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | 18 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 18 |
| | Baseline | | | | | | | | | | |
| Indicator 28: Programme documents delivered in time | Achievement | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | 8 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 8 |
| | Baseline | | | | | | | | | | |
| Indicator 29: Strategies and reports approved | Achievement | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Target | N/A | 7 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 7 |
| | Baseline | | | | | | | | | | |

## 2.1.2 Financial information

The financial tables refer only to the certified expenditures. These were not requested for reimbursements in 2008.

*Table 2: Financial Information. Priority axis by source of funding*

| | Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority | Corresponding public contribution | Private expenditure | Expenditure paid by the body responsible for making payments to the beneficiaries | Total payments received from the Commission |
|---|---|---|---|---|---|
| Priority Axis 1: **Service Development and Delivery;** **ERDF, public funding** | 0 | 0 | 0 | 0 | 0 |
| Priority Axis 2: **Technical Assistance ERDF, public funding** | 0 | 0 | 0 | 0 | 0 |
| **Grand Total** | 0 | 0 | 0 | 0 | 0 |
| **Total in transitional regions in the grand total** | 0 | 0 | 0 | 0 | 0 |
| **Total in non-transitional regions in the grand total** | 0 | 0 | 0 | 0 | 0 |
| **ESF type expenditure in the grand total where the Operational Programme is co- financed by the ERDF** | 0 | 0 | 0 | 0 | 0 |
| **ERDF type expenditure in the grand total where the Operational Programme is co- financed by the ESF** | 0 | 0 | 0 | 0 | 0 |

In 2008 advance payments totalling 1 713 912.26 EUR were paid to the programme. This amount represents 5% of the total commitment. The total advance payments paid by the Certifying Authority (CA) to the beneficiaries in 2008 amount to 1 700 340 EUR. The first requests for reimbursement were sent to the MA in 2009 (covering the period up to the end of 2008). They represent a total volume of 1 180 423.50 including MA/IS.

*Table 3: Overview of the advance payments of the European Commission*

| | ERDF | % | Date of receipt |
|---|---|---|---|
| Received advance payments on account in Austria CA (1. tranche) | 680 670,24 | 2% | 14.12.2007 |
| Received advance payments on account in Austria CA (2. tranche) | 1 021 005,36 | 3% | 18.06.2008 |

| The total amount of the advance payment to the account of CA in the Slovak Republic | 1 713 912,36 | 5% | 17.07.2008 |
|---|---|---|---|

The total amount of the advance payments from the ERDF European Commission in 2008 amounts to 1 713 912.36 EUR. This amount was transferred from the account of the Certifying Authority in Austria.

*Table 4: National contributions from participating countries*

| National contributions from participating countries | | | | |
|---|---|---|---|---|
| Nr. | Member State | Total allocation | Received in 2008 | % |
| 1 | Estonia | 34 625,00 | 9 892,86 | 28,57% |
| 2 | Ireland | 68 345,00 | 11 927,00 | 17,45% |
| 3 | Bulgaria | 141 428,00 | 40 408,00 | 28,57% |
| 4 | Sweden | 206 207,00 | 58 916,28 | 28,57% |
| 5 | Denmark | 83 246,00 | 83 246,00 | 100,00% |
| 6 | Finland | 65 014,00 | 18 575,43 | 28,57% |
| 7 | Cyprus | 21 865,00 | 21 865,00 | 100,00% |
| 8 | Austria | 206 596,00 | 70 568,95 | 34,16% |
| 9 | Romania | 304 379,00 | 85 861,00 | 28,21% |
| 10 | Poland | 449 376,00 | 128 394,00 | 28,57% |
| 11 | Belgium | 156 398,00 | 31 152,23 | 19,92% |
| 12 | Lithuania | 68 696,00 | 9 814,00 | 14,29% |
| 13 | Latvia | 49 412,00 | 14 118,00 | 28,57% |
| 14 | France | 691 447,00 | 197 556,28 | 28,57% |
| 15 | Slovakia | 176 308,00 | 50 374,00 | 28,57% |
| 16 | Switzerland | 58 140,00 | 16 610,00 | 28,57% |
| 17 | Hungary | 292 199,00 | 83 486,00 | 28,57% |
| 18 | Malta | 11 630,00 | 1 661,00 | 14,28% |
| 19 | Luxembourg | 11 906,00 | 3 401,71 | 28,57% |
| 20 | Czech Republic | 313 178,00 | 0 | 0,00% |
| 21 | Italy | 631 669,00 | 0 | 0,00% |
| 22 | Slovenia | 83 931,00 | 0 | 0,00% |
| 23 | Greece | 162 226,00 | 0 | 0,00% |
| 24 | Spain | 360 609,00 | 0 | 0,00% |
| 25 | Netherlands | 198 729,00 | 0 | 0,00% |
| 26 | Portugal | 79 084,00 | 0 | 0,00% |
| 27 | United Kingdom | 452 842,00 | 0 | 0,00% |
| 28 | Germany | 0,00 | 0 | 0,00% |
| TOTAL | | 5 379 485,00 | 937 827,74 | TOTAL |

During 2008 the member states sent to the account of the CA contributions totalling 921 217, 74EUR. The total amount (including Switzerland) for the operational programme amounts to 937 827.74 EUR. (8/12/2008).
The MA requested Norway to contribute to the programme and sent the official letter, including the Declaration for the non EU state, on 5 November 2008.

## 2.1.3 Information about the breakdown of use of the Funds

*Table 5: Cumulative breakdown of allocations of the Community contribution by category*

| Combination of codes of dimension 1 to 5 | | | | | |
|---|---|---|---|---|---|
| Code* Dimension 1 Priority theme | Code* Dimension 2 Form of finance | Code* Dimension 3 Territory | Code* Dimension 4 Economic activity | Code* Dimension 5 Location | Amount* |
| 81 | 01 | 00 | - | Transnational Interregional Cross-border | 31.991.501 |
| | | | - | Transnational | 2.042.011 |

| 85 | | | | Interregional Cross-border | |
|---|---|---|---|---|---|
| | | | | Total | 34.033.512 |

*Table 6: Indicative breakdown of the Community contribution by category in the operational programme*

| Dimension 1 Priority theme | | Dimension 2 Form of finance | | Dimension 3 Territory | |
|---|---|---|---|---|---|
| Code* | Amount** in € | Code* | Amount**€ | Code* | Amount**€ |
| 81 | 31.991.501 | 01 | 34.033.512 | 00 | 34.033.512 |
| 85 | 2.042.011 | | | | |
| Total | 34.033.512 | Total | 34.033.512 | | 34.033.512 |

 \* The categories should be coded for each dimension using the standard classification.
** Estimated amount of the Community contribution for each category.

## 2.1.4 Assistance by target groups

All programme actions have been targeted at the groups outlined in the Operational Programme.
The first requests for reimbursement are expected for 2009.

## 2.1.5  Assistance repaid or re-used

As far as the use made of assistance repaid or re -used following cancellation of assistance as referred to in Art. 57 and 98(2) of Reg. (EC) No 1083/2006, no reporting can be provided for the year 2008. During this period no irregularity at the MA/IS, CA, AA and IPs has been identified.

## 2.1.6  Qualitative analysis

Certainly, the relocation of the programme authorities created challenges for everyone involved in implementation and this is reflected in both the performance indicators and the rate of financial absorption for 2008. Nevertheless, given the unusual circumstances involved, performance against targets can only be summarised as satisfactory. As such, the transition of programme management authorities was completed without an interruption of support to programme beneficiaries and the beneficiaries continued to implement the programme throughout the whole period.

The second half of 2008 was a period of stabilisation for the new programme authorities and for programme systems and procedures. On the one hand this meant that cash flows to beneficiaries (the claims procedure) were not fully developed until later in the year. This is reflected in the fact that INTERACT Points therefore favoured short-term and low-cost responses because of the limited funds available to them through the advance payments. As such performance against event delivery targets is generally good (bearing in mind that achievement levels only reflect 6 months' of implementation rather than a full year). Performance, on the other hand, is weaker on the delivery of more major projects (especially documentation) requiring a longer-term commitment of resources.

Similarly, performance on management tasks reveals two separate trends. Targets for establishing programme structures have now been met but this of course had to be done at a time when it was expected that the programme would be in full implementation. As a result, time was not always available for some of the regular tasks assigned to the programme secretariat in particular and this is the reason that performance against some publicity and quality management indicators is lagging.

The full mechanism for assessing the quality of these actions was not yet in place by the end of 2008. As such we must still rely on the reports of the INTERACT Points (covered in more detail later in this

report) and informal feedback. Comments from these two sources suggest that activities were well-targeted on the most important needs during 2008 and that the services delivered were high quality and appropriate to the challenges being faced by the programmes. For the 2009 report we will be able to supplement this information with detailed feedback from quality assessment and management activities.

As ever, the INTERACT contribution to the Lisbon process is indirect. The INTERACT target group (European Territorial Cooperation programmes), is expected to contribute to the Lisbon and Gothenburg strategies. INTERACT has facilitated this process by offering support on management issues and as such hopefully freeing programme resources for content related tasks. Furthermore, the requirement for a stronger strategic approach means, in practice that programmes have to:

- Raise the strategic orientation and the quality of their projects.
- Focus on main themes of cooperation (both in transnational and cross-border cooperation), with important implications for project generation, quality assessment, indicators, and project selection.
- Capture INTERREG III project results to carry forward into the new programmes.
- Establish synergies between European Territorial Cooperation and national and regional programmes such as the "Regions for Economic Change" initiative.

INTERACT has also provided a number of services in 2008 directly targeting this strategic dimension in all phases of the programme management, from the establishment of the programme structures, projects generation / assessment to monitoring and evaluation of the results.

To this purpose, INTERACT activities addressed to the target groups were focused on:

- Strategic project management.
- Good financial governance.
- The establishment of an efficient knowledge management tool (KEEP initiative), which can capture the project and programme results, potentially increasing their visibility and possibly ensuring synergies between programmes, strands and objectives of the cohesion policy.

## 2.2 Information about compliance with Community law

No significant problems relating to compliance with Community law have been encountered in the implementation of the operational programme during 2008.

## 2.3 Significant problems encountered and measures taken to overcome them

The first and most significant problem for the starting-up of the programme was the delays in the approval and the designation of a new Managing Authority. These two elements have caused the programme to start the implementation of the activities only in July 2008. To neutralize this fact, all INTERACT structures are speeding up activities in late 2008.

In addition, some governance elements can be mentioned in this section. One clear lesson of INTERACT I was the need to ensure that Member States are actively involved not just in the management of the programme but also in deciding its priorities and strategic direction. Clearly, the Monitoring Committee is the most important body in this process but although the first Monitoring Committee of INTERACT II included representatives of all participating countries (as the whole structure of the programme was agreed during this meeting), subsequent meetings have been less representative.
One suggestion discussed has been to hold only one meeting per year but in the rapidly changing operational environment at the current time, this would mean that committee members were not consulted frequently enough about newly arising challenges.
Focus has instead been put on the National Contact Persons meetings -before or after the Committee – where members have a chance to discuss in detail the content of INTERACT activities and provide guidance on strategic issues. This additional meeting would highlight the essential role of the Member States in the programme. Programme authorities will also take steps to improve the quality of

preparation and documentation of these meetings in order to provide members with a clearer picture of the issues to be discussed and the important decisions to be taken.

The problems reported within the programme implementation in 2008 are as follows:

1. Audit compliance assessment process

    The MA was not in the position to proceed with the description of the management and control systems of the programme immediately after the taking over the programme management in March 2008 due to the fact that the Ministry of Finance (MFSR), as the Certifying and Audit Authority, insisted that the programme management has to be covered by the governmental resolution prior the implementation commencement. As a result the MA was obliged to prepare the complete packs of the supporting documentation for the Government:  a) System of INTERACT II Management including bodies involved - accepted by the Government Resolution No. 283/2008 on 7 May 2008; b) the Management and Implementation System of the Operational Programme INTERACT 2007 – 2013, version 1.0, approved by the Slovak government by the Government resolution No. 672/2008 on 1st October 2008 including the financial management provisions.
    This process represents a specific requirement of the MFSR; this approach is new in comparison with the previous programming period. Concentration of the MA on this additional and unexpected demanding administrative task caused a lack of human and time resources necessary for preparation of vital documents for the programme (Subsidy Contracts, Membership Agreements, transfer of the IS from Vienna to Bratislava, service contracts preparation, public procurement tasks etc.).

    The abovementioned two Governmental resolutions were a basic precondition for organising the audit compliance kick off meeting on 10 October 2008 - (auditing company – Deloitte, s.r.o. Slovakia).
    • Audit compliance carried out from 10 October – 3 November 2008.
    • Final report submitted to the MA by Deloitte Slovakia - 18 November 2008
    • AA informed EC about the audit report with reservations towards the MA and the AA on 4 December 2008
    • Information from the Audit compliance assessment provided to the MC members at the MC session in Ljubljana (21 November 2008).
    • Preparation of updated audit assessment documents for the AA:
        ▪ Description of Management and Control System prepared by the MA including information on control system used in the hosting institutions of relevant IP hosting countries.
        ▪ Internal Manual of Procedures of MA/IS.
        ▪ Audit Trail.
    The updated audit assessment documents were submitted to the AA on 29 December 2008.

Although the MA was prepared to start cooperation with the Audit Authority immediately after the Government Resolution dated 7 May 2008 came into effect, the response time of the Audit Authority and the lack of their prompt intervention was a cause of a significant delay.

2. Staff changes:
    • The structure of the IS was changed – the Position of the Deputy Head of IS was cancelled due to the fact that part of his duties was transferred to the MA

3. Liquidity problems
    • Advance payment for Managing Authority/Secretariat
      As the CA was not in the position to approve the advance payment for the MA/IS immediately after the programme approval by the EC on 20 June 2008, the first funds for the management and the IS activities were transferred to the MA account on 18 August 2008.
      This certainly influenced tendering procedures for the IS activities as well as the payment policy of the MA towards the IS.
    • Advance payments for INTERACT Points
      Respecting the Subsidy Contract, the advance payment has been transferred to the IPs within the 30 day limit.

## 2.4 Changes in the context of the operational programme implementation

There is nothing to report for 2008 due to the early stage of programme implementation. The MA/IS started to consider possibilities to overcome the commencing financial crisis and its impact on the economies and its consequences    on the programme. The concrete measure/s will be further elaborated within the programme implementation in 2009.

## 2.5 Substantial modification under Article 57 of Regulation (EC) No 1083/2006

There is nothing to report for 2008 due to the early stage of programme implementation.

## 2.6 Complementarity with other instruments

One of the main objectives of the programme is to establish links between European Territorial Cooperation and related initiatives. All parts of the programme are involved in on-going initiatives in this area. The European Neighbourhood/Partnership Instrument (ENPI) deserves particular mention. The CBC component covers the borders between the European Union, the ENP countries and Russia, and is implemented under the shared responsibility of DG External Relations and DG Europe Aid. These programmes are implemented following the rules set out in the ENPI regulation and in the relevant Commission CBC implementing regulation.

Aiming at the best possible use of resources and a harmonization of operational and structural features for managing territorial cooperation between INTERREG and ENPI, DG External Relations and DG Europe Aid provided funding for INTERACT II for services to be delivered to ENPI partners. This was ensured by a mutual agreement between DG External Relations/DG Europe Aid and the Managing Authority of INTERACT II. The resources allowed for establishing ENPI structures which were linked to the INTERACT structures and communication flows with INTERACT acting in a complementary but distinct way as far as the legal, administrative and financial framework for services provided in regard to the ENPI/CBC component is concerned.

Additionally as a part of the strategy of the EU towards enlargement, there is a special focus  on South East Europe. Subsequently, the territorial cooperation between the Member States  and the candidate and potential candidate states in this area is financed jointly by the Instrument for Pre-Accession Assistance (IPA) -Cross-Border Cooperation component- and the ERDF. The IPA implementing Regulation provides  that the IPA Cross-Border Cooperation programmes involving Member States will be managed according to similar rules to the European Territorial Cooperation objective. Eight out of ten IPA CBC programmes are currently managed in a shared management mode, meaning they follow rules similar to those of Structural Funds programmes (financial control rules and processes, the principle of single management bodies, programme management cycles, etc.). Two IPA CBC programmes between Member States and IPA Beneficiary countries are run under transitional approach until all administrative conditions for full shared management are met.. . For this reason IPA CBC programmes between Member States and Candidate-Potential Candidate Countries are dealt with by the Territorial Cooperation Unit of DG Regional Policy (and in case of transitional approach jointly with DG Enlargement). Therefore they must be considered as part of the European Territorial Cooperation objective and they fully belong to the INTERACT target group. INTERACT Point Vienna is focusing on these IPA CBC programmes.

For both ENPI and IPA, INTERACT II provides a flexible interface in order to maximize the benefits of mutual information and communication flows and provide services for those programmes. This allows the establishment of information and communication flows with actors and stakeholders involved in all programmes, experience sharing and cross-fertilization.

INTERACT ENPI focused on providing reliable and practical guidance on management and implementation issues related to ENPI CBC programmes. Its services were demand-driven and target-orientated, with seminars and conferences held across the ENPI programme area, and extensive information available on the INTERACT website.

The INTERACT ENPI service was provided via INTERACT ENPI Point North in Turku, Finland within INTERACT Point Turku, and INTERACT ENPI Point South in Florence, Italy, within the Regional Government of Tuscany. The INTERACT ENPI project was launched in October 2008.

In 2008 INTERACT ENPI organised a conference in close cooperation with the EC Services of EuropeAid Cooperation Office and the RCBI project on the "Main management challenges for ENPI CBC", in Marseille on 17 and 18 November. 126 participants representing all 13 ENPI CBC programmes discussed the main management challenges of the ENPI CBC programmes in four workshop sessions: joint management structures, calls for proposals, implementation and evaluation and verification. A separate workshop session was organised to gather the needs of the programmes towards the INTERACT ENPI project.

INTERACT ENPI gathered the needs of the ENPI CBC programmes in four actions: sending needs assessment forms to programmes prior to the Marseille launching event, organising a needs assessment workshop as part of the launching event, gathering interest assessment forms from the launch event participants and direct discussions with programme representatives in order to verify information gathered from the forms.
INTERACT Point Vienna kept a focus on the services needed by the IPA CBC programmes between Member States and Candidate-Potential Candidate Countries. In 2008 NTERACT Point Vienna organised an Advisory service "IPA Thessaloniki meeting with the Greek MA". It was one day event, in which 15 participants took part.

Moreover, INTERACT established also cooperation mechanisms with regard to communication and information concerning all relevant activities of DG Regional Policy, in particular in relation to Territorial Cooperation.
Additionally, strong links will be build with the network programmes ESPON and URBACT, as well as with the activities carried out with the initiative "Regions for Economic Change", in order to reach all stakeholders in search of excellence in inter-regional knowledge transfer, networking, dissemination of good practice and policy shaping.

## 2.7 Monitoring arrangements

The Managing Authority and the INTERACT Secretariat were ensuring the quality of the implementation of the INTERACT II Programme. The Managing Authority carried out monitoring by reference to financial indicators and the indicator framework. Due to the nature and focus of INTERACT II it was necessary to develop a limited set of aggregate indicators which reflect the general objectives of the programme. The INTERACT Secretariat collected the relevant data with the support of the INTERACT Points. The information formed the basis of regular inputs on the strategic discussion at programme level.

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

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

This implied that monitoring and evaluation activities emphasised upon qualitative aspects, mainly referring to the question "to what extent and in what way the output of the programme was effectively used by the target groups". Furthermore, the impact indicators had exclusively qualitative character. They were explored by periodic surveys and focus groups.

# 3. Implementation by priority

## *Introduction*

## a) Focus on the INTERACT structure

As a first step, many efforts were made by the INTERACT Points and Secretariat to set up structures, working procedures and cooperation framework for INTERACT.

To report on the INTERACT structure, the following order will be followed:

a) The Monitoring Committee and National Contact Persons Meeting.
b) The INTERACT Managing Authority.
c) The INTERACT Points and the Secretariat staff.
d) The Coordination and management functions.

- The Monitoring Committee and National Contact Persons Meeting

The Monitoring Committee is the decision making body of the Programme, as stated in art. 63 of Regulation 1083/2006 and art. 14 of Regulation 1080/2006. It ensures the overall quality and effectiveness of the implementation of the Programme and provides with the strategic vision of the INTERACT activities.

Members of the Monitoring Committee are the representatives of the Member States, as well as Switzerland and Norway, the EC, the MA and the INTERACT Points, whereas the EC, the MA and the INTERACT Points and the Secretariat attend the meetings with their advisory capacity.

The first Monitoring Committee took place on 19 May in Lisbon. It was also the first forum organized by new Managing Authority – Bratislava Self-Governing Region and it was mainly related to the Management and Control System of INTERACT II, as well as the changes to Membership Agreement. The second Monitoring Committee was organized in Ljubljana on 20 – 21 November to present and discuss the work plans for the second semester of 2008 and for the year 2009, as well as the strategic direction and next steps of INTERACT programme with the representatives of the Member States.

In addition to the Monitoring Committee, an informal network of representatives of the participating countries, the National Contact Persons (NCP), was set up and the first meeting took place in Ljubljana and will be organized on a regular basis from 2009 on (see Point 3.1.3 / d).

- The INTERACT Managing Authority

Many efforts were made by the Managing Authority to set up structures, working procedures and cooperation framework of the INTERACT at national and international level.

Following to this decision of the Monitoring Committee, the MA has carried out enabling (supporting) activities as described in the Operational Programme, Chapter 4.1.
Based on the fact, that no financial sources for MA staff have been included under Priority 2, the Monitoring Committee in Lisbon (May 2008) approved the certain structure of the MA (1 full time employee, 2 part time employees as programme managers and 1 finance manger partially financed by Priority 1). These activities were translated in more detail into a Multi-Annual Work Programme (MAWP) and Annual Work Plan (AWP) for the 2008 year. Moreover the budget line – "fixed activity budget" for this purposes has been created. In order to provide coherence and coordination of the actions taken in the programme, salaries of the MA staff under this budget line have been financed.

The organisational structure of the MA has been approved by the MC members in Ljublana (November 2008) as well.

To main coherence and coordination of the actions are as follows:

- Adoption of the Government resolution No. 283/2008 on the appointment of the relevant institutions (MA, CA, AA) to the implementation of the OP INTERACT 2007-2013.
- Establishment of the adequate control system in accordance with Article 16 of Regulation No:1080/2006 including audit trail.
- Establishment of the efficient system of internal financial control.

- The INTERACT Points and the Secretariat staff

Even if the INTERACT Points and Secretariat offices continued their activity from the INTERACT I, some major changes occurred:
- The Managing Authority, in agreement with the staff of the secretariat, decided to move the secretariat from Vienna to Bratislava.
- Secondly, both at the INTERACT Secretariat and at the Points, there was a high staff turnover, due to the uncertainties at the end of INTERACT I. The Points Vienna and Viborg as well as the Secretariat kept about 50% of their previous staff members, while Valencia and Turku kept only one-two persons (see below).
- The Point Turku moved its office, as well as changed hosting institution.
Therefore many efforts were needed to set up the offices for the period 2007-13. including new contracts and office arrangements for the new staff.

The INTERACT Points had to be set up for the period 2007-13. In some cases, staff from INTERACT I remained in the various teams so as to ensure the continuity and *acquis* of the programme. In addition, some new staff have joined each of the IPs and Secretariat.

All the recruitment procedures were published on the INTERACT website and other major international websites. The applications came from different countries of the European Union and on the basis of the published profile and selection panels composed of representatives of the Managing Authority, Interact Secretariat and Interact Points (as well as Interact Monitoring Committee members where relevant),  candidates were separately pre-assessed, short listed and agreed on the basis of clear and transparent selection criteria.

The majority of staff members of INTERACT were recruited in the first half of 2008, even though this process was finalized in late 2008:

- IP SECRETARIAT. There were new recruitments for four members of the team, the Team Assistant, the Quality Assurance and Knowledge Manager, the  Information Officer and the External Relations Officer. The Head of the Secretariat, the Deputy Head, the Communication Manager and the Project manager were already working for INTERACT I. The Deputy Head and the Project Manager resigned in late 2008.

- IP TURKU. During the summer in IP TURKU there were new recruitments for three members of the team, two Project Managers and a Project Officer and efforts were made to ensure the smooth start-up of activities and effective delivery of services. In addition IP Turku consists of INTERACT ENPI project, the INTERACT ENPI Point North office, where staff allocation is 2 FTE per annum. The division of work for two staff members is 50/50% between these two lines of operation. The coordinator and a project manager were already working for INTERACT I.

- IP VALENCIA. The 6 members of the IP Valencia team were recruited in 2008 (one person was already working for INTERACT I),), even though 2 of them joined in early 2009. The coordinator started working in September and two officers joined in October and November.
- IP VIBORG. There was a recruitment to employ a project manager as a temporary replacement and she started on 01.12.2008. Two new fulltime staff have also been employed but started their duties after the period covered by this report. Three staff members and the coordinator have worked also for INTERACT I.

- IP VIENNA. During June 2008, IP Vienna selected the IPA project manager, another project manager and an administrative officer and recruited them by the end of October. Two project managers and the coordinator have worked also for INTERACT I.

- The coordination and management functions

The coordination of the INTERACT Programme is ensured by the INTERACT Secretariat, which operates closely with the Managing Authority and the INTERACT Points in order to support the coordination and management functions. The main coordination task of the second semester 2008 was to set up the new INTERACT Programme Management Structure and to enhance the development and delivery processes identified in the INTERACT 2007 – 2013 Operational Programme and Multi Annual Work Programme documents. The main activities in this period were related to the organisation of four Coordinators Group meetings, two Communications Group meetings, one Finance Group meeting as well as one Team Building Meeting.

- INTERACT Coordinators Group. The first Coordinators Group meeting took place in Bratislava on 18th April and it was focused on the description of steps to be undertaken in INTERACT II from the new Managing Authority of the programme. The aim, objectives and requirements of both the new Certifying and Audit Authorities were also presented. The second COOG meeting took place on 4 – 5th September in Bratislava focusing mainly on the programme's set up and priorities for the next period, Annual Work Plan 2009, the status of National Contact person nomination and priorities until the end of the year with a focus on Communication and Knowledge management. The third meeting was organized via telephone conference on 31st October and the last one took place on 17th December in Missenden Abbey (Great Britain) as a side event of the team building event. Discussion was concentrated on the audit system and requirements introduced by the Audit Authority. Attention was given also to content groups and their ways of operations as well as on the status on the event planned in 2009 for Knowledge Management and start up of the activities in the field of quality assurance.

- INTERACT Communications Group. INTERACT has also organized meetings of the Communications Group (Vienna 5.3.08 –preparatory activity-, Bratislava 2.9.08, Great Britain 16.12.08), which is composed of the staff in charge of communication in each IP and the Secretariat. Programme communication matters were discussed in these meetings and then sent to the Coordinators' Group for approval.

- INTERACT Finance Group. A Finance Group meeting , composed of the INTERACT project managers responsible for financial management issues, took place in December 2008 and focused on planning to update and revise already existing tools and to provide additional training packages and modules on irregularities, recoveries, public procurement, etc

- Team Building Meeting. The Interact Secretariat organized a Team Building Meeting in December 2008 in order to discuss strengths and learning from each other and analyze weaknesses with the aim of sharing analyses and finding joint solutions on the opportunities and threats to achieve the INTERACT programme goals. All INTERACT Points participated and in mixed groups the participants created an INTERACT SWOT analysis which was discussed in detail. Later short and long term INTERACT goals were discussed. A presentation about cultural differences was provided to ease communication between the INTERACT points and to create a higher level of awareness of cultural differences.

## 3.1 Priority 1: Service Development and Delivery

## 3.1.1 Achievement of targets and analysis of the progress

As stated in the INTERACT Programme and the Multi Annual Work Programme (MAWP), the need for services and responses to the target groups by INTERACT has to be closely related to the regional area in which they are delivered (Regional approach) and refer to specific themes of interest to the relevant Cooperation Programmes (thematic approach). The regional approach ensures that each IP delivers its services according to the needs of its own geographical area. The thematic approach refers to the current priorities in the management of Cooperation programmes. Finally, the commitment to a shared approach with full cooperation between all parts of the INTERACT structure guarantees the consistency and quality of all INTERACT activities.

INTERACT Points' activities may be EU-wide or zone specific. The first ones are events open to any interested stakeholder in the EU (and associated countries). The zone specific events are limited to the stakeholders of the relevant area.

The MAWP lists a series of themes that are of interest for the Cooperation Programmes. Good governance practices, capitalization of INTERREG, Strategic Programme Planning, Programme Management, Financial Management, Project Management, Project Support, Audit and Control, Monitoring and Evaluation, Communication, External Cooperation are the relevant subjects detected. In 2008, Capitalisation, Programme Management, Financial Management, Communication, Control and Cooperation were covered by the INTERACT services, as will be summarized in sections 3.1.3 and the following.

As stated in the MAWP, the core activities of the INTERACT Points are conferences, learning events (seminars, workshops, thematic networks), specific advisory services, lab groups and pilot networks. Studies and publications can also be produced, as well as guides and information features. In addition, the INTERACT Programme implements its own communication strategy, which implies not only the communications system, but also publicity and information material. Transversal issues, such as communication, quality and knowledge management are led by the INTERACT Secretariat and implemented together with all INTERACT Points.

In addition, the geographical and the demand-driven approaches required specific actions. Therefore, each IP created a specific network with the programmes of its zone in several ways. These networks are in some cases more formal, with nominated persons with coordination tasks (case of IP Vienna) or more informal, based on specific events (case of IP Valencia) or on direct contacts with the programmes (IP Turku, IP Viborg).

Moreover, the Operational Programme classifies the activities of INTERACT in four main packages: Information Resources (basically the written guidance provided to INTERACT target groups in the form of handbooks, online tools, etc.), Cooperation (basically the training, events and seminars, networking activities, etc.), Dissemination and Publicity (according to the communication strategy of INTERACT) and Quality Management.

In the next sections all the INTERACT activities will be reported thematically. In this period, activities were mainly related to Cooperation (networking events, exchange and transfer), even if Quality Management has started to be implemented – see below. Dissemination and Publicity will be covered in section 5. The services were delivered by the INTERACT Points and Secretariat between 1.7.2008 and 31.12.2008. All INTERACT services and activities targeted to the INTERACT stakeholders are financed under priority 1. This means that all INTERACT Points activities are included, as well as the activities addressed to the INTERACT target groups by the INTERACT Managing Authority and Secretariat. The information on the physical and financial progress of priority 1 are described in section 2 above (Overview of the Implementation of the Operational Programme).

As per the Operational Programme of the INTERACT Programme, Chapter 4.1 the INTERACT Secretariat undertakes activities within Priority One in the following areas:

- Information and resources - development of new and upgraded tools
- Dissemination and Publicity
- Quality Management

## a) Focus of the INTERACT services

Most of the services provided by the INTERACT Points focused on INTERREG III programme closure and the start-up procedures for the new programmes, which were the man issues for programmes in the second half of 2008.

To report on the activities of INTERACT, the following structure will be followed:

a) Network coordination.
b) Services on financial management.
c) Services on programme and project management.
d) Capitalisation of former INTERREG III experiences.
e) Quality in content and delivery.

- Network coordination

Besides the regional approach, IPs also have a thematic approach, which requires the creation of specific networks that can be of formal or informal nature.

The networks created by INTERACT are essential to embed the programme and its activities in the European Territorial Cooperation environment. Networks members are persons responsible for a European Territorial Cooperation programme in a specific area (regional approach) or for a specific programme management topic (thematic approach: finance - communication etc.) of different programmes.

For each network, a needs assessment on the services to be delivered to the relevant stakeholders was performed. This needs assessment exercise served as a basis for the design of the forthcoming activities, mainly for 2009.

IP TURKU held specific meetings with the programmes in its zone in order to discuss their needs in depth and build cooperation and a platform for the new initiatives. Networks were initiated for Heads of Secretariats, Managing Authorities, Audit Authorities, Certifying Authorities. In addition ther are theme-based networks for communication and capitalisation, programme management, evaluation and assessment. Furthermore, the work with the EU Strategy for Baltic Sea region has progressed and the support from Member States in the region was significant. A special laboratory group has been created.

IP VALENCIA organized a conference for the South Network on 25 and 26 of November in Valencia. Representatives of the JTS of the programmes in the area attended the event, together with some member States and the European Commission.

IP VIBORG established on-going contacts with the programmes in its zone and ran an online survey in September in order to detect their needs. The online needs assessment was offered to all programmes in the zone and has helped establish and develop contacts with the programmes. There have been on-going contacts and follow-up meetings with a number of programmes since then.

IP VIENNA set up the Regional Network of the South East Zone during a specific event in Vienna on 29 and 30 of September. Nominated representatives of the majority of the 28 programmes of the zone attended the meeting, together with the Programme Secretariat and the European Commission. The meeting was also the occasion to discuss strategic issues and thematic links for the CBC programmes such as with JASPERS.

Besides that, the INTERACT National Contact Person (NCP) network was set up and launched at the Monitoring Committee in Lubljana. Members of this network are national coordinators of the European Territorial Cooperation programmes, not necessarily the same members of the INTERACT Monitoring Committee. The activities of the NCP network will be an informal platform for participating countries to discuss the contents of the INTERACT Programme, as well as major issues related to the European Territorial Cooperation objective as a whole. Working papers and action plans for INTERACT will be the major outcomes of the NCP activity

- Services on Financial management

These services refer to the Cooperation package mentioned in the OP. Only the paper on State Aid, the guidance paper on public procurement and the concept paper on International Audit Standards refer to Information Resources package.

The INTERACT target groups, all the authorities responsible of European Territorial Cooperation programmes, have to fulfil the general Structural Funds regulation requirements, as well as specific requirements. They have to effectively achieve the programmes objectives and still ensure sound financial management. One of the main challenges in the programme financial management is to adapt the rules set by the regulations to the multinational
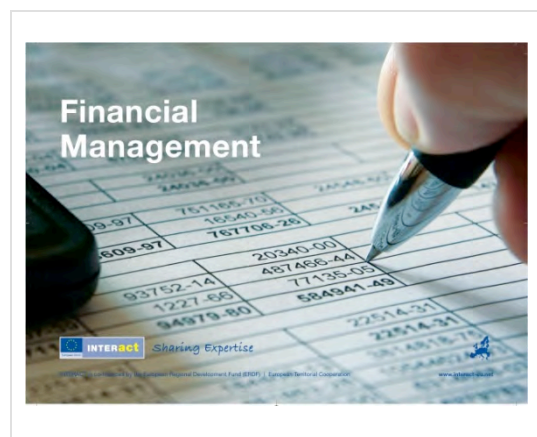
nature of the Cooperation programmes, where different national systems come together. Therefore the main needs expressed by the target group are within the financial management theme.

- *INTERREG III programme closure procedures*

Based on a request of the European Commission and of the INTERREG III programmes, 5 consultation days on programme closure with the European Commission were organized in close cooperation with the European Commission:

- Copenhagen, 18.10 IP Viborg and IP Turku
- Thessaloniki 30.10 IP Valencia, with the participation of IP Vienna
- Rome 22.10 IP Vienna, with the participation of IP Valencia
- Budapest 04.11 IP Vienna
- Madrid 06.11 IP Valencia

These workshops were mainly zone-based. IPs organised the logistics, chaired the morning sessions and facilitated the afternoon session (Q&A session), providing answers to participants questions and opening the floor for the European Commission for additional contributions when needed. In some of these events, each programme was offered a bilateral consultation with a European Commission closure expert. This consultation was focused on the expenditure to be declared at closure, potential problem areas and corrective actions still possible before 31 December 2008. Part of the day was used for wider discussion on closure related issues addressing both financial aspects and programme achievements as reflected in the final report. There was also a discussion of actions to promote the transfer and long-term sustainability of the best project results. Discussion included 'world cafe' style sessions so participants could focus on the issues that interested them most. The workshops were highly appreciated by participants and by the staff and Director of DG Regional Policy of the European Commission

Written outcome of these seminars: Q&A paper which was submitted to the European Commission and integrated in the Commission's formally published list of questions and responses.

Other INTERACT services on financial management focused on the needs of the programmes at this preliminary stage of set up. In total 6 events on financial management were delivered and tackled:

- *Programme financial management*

IP Vienna, in cooperation with IP Viborg, organized a seminar on programme financial management in Bratislava, the 1 and 2 of July 2008. The main aspects of financial management were covered, from all relevant structures and their functions to audit and control, eligibility of expenditure and even financial project management.

Several of the advisory services delivered by IP Viborg focused on financial management and allowed filtering of the information presented to the needs of one target group and time for in-depth discussion of specific problems.

- *Management and Control Systems requirements*

The requirement of the management and control system description is new for the programmes and was set to ensure that programmes plan and establish sound management – control and audit systems at the very beginning. To support the programmes with this issue a seminar was organized by IP Vienna, in cooperation with IP Viborg, the European Commission DG Regional Policy and the Ministry of Regional Development and Public Works, Bulgaria. The seminar took place in Sofia on 9 of July. The specific IPA requirements were also part of the agenda. In addition to this seminar, an online workshop on Article 71 was organised by IP Viborg. The drafting of the Management and Control Systems was one of the main concerns of cooperation programmes during 2008 and INTERACT supported them in this.

Furthermore, IP Turku delivered an Advisory service on Article 71, in Tallinn, Estonia, focusing on the problems presented by the Estonian Managing Authority and Audit Authority of EE-LV programme in drafting the Article 71 description. IP Viborg also delivered advisory services on Article 71.
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- *First Level Control*

One of the main challenges for European Territorial Cooperation programmes and projects is the more significant role of nationally designated controllers. The experience gained in the 2000-06 period from audits carried out by Second Level Control, the European Commission and the European Court of Auditors have revealed that the key element in programme financial management and control remains the primary control i.e. First Level Control.

IP Vienna organized a workshop on this subject in Bregenz, the 25 and 26 of September 2008, focused on the applicability of international audit standards in FLC and interactive exercises on eligibility of expenditure, where 41 representatives of programmes participated.

A concept paper on international audit standards was produced and sent out to all participants of the seminar, as well as published in the INTERACT website.

A seminar on 'First Level Control and Eligibility in Territorial Cooperation Programmes' was run by INTERACT Point Viborg and INTERACT Point Turku providing input on the rules and regulations. There were group discussions and hands-on approach to eligibility and control of project expenditure during the case study exercise. Specific reference was made to documents issued by the Commission (e.g. Commission interpretative notes on advanced payments by beneficiaries, on contracts below full public procurement threshold, Commission position on programme retention of last 5% of project funds before closure, etc.) and to the existing FLC documents developed by the programmes.

Furthermore a seminar on "First Level Control and Eligibility in Territorial Cooperation Programmes" was delivered two more times by IP Turku in Warsaw, Poland. The main focus of those events was on: FLC in the past, reasons for criticism, changes required by the new regulations and MS role in setting up improved FLC systems, European Commission Guidance Document on Management Verifications, the link between first level controllers and other programme bodies, how to practically deal with challenges of carrying out FLC in Territorial Cooperation projects and Controlling compliance with EC horizontal priorities.

Additional specific advisory services were delivered by IP Viborg. The new requirements for the organization of first level control were highlighted in all these events, as well as how to ensure its optimal performance in cooperation programmes.

- *State aid and public procurement issues*

IPs Viborg and Vienna, together with EC – DG Regional Policy and DG Competition organized a seminar on State Aid and Public Procurement on 13 November 2008 in Brussels.

IPs These two subjects have been most demanded by programmes and stakeholders in order to clarify how they work in the context of cooperation programmes. State Aid in particular generates major concern as its national nature is very difficult to adapt to multinational programmes and projects.

IP Viborg together with the EC worked on an extensive paper on State Aid applied to cooperation programmes. Besides, a guidance paper on public procurement was issued by IP Vienna.

- Services on Programme Management



INTERACT delivered services to help programmes and authorities set up their structures and prepare the first calls for projects as all programmes are in this development phase. These services had the form of seminars and advisory services and they all belong to the Cooperation package, except for the update of the EGTC Handbook, which belongs to the Information Resources package. The themes covered were:

- *Programme management*

IP Vienna met the Greek authorities in charge of the setting up and management of the IPA CBC programmes to discuss on overall implementation requirements.

What concerns EGTC, IP Vienna organized a seminar on EGTC the 23 and 24 of October in Rome. The growing interest in this topic in some member States was confirmed during this seminar.

In addition, the Handbook on EGTC was regularly updated by IP Vienna.

*- Project management and support*

Several seminars were organized on this crucial subject in view of the new programming period and the new rules.

IP Turku organized one in Vilnius focusing on some of the key aspects of multinational project such as the programme context, the project lifecycle, idea generation & partnership development, project development and application, project kick-off, implementation and closure.

IP Vienna organized two seminars in Sofia, focused the Lead partner principle and strategic project generation.

In addition, IP Viborg organized advisory services to several target groups and programmes. Aspects covered ranged from project generation to assessment and implementation/management, and the lead partner principle was especially discussed.
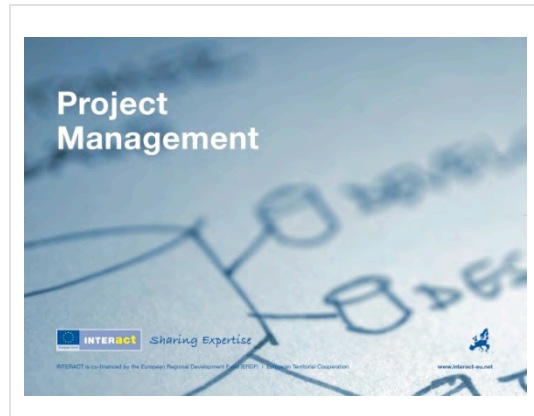
- Capitalisation of former INTERREG III experience

    *KEEP (Knowledge and Expertise in European Programmes)*

INTERACT is developing a new tool which will provide more comprehensive information on European Territorial Cooperation than ever before. KEEP is an online tool and internet portal containing comprehensive information on all European Territorial Cooperation projects. Its aim is to support programme management in many aspects; communication, project management, even evaluation. But the most important aspect is its potential to capitalise on results. KEEP is becoming the most visible initiative of the INTERACT programme as a Europe-wide and inter-programme process that involves the capturing, documenting, processing and transferring of information into knowledge, enabling all bodies involved in cooperation to capitalise on the vast experience gained throughout the European Union.

During 2008 the INTERACT Secretariat created a new database that will include and compare information on projects approved and link all cooperation projects to each other, across strands, themes, and programming periods (2000-2006 and 2007-2013). The main purpose is the development of a web database able to demonstrate the good results achieved and the continuity of the INTERREG strand, through gathering information on projects from the past period and this will provide information on the work carried out and the organisations involved in the past period. The INTERREG III database contained by the end of 2008 circa 10.000 projects. This will be used to highlight project achievements and results.

The potential of KEEP and the growing interest among all stakeholders meant that INTERACT was required to participate in several events to deal with knowledge management. First of all, INTERACT had a specific workshop at the Open Days (October 2008) and it was also present at the geographic network meetings of the IPs and some external events. For instance, IP Vienna participated at the CADSES Closing Conference, held the 24th and 25th of November 2008 in Venice. Regional and local authorities of Central and South European zones attended the event, where the KEEP initiative was presented. In addition, IP Viborg presented KEEP at the ERRIN knowledge management workshop, held in Brussels on 9 of October.

- Quality in content and delivery

The INTERACT Secretariat produced a Quality Assurance strategy paper, which introduced the main concept of Quality Assurance in INTERACT and will be closely linked to knowledge management activities rather than an audit function that measures performance against predefined standards. The Quality Assurance paper defined the system and methodology to ensure that the services delivered by

the Interact programme can be measured in terms of relevance and impact in order to achieve the objectives set by the Operational Programme and Multi Annual Work Programme.

Quality Assurance in INTERACT will not be overly mechanistic or over reliant on indicators, since it is generally understood that such measures do not give a realistic answer as to whether any particular service has any tangible impact, particularly when dealing with the transfer of knowledge and its implementation.

An appropriate definition for INTERACT is a system and methodology to ensure that our products and services (what we deliver - MAWP definition) as well as processes (how we deliver them – also MAWP) enable us to achieve our objectives (OP and MAWP definition).  To put it simply it is a system of evaluation of our products, services and processes to measure relevance (need), and impact. Given that a systematic analysis of needs is being undertaken by the IPs, impact assessment will be lead by the IS.

The new system should be relatively simple to use, but consistent with good practice in monitoring and evaluation processes.  As a first output of the Quality Assurance paper the Secretariat defined a range of qualitative approaches – including focus groups, structured questionnaires and interviews with a selection of programmes - in order to assess some of INTERACT's 2009 actions (meetings, events etc.), defining a clear framework of quality goals to be achieved through standards easily measurable for meeting stakeholders' demands and raising quality awareness in the programme.

A new proposal for an enhanced indicator framework was also provided by the Secretariat elaborated on the basis of the Operational Programme and Multi Annual Work Plan. This indicator framework is the product of a working process which involved the very active and engaged participation of all the INTERACT points. The indicator harmonisation exercise has been undertaken, translating the activity/output and result indicators which are already in use by the INTERACT Programme  into a more coherent and comparable suite of indicators. The framework should help in 2009 to ensure a foundation of coherent factual information is in place for ongoing monitoring and reporting, and for subsequent evaluation.

## 3.1.2 Qualitative Analysis

INTERACT Points identify quality and user satisfaction as a top priority. Therefore the Points invested considerable effort in the evaluation of activities and their impact on working practices in 2008. Evaluation was carried out on the basis of a framework set out from the beginning and was aimed to secure an effective measurement of programme performance.

Evaluation included tools such as evaluation forms and surveys but also general procedures for assessing and improving quality and impact. However, the content focuses not only on tools for regular assessment of performance but also on monitoring and evaluation as a key input for strategic adjustment of the programme.

General statistics of the actions implemented by INTERACT Points in 2008

|  | IP Turku | IP Vienna | IP Valencia | IP Viborg | Total number of events |
|---|---|---|---|---|---|
| Number of seminars and workshops | 3 | 10 | 2 | 6 | 21 |
| Number of Advisory Services | 1 | 3 | 1 | 13 | 18 |
| Number of conferences | 1 | 1 | 0 | 0 | 2 |
| Number of e-Workshop | 0 | 0 | 0 | 1 | 1 |

| | IP Turku Participants/ day | IP Vienna Participants/ day | IP Valencia Participants/ day | IP Viborg Participants/ day | Total Participants /day |
|---|---|---|---|---|---|
| Seminars and workshops | 144 | 310 | 83 | 341.2 | 878.2 |
| Advisory Services | 6 | 15 | 0 | 490 | 511 |
| Conferences | 24 | 71 | 0 | 0 | 95 |

Evaluation of the above listed events was taking into consideration satisfaction related to:

• The selection of topics.
• Quality of presentations.
• Effectiveness of the discussion sessions.
• Usefulness of information learned (in relation to the work performed by participants).
• As well as the overall organisation and availability of the essential documents.

Based on the outcomes of those evaluations following results were obtained:

| | IP Turku | IP Vienna | IP Valencia | IP Viborg | Total |
|---|---|---|---|---|---|
| % satisfied participants | 76.97% | 89.5% | 60.5% | 98.67% | 81.41% |
| % partially satisfied participants | 23.03% | 10.5% | 39.5% | 1.33% | 18.59% |

All participants assess highly the content of the events and consider the topics covered as very interesting. Another point strongly emphasised as very effective and useful are the discussions during the seminars, workshops and advisory services. There is no doubt that always all the essential documents were available, and when some additional were required they were sent after the event. Many participants (up to 97% at some events) declared that they will use the knowledge gained in their work.

Considering the evaluation of organisational aspects of the events, for most participants the overall organisation was good (up to 99% of participants). Furthermore the same opinion was shared with regard to the ambience, which was considered comfortable and professional.

Participants appreciate a lot the atmosphere of the seminar, openness of the trainers and their willingness to answer questions and interactive method of training. They find most useful the examples from project implementation, other programmes etc., interpretation of problems, and practical approaches to the subject, as well as the case studies and simulation exercises done during the events. The opportunity to meet colleagues from other programmes is also extremely valuable. Those aspects and high marks of the events show high quality of the service delivered.

Beyond events such as seminars, workshops, advisory services and conferences also event materials were prepared, which are essential to the success of the events. 8 new sets of materials were prepared by INTERACT Point Viborg. The nature of these materials continues to vary as for some events there is little more than presentations and for others extensive case studies and large numbers of background documents are available. All of them are considered very useful by participants.

Additionally INTERACT Point Viborg produced an extensive paper on State Aid in the cooperation programmes and continued to update the contents of the handbooks. The State Aid paper, when finalised, should hopefully provide significant clarification and new information for many programmes. Handbooks will hopefully be broken up into shorter sections and moved online so that updates do not affect the whole material. Our documents continue to be used widely but new versions are needed.

INTERACT Points have provided services for Transnational Programmes (a fair reflection of the balance of different types of programme within the objective) and Cross Border Cooperation Programmes. Definitely Italian programmes were the most active in the events organised by

INTERACT, as around 13% of participants were Italian with participants from Poland, Belgium, France, Rumania and Germany the next most numerous. From the countries belonging to the European Union, Luxembourg, Ireland Cyprus, Estonia and Portugal took part in INTERACT events to a much lesser extent (a reflection of relatively small populations and proportionally limited numbers of staff working on programme implementation).[1]

Furthermore, following the INTERACT assessment of service needs for cooperation programmes covered by a questionnaire with 15 themes as topic areas, all the financial issues were the most crucial for the programmes. Most of the events organised by INTERACT Points therefore concentrated on financial aspects such as 'Financial Management' and 'First Level Control'. As far as the nationality of Financial Managers is concerned, the majority of them were coming from France (then Hungary, Poland, Germany), as for the Programme Managers, the majority came from Italy followed by Latvia and Hungary.

## 3.1.5 Significant problems encountered and measures taken to overcome them

Not only the approval of INTERACT II, but also the appointment of a new Managing Authority and new structures to be set up, had an impact on service delivery. In addition, the full elaboration of the Management and Control Systems description( MaCS), which includes the control systems for each IP, was not finished in 2008. It will be in 2009. This delay has had an impact on the service delivery, as some IPs have as a result had to carefully limit spending. This problem should be solved in 2009, when the MaCS is approved.

The whole programme structure had to wait until the continuity of the staff and services was confirmed before new activities could be planned. The Monitoring Committee held in May in Lisbon agreed on the main issues to confirm the continuity of the programme, and from that moment on the recruitment of new staff started in every IP and the Secretariat. Nevertheless, some newly recruited staff members had to delay their start at IPs (e.g. due to contracting and labour law procedures), but all could start during 2008 or beginning of 2009.

Accordingly, some of the planned activities could not take place because of the programme environment: The services on knowledge management, for example, had to wait for the set up of the KEEP project by the INTERACT Secretariat's newly recruited knowledge manager. The IPA services had to wait for the recruitment of the new IPA programme manager. Despite this, preparatory activities could start (KEEP data entry, e.g., IPA meeting).

Aside from these management complications, the greatest challenge lies undoubtedly in the activities of the programme. The very existence of INTERACT is a recognition of the additional demands of cooperation and the new regulatory environment has created a need for a previously unparalleled level of coordination between programme, regional, national and European authorities. It is fair to say that this process has worked better in some cases than in others and that during 2008 many participants have come to the events with a growing sense of frustration at the bottlenecks creating delays in programme implementation. While an exchange of views and experiences may offer some part of the solution to this kind of situation, the ultimate answer lies in the willingness of all programme stakeholders to fulfill their commitments in a full and timely manner. This, unfortunately, is often beyond the scope of INTERACT to influence.

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[1] The following list represents the countries participation rate (percentage) in INTERACT 2008 events: *13% Italy, 9% Poland, 7% France, 6% Romania, Germany and Hungary, 5% Spain Latvia and Belgium, 4% Bulgaria and Slovakia, 3% Lithuania, Austria and Denmark, 2% Slovenia, Sweden, Finland, United Kingdom and Netherlands, 1% Greece, Croatia, Czech Republic, Former Yugoslav Republic of Macedonia, Malta, Portugal, Serbia and Montenegro, Estonia, up to 1% Ukraine, Turkey, Cyprus, Ireland, Russia, Belarus, Switzerland, Moldova, Luxembourg, Guadeloupe, Tunisia, Albania and Guyana*

## 3.2 Priority 2: Technical Assistance

A full description of activities covered by Priority 2 (Technical Assistance) can be found in the Operational Programme. These activities were translated in more detail into a Multi-Annual Work Programme (MWP) and Annual Work Plan (AWP) for the 2008 year.

Under this Priority, Managing Authority and Office of the Government of the Slovak Republic expenditures have been financed (Travel Costs and accommodation MA, MC meetings, complementary salaries of the coordinator and finance manager).

Based on the fact, that no complementary salaries for MA staff have been included under this Priority, the Monitoring Committee in Lisbon (May 2008) approved the certain structure of the MA (1 full time employee, 2 part time employees as programme managers). Moreover the financial sources under the budget line - fixed activity budget within the Priority 1 have been allocated for these purposes. The organizational structure of the MA and the main responsibilities of MA have been presented to all MC members in Ljubljana (November 2008) as well.
Following to this decision of the Monitoring Committee, the MA has carried out enabling (supporting) activities as described in the Operational Programme, Chapter 4.1.

The information on the physical and financial progress of the priority 2 are described in the section 2 (Overview of the Implementation of the Operational Programme). Please see also paragraph 4.1

## 3.2.1 Achievement of targets and analysis of the progress

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

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

The main MA activities (please see section 4 'Technical Assistance for more details) are as follows:

- Preparatory activities and setup of the system structure (Set up (hand over) of the Joint Technical Secretariat).
- Memorandum of Understanding between Slovak Government and BSGR (MA) signed.
- Decentralised implementing bodies/project owners – Interact Points (IPs) contracted.
- Membership Agreement with Member States signed.
- Multi-annual Work Plan/Joint Annual Work Plan elaborated and approved.

Other practical arrangements undertaken in 2008 by the MA:

- Advance payment for Managing Authority, Secretariat and Points in cooperation with Certifying Authority in order to start the activities of the Programme.
- Set up of Management and implementation system in the Slovak Republic:
- Government resolution No. 672/2008 on the Management and Implementation System of the Operational Programme INTERACT 2007 – 2013, version 1.0, approved by the Slovak government on 1st October 2008.

- Tender for the First Level controller finalised, contract with the controller of MA/IS expenditures signed with Ernst and Young Slovakia; contract commencement date on 15 November 2008.
- Communication Plan sent to European Commission approved by the EC on 13 November 2008.
- Annual Implementation Report 2007 sent to European Commission. Report acknowledged by EC on 6 November 08 and approved.
- Audit compliance assessment - Kick off meeting on 10 October 2008 - (auditing company – Deloitte, s.r.o. Slovakia).
- Audit compliance carried out from 10 October – 3 November 2008.
- Final report submitted to the MA by Deloitte Slovakia - 18 November 2008
- AA informed EC about the audit report with reservations towards the MA and the AA
- on 4 December 2008.
- Information from the Audit compliance assessment provided to the MC members at the MC session in Ljublana (21 November 2008).Preparation of audit assessment documents for the AA:
- Description of Management and Control System prepared by the MA including information on control system used in the hosting institutions of relevant IP hosting countries.
- Internal Manual of Procedures of MA/IS.
- Audit Trail.
- Submission of the audit assessment documents for the AA on 29 December 2008.
- NCP strategy.

Total planned funds for 2008 for technical assistance are planned in the total amount of 233 853 €. The total claimed amount is 54 503,88 €. These funds were used to cover the activities of MA and ARE, which are presented in the items of complementary salaries, ensuring the preparation and implementation of the Monitoring Committee and travel expenses, overheads and staff. Individual items in the utilization of technical assistance funds are expenditures for ensuring the activities of Certification and Audit authority.

A function of IS deputy was abolished and activities, mainly from the area of financial management has been transferred to the responsibility of MA.
The CA has not claimed any expenditure in year 2008.
The AA activity is focused on the programme compliance assessment according Art. 71.

## 3.2.2 Qualitative analysis

The MA has been supported the effective coordination and coherence of the programme activities in cooperation with management and implementation structure of the OP 2007-2013.

The INTERACT target group, the European Territorial Cooperation objective programmes, are expected to contribute to the:

- Lisbon and Gothenburg strategies, launched by the European Council and reinforced in the Community Strategic Guidelines (CSG)
- National Strategic Reference Frameworks (NSRF).

This stronger strategic approach means, in practice, that programmes will have to:

- Raise the strategic orientation and the quality of coordination and coherence of actions;
- Focus on main themes of cooperation.
- Establish synergies between European Territorial Cooperation and national and regional programmes, the "Regions for Economic Change" initiative.
- Build up good governance and capacity.

General statistics of the actions implemented by INTERACT Points in 2008 are described in the Section 2 and 3.

## 3.2.3 Significant problems encountered and measures taken to overcome them

The sound management of the Programme and the assurance of high quality in delivery were provided through defined working groups with clear competencies and related working processes. There were not any significant problems encountered.

# 4. Technical Assistance

The total eligible budget for technical assistance amounts to  2 128 537 EUR. The budget is split between INTERACT Secretariat and Managing Authority. Costs for Certification Authority and Audit Authority so as costs for Monitoring Committee meetings and controller´s activities, travel costs and complementary salaries are also included in the budget.The funds available for technical assistance amounts to 6% of the total ERDF and national contributions to the programme.

The main MA activities were as follows:

a)  Preparatory activities and setup of the system structure

On the basis of the INTERACT Monitoring Committee's decision of 4 March 2008, the function of the Managing Authority for the INTERACT operational programme is carried out by the Bratislava Self-Governing Region. On the basis of the above-mentioned decision, the Slovak Republic (the "SR") was granted the competence to manage the transnational operational programme for 27 EU member states including the Kingdom of Norway and the Swiss Confederation. As the first country among the new member countries, the SR was entrusted with the management of a transnational operational programme aimed at an improvement of programme implementation within the European Territorial Cooperation objective.

On 7 May 2008, SR Government Resolution No. 283/2008 approved the document "Proposed Entities to Be Involved in the Management and Implementation of the INTERACT Programme within the European Territorial Cooperation Objective for the Programming Period 2007 – 2013 in the SR".

The present document was implied by item B.4 of the above Resolution and the main objective of the draft Management and Implementation System of the Operational Programme "INTERACT" for the Programming Period 2007 – 2013 was:

- In a transparent manner, to inform about the legal framework governing the operational programme implementation.
- To characterise operational programme management structures.
- To describe the operational programme implementation system.

The objective of the document was to set the basic implementation rules, the Managing Authority being obliged to ensure the application of these rules in contractual relationships with beneficiaries. INTERACT 2007 – 2013 is part of the Structural Funds objective "ETC" according to Article 6(3) of Regulation (EC) No 1080/2006 of the European Parliament and of the Council. INTERACT is about good governance, with specific regard to the complexity of the ETS objective programmes. The operational programme capitalises on the vast pools of expertise in the fields of regional development, cross-border cooperation, transnational cooperation, interregional cooperation and network programmes developed through INTERREG in the EU Member States. The ultimate purpose of INTERACT is to provide support to the stakeholders to implement European Territorial Cooperation programmes more effectively and efficiently since good governance is identified as the key challenge for European Territorial Cooperation.

The INTERACT Operational programme was submitted to the European Commission by the Federal Chancellery of the Republic of Austria on behalf of all EU Member States. The programme has been elaborated taking into account the experiences from INTERACT I and in close consultation with all relevant national authorities and institutions. The operational programme was approved by the European Commission on 4 December 2007. In order to achieve the ultimate purpose of INTERACT, programme stakeholders will concentrate their activities on the real needs of the stakeholders in European territorial cooperation programmes.

The target groups of the INTERACT programme are the institutions and bodies set up around Europe to manage European Territorial Co¬operation programmes, above all Managing Authorities and Joint Technical Secretariats as well as Monitoring Committees and National Contact Points, Certifying Authorities and Audit Authorities. Intermediate bodies and regional supporting structures also make part of the target groups of the Programme.

The main focus of INTERACT will be set on the following:

- Generating and sharing knowledge among the stakeholders of the target groups identified.

- Contributing to the improvement of procedures and tools to achieve a high level of quality in programme implementation; spreading good governance approaches to interested target groups.

b) Memorandum of Understanding between Slovak Government and BSGR (MA)

With reference to the fact that INTERACT is a transnational operational programme, its implementation in the practice requires inevitable coordination steps to ensure the tasks at the governmental and intergovernmental levels. On the basis of the above, the SR Government, in its Resolution No. 283/2008, approved a Memorandum on INTERACT II Implementation, in which it authorised the Section of the Deputy Prime Minister of the SR for Knowledge Society, European Affairs, Human Rights and Minorities to represent the SR Government in this matter so that the implementation of the operational programme is fully ensured and general coherence and fulfilment of the programme is achieved in accordance with the commitments with respect to the European Commission. The activities of the Section of the Deputy Prime Minister of the SR are financed under priority axis 1 from the MA's budget.

The main tasks in accordance with INTERACT as approved, items 3.2.3, 3.2.4, at the intergovernmental level:
- Coordination of programme implementation at the level of 27 member states and EEA states at the intergovernmental level.
- Coordination of programme implementation in the field of intergovernmental bilateral relations at the intergovernmental level.
- Representing the SR Government at sessions of transnational monitoring committees, at EC sessions concerning programme management.
- Coordination of IPA accession countries in programme implementation at the intergovernmental level.
- Coordination of non-member states (ENPI) in programme implementation at the intergovernmental level.

c) Set up (hand over) of the Joint Technical Secretariat

The Managing Authority, after consultation with the Member States represented in the programme area, set up a Joint Technical Secretariat. The latter shall assist the Managing Authority and the Monitoring Committee, and, where appropriate, the Audit Authority, in carrying out their respective duties. The Managing Authority concluded contracts with the Secretariat staff.

d) Decentralised implementing bodies/project owners – Interact Points (IPs)

The INTERACT POINTS (Point TURKU, Point VALENCIA, Point VIBORG and Point VIENNA) were selected as part of the preparation of the Operational Programme. Their continuing compliance with Community and national rules is ensured through the submission and assessment of AWPs, national control procedures, IS and MA evaluation of the reports submitted every six months and, if necessary, additional control visits by programme authorities. Moreover, due to the structure and procedures of the INTERACT programme, all beneficiaries meet programme authorities approximately once every two months at Coordinator Group meetings, the Monitoring Committee (where beneficiaries take part as observers) or in programme working groups. As such, there is a constant update on expected activities and the MA has frequent opportunities to ensure their compliance with all relevant rules and conditions.

IPs carry out activities according to the approved MAWP and AWP based on actual needs of the target groups of the OP INTERACT

e) Beneficiaries

Hosting Institutions in frame of each the INTERACT Points, as decentralised implementing bodies, were set up: the functions formally assigned to the IPs are specified in the Subsidy Contract (the standard implementing agreement according to EC Regulation 1080/2006 paragraph 15.2). IPs carry out activities according to the approved MAWP and AWP based on actual needs of the target groups of the OP INTERACT. Subsidy contracts with Hosting Institutions for IPs was signed.

The programme implementation Subsidy Contract was signed with the institutions hosting the INTERACT Points (IPs) as follows:

- IP Turku (FI) - Ministry of Employment and the Economy, Regional Development Unit, P.O. Box 32, Mikonkatu 4, 00032 Government Finland, 10 July 2008.

- IP Valencia (ES) - Generalidad Valenciana, Conselleria de Economia, Hacienda y Empleo, Dirección General de Economía, 01 August 2008.
- IP Viborg (DK) – Danish Enterprise and Contruction Authority, Vejlsoevej 29, DK 8660 Silkeborg, Denmark, 16 July 2008.
- IP Vienna (AT) – Vienna City Administration, Municipal Department 27, EU Strategy and Economic Development, Schlesingerplatz 2/2, 1082 Vienna, 22 October 2008.

Nevertheless, no functions corresponding to any of those of the Managing Authority as described in the Operational Programme (Chapter 5.3) has been delegated. In other words, the role of the MA is to ensure coherence and efficiency of the Programme through sound financial management and effective coordination. These responsibilities and corresponding functions have not been delegated.

f) Membership Agreement with Member States

Agreements with respect to the operational programme implementation between the EU member states taking part in INTERACT 2007 – 2013 and the Bratislava Self-Governing Region as the MA and the Ministry of Finance of the Slovak Republic as the CA and AA are set out the Membership Agreement between the EU Member States (hereinafter referred to as Member States) participating in the INTERACT 2007-2013 programme and the Bratislava Self-governing Region as Managing Authority and the Ministry of Finance of the Slovak Republic acting as Certifying Authority and as Audit Authority, on the Implementation of the Operational Programme "INTERACT 2007 – 2013".

On 23 June 2008 Agreements were sent to the 27 member states plus Norway and Switzerland for signature.

Countries that have not signed the Membership Agreement yet (by 30th June 2009) are: the Netherlands, United Kingdom, Portugal, Greece, Norway.

g) Multi-annual Work Plan/Joint Annual Work Plan

All operations of the programme are approved within the Multi Annual Work Programme (MAWP) as well as Annual Work Plans of the IS and IPs, both of which are subject to Monitoring Committee Approval. No projects, per se, are implemented within the programme. Annual Work Plans of the IPs and IS are devised based on stakeholder needs analysis (regional and national contact persons, Member States and the Commission). The resultant activity and budget plans are then reviewed by the MA and IS for consistency, by the INTERACT Coordinators Group for harmonization, and then these are aggregated to form a Programme Work Plan for the year ahead (including themes to be covered, types and numbers of products and services to be delivered - and corresponding budget - for the whole of Europe as well as for specific zones).

Final version of the MAWP was approved by the MC in Lisbon (29 May 2008).

The AWP for the second semester was approved by the MC in Ljubljana (21 November 2008).


## 4.1 Explanation of use made of technical assistance

Total planned funds for 2008 for technical assistance (MA/IS) amounts to 233 853 EUR. Total TA claiming in 2008 amounted to 54 503,88 EUR, which represents 23,30% of the total 2008 planned budget and 2,56% of the total budget planned for TA in the period 2007-2013.
The information below shows the share of individual budget items. CA and AA are not included in this overview. Activities of CA and AA were made from own resources. The request for payment was submitted in 2009.

| Managing Authority | 32 296,45 | 59,25% |
|---|---|---|
| Programme Secretariat | 13 007,98 | 23,87% |
| Certifying Authority | 0 | 0% |
| Audit Authority | 0 | 0% |
| FLC (controller) for MA/IS | 0 | 0% |
| MC meetings | 7 429,20 (including preparatory costs) | 13,63% |
| Others | 1 770,25 | 3,25% |

The MA spending represented 59,25% of the total 2008 TA costs. These included mainly salary costs for the MA staff and travel costs for Coordination groups and attending meetings and MC meetings. Some costs that occurred during 2008 were not, due to invoicing and administrative procedures, paid until 2009 and are not included in this report.

Despite of the fact that low disbursement of the TA budget has been spent, the management activities financed through Priority 2 were realised. The real spending of the TA budget has been carried out in Second Semester of the 2008 year, after the sources has been sent from CA. The next reason of low spending of TA budget was caused due to the fact, that some invoices and travel costs have been paid in the first Quarter of the 2009 year.

## 4.2 Percentage of the amount of the Structural Funds contribution allocated to the operational programme spent under technical assistance

The total allocation of ERDF to the INTERACT programme 2007-2013 amounts to 1 809 257 EUR. The claimed amount for TA 2008 amounts to 54 503,88 EUR. This represents 3,00% of the total ERDF allocation for TA.

# 5. Information and publicity

## 5.1 Measures taken to provide information and publicity on the INTERACT Programme

### 5.1.1 INTERACT Programme Secretariat

*The INTERACT Programme's communication strategy.*

The INTERACT Secretariat has developed the Communications plan on the Managing Authority's behalf and is responsible for its implementation in cooperation with the INTERACT Points whose function is described in Chapter 5.3 of the Operational Programme.

The aims of the INTERACT Programme Communication Plan is:
- to inform the target audience about the opportunities offered by INTERACT and to support the target audiences in reaching the objectives set out in their communication strategies where appropriate.
- to set up the necessary external communications platforms and strategies for the accomplishment of the above and make them available to the target audience as appropriate.
- to set up the necessary internal communications platforms and strategies involving all members of the INTERACT managing system for the accomplishment of the above and make them available, through training or instructions, as appropriate.
- to facilitate communication within the organisational structure/management system of the INTERACT Programme

This plan is meant for twofold usage – as a strategic document, guiding and ensuring effective communications against a sound backdrop of actions and also as an operational document feeding into the daily work of the programme.

The horizontal task of communications is integrated across programme activities and in each office, this document sets the tone for this integration and aims to provide the framework for cross-overs to other areas (e.g. quality assurance, knowledge management, capitalisation etc.). As a complement to this plan, a separate communications strategy for the integration of the INTERACT ENPI component will be developed in conjunction with INTERACT Point Turku .

In accordance with article 3 of Commission Regulation (EC) No 1828/2006, the European Commission has examined the compatibility of the Communication Plan with Article 2(2) of Regulation (EC) 1828/2006 and confirmed that the Communication Plan contains all the obligatory elements and meets all of the requirements of Article 2(2) of Regulation (EC) No 1828/2006. As a result, the Communication Plan was approved by the EC on November 2008.

*Description of the dissemination and publicity activities*

During the second semester a lot of efforts were put into building good relationships with stakeholders of the programme. The new INTERACT website which was launched in September 2008 and The INTERACT newsletter is now published three times per year, focusing on a particular theme

in Territorial Cooperation. The INTERACT newsflash is sent out regularly to all contacts in the Contact Database in order to ensure a flow of information to stakeholders in between newsletters. INTERACT Monitoring Committee Updates are sent out regularly to all Monitoring Committee members. In terms of networking activities the INTERACT Secretariat was involved ensuring active participation in some of the INTERACT events as well as participating in different external events in order to present the Knowledge Management initiative 'KEEP'. Additionally the dissemination and publicity activities were based on the development of the disseminators database that has been developed by the INTERACT Secretariat but is used by the whole programme. The publicity material was produced by the Secretariat both for its own use and for that of the INTERACT Points

- *The INTERACT website*
The INTERACT website was launched in September 2008 providing regularly updated news and events sections concerning both INTERACT in particular and European Territorial Cooperation in general.

It also includes thematic sections on topics including programme management, EGTC and IPA, an ENPI section, and extensive documentation relevant to stakeholders.
The website is managed from the INTERACT Secretariat, with final responsibility for editing and uploading but all IPs have been provided with passwords and can upload their own news and event announcements.



Several new features have been added since the website's launch, including my.interact which allows users to set their own bookmarks and leave comments and suggestions, a European Territorial Cooperation search engine, a section on KEEP, a jobs and experts listings page and staff profiles

- *INTERACT Newsletter*
The INTERACT newsletter is published three times per year, focusing on a particular theme in Territorial Cooperation, and aiming to give a more extensive and in-depth perspective from a number of different angles. In each issue we aim to include articles by actors from different levels, including the European Commission, the national level and programmes.

It is sent out to all contacts in the Contact Database, as well as published on the INTERACT website. The Communications Group is responsible for setting the direction of the newsletter and formulating ideas for content and the INTERACT Secretariat is responsible for its final editing. It is intended to compliment the website and shorter newsflashes.



- *INTERACT Newsflash*
The INTERACT newsflash is sent out regularly to all contacts in the Contact Database in order to ensure a flow of information to stakeholders in between newsletters. It includes information on upcoming events, news from the programme and publications.

- *Knowledge Management concept paper*

A concept paper on the Knolwedge Management initiative was elaborated by the INTERACT Secretariat in September 2008 order to define the strategy, objectives and expected outputs of the KEEP (Knowledge and Expertise in European Programmes) initiative.

This document, provided in English and French, describes how the INTERACT Knowledge Management tool will act as a platform to support the programmes in increasing efficiency and effectiveness and to improve the exchange of information, experiences, and good practices among the European Territorial Cooperation community.



- *External events participated in*

The INTERACT Secretariat ensured active participation in some of the events implemented by the Interact Points like the ENPI Conference, Joint Challenges Conference, the Regional Network and the South Conference Network as well as in relevant external events as the Territorial Cohesion Conference (Paris), the Open Days 2008, the 4th User Group meeting and the IIIA CBC SO FAR seminar. In most of the mentioned event the Secretariat also provided specific presentation and material concerning the KEEP initiative.

- *Disseminator database*

The disseminators database has been developed by the INTERACT Secretariat but is used by the whole programme. It serves as a list of contacts with notes on their reliability and speed in publishing news, which can be used for all mailings regarding events, publications and other programme news. It currently has three main sections: the Territorial Cooperation community (including webmasters from all A, B and C programmes with websites), all Euro Info Centres and wire services. A fourth section with local press contacts in Bratislava is currently being developed. The disseminators database is regularly used by the INTERACT Secretariat and the INTERACT Points, and is regularly updated as new contacts or new information on existing contacts becomes available

- *Contact and expert database*

The contact database now has 7 950 contacts, and is used for publicity and dissemination including the newsflash and newsletter. It is used by all INTERACT Points and managed by the INTERACT Secretariat. Incorporated into it is the Event Registration Tool meaning that we get as many as possible of those attending INTERACT events onto our mailing lists.

- *Corporate identity*

INTERACT's corporate identity provides standardised templates for events and external communication. This includes PowerPoint slides, sign-up sheets, letterheads, event agenda, welcome letter and factsheets.

- *Support to INTERACT ENPI Points*

INTERACT Secretariat provided support to the ENPI project, by offering a space for programmes within ENPI on the INTERACT web site. Relevant informations from the programmes, including the actual needs were published on web, based on request from ENPI counterparts. Various features of a future cooperation with ENPI have been discussed; planning ENPI sub-page on the INTERACT web and cooperation in preparation of INTERACT Newsletter, by preparing articles when chosen theme is relevant for both sides. Creation of databases of programmes and projects from Neighborhood cooperation from years 2004 - 2006 established a base for future database sources to be offered to ENPI programmes

## 5.1.2 INTERACT Points

INTERACT Points, with the tool of the Communication group meeting (one staff member per IP participating), contributed to the overall communication strategy and activities of the programme.

3 issues of the newsflashes and newsletter were sent to all target group - contacts of the database (over 4000) and numerous web updates were carried out. 1 newsletter was developed by the Communications group with IS coordination (on programme closure), published in November and 2 newsflashes were developed by the Communications group with IS coordination, 1 in September and 1 in December.

IPs were also focused on regularly updating the website. In particular they announced events and posted event documentation and made a series of proposals for the structuring of the website, including for the new website.

Additionally IPs collected the OPs of the programmes and placed them on Confluence, in view of later web publication if deemed necessary. IPs and IS worked on the update and cleaning of the INTERACT I glossary, in view of its publication on the INTERACT website.

INTERACT Point Turku put a lot of efforts into building good relationships with stakeholders in the zone. One of the main events was participation in the major Swedish Conference InterReg Forum 08 in October 2008. INTERACT Point Turku was present with an exhibition for two days and also arranged one workshop and gave a speech in another workshop during the InterReg Forum 08. Additionally, INTERACT Point Turku also was asked to participate in several national InterReg meetings both in Sweden, Estonia and Finland both to learn about needs from programmes and tell about the services INTERACT can offer.

Additionally, INTERACT Point Turku has invested time into building a good platform for collaboration on Communication initiatives with the programmes in the zone. The project manager for Communication and Capitalisation started up a network with Communication officers in the zone. As a part of this initiative he also participated in the INFORM meeting in Brussels in the end of November and chaired a workshop session on Communication issues in ETC programmes.

INTERACT Point VIENNA issued also a flyer for its own programmes regional network which was distributed on 29-30 September.

In December 2008 IP Vienna drafted a flyer presenting the main objectives and activities for its workplan 2009. This flyer was sent out to the members of the regional network, the European Commission, INTERACT Points and INTERACT Secretariat and City of Vienna. 70 exemplars.

Based on the on-going evaluations of its services IP Vienna analysed its achievements and summarized the lessons learned and challenges from INTERACT I.

## 5.2 Indicators on information and publicity

The communications indicators were set at the beginning of 2008 as a means of establishing the effectiveness of new and existing INTERACT communication tools and strategies.

The tables here display both the programme's target on each indicator, and the result achieved. In some cases figures are not available.

Most targets have been met, and many surpassed. The website in particular has produced many impressive results.

However it is also the case that in some areas the programme's communication strategy has fallen short. In all cases, this can be attributed to the upheavals experienced in the programme last year, with the moving of the Secretariat from Austria to Slovakia, and the delays in planning and implementation that such a move caused.

Despite this all areas of INTERACT's communication strategy are now up and running, and we expect to improve on our indicator results in 2009.

| INDICATORS 2008 | | |
|---|---|---|
| **OUTPUT INDICATORS** | | |
| **INTERACT Website** | | |
| % documents available compared to those produced. | Achievement | N/A |
| | Target | 95% |
| Number of pages published (INTERACT related). | Achievement | 180 |
| | Target | 150 |
| Number of pages published (ETC related). | Achievement | 320 |
| | Target | 50 |
| Number of updates per month. | Achievement | 398 |
| | Target | 100 |
| Number of external links of interest | Achievement | 141 |
| | Target | 100 |
| **INTERACT Newsletter/Newsflash** | | |
| Number of issues produced per year | Achievement | 1 |
| | Target | 3 |
| Number of articles per issue | Achievement | 6 |
| | Target | 5 |
| **INTERACT Promotion** | | |
| Number of activities | Achievement | 24 |
| | Target | >3 |
| Number of publications | Achievement | 0 |
| | Target | >1 |
| Number of external events participated in | Achievement | 2 |
| | Target | >2 |
| Number of mailings | Achievement | 10 |
| | Target | >5 |
| **INTERACT Communications System (Internal indicators)** | | |
| Number of logins | Achievement | |
| | Target | |
| Number of active CDB users | Achievement | All |
| | Target | All |
| Number of contacts included in the CDB per IP | Achievement | 300 |
| | Target | 50 |
| Number of Communications Group members | Achievement | 6 |
| | Target | 6 |
| Number of online surveys | Achievement | 1 |
| | Target | 4 |

## 5.3 Statistics for INTERACT website in 2008

*Visitors*
Total number of visitors and total number of unique visitors per month.

| Month | Visitors | |
|---|---|---|
| | Total | Unique |
| September | 35 634 | 4 293 |
| October | 49 742 | 5 055 |
| November | 41 399 | 5 233 |
| December | 20 654 | 2 793 |
| Average | 36 857 | 4 344 |

*Attention span*
Bounce rate per month, indicating the number of users who access the site and then immediately leave again, and the average number of pages per visit.

| Month | Attention span | |
|---|---|---|
| | Bounce rate | Pages per visit |
| September | 12% | 8.3 |
| October | 10% | 9.8 |
| November | 13% | 7.9 |
| December | 14% | 7.4 |
| Average | 12.25% | 8.35 |

**Users of INTERACT Website by Country**
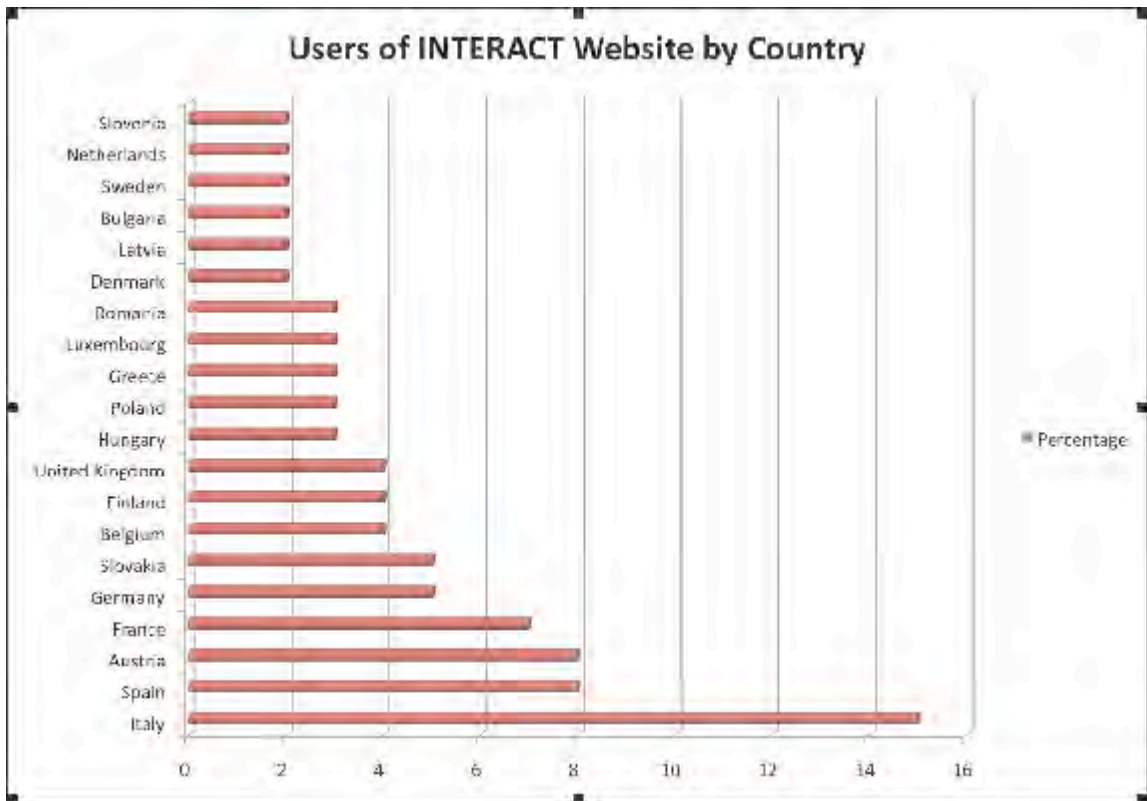
This graph represents all countries over 1% of the total, which is defined "regular users" as according to the indicators in the Communications Plan.

# Annex 1

INTERACT II 2007-2013 Communication Plan